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Third District

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MICHAEL D. ANTONOVICH
Fifth District

July 29, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TRANSFER OF RESPONSIBILITY FOR THE SAN FERNANDO, DOWNEY AND GLENDALE COURTHOUSES AND SUBSEQUENT TRANSFER OF TITLE TO THE STATE OF CALIFORNIA (THIRD, FOURTH AND FIFTH DISTRICTS) (3 VOTES)**

## SUBJECT

This letter recommends Board approval of three Transfer Agreements and three Joint Occupancy Agreements to effect the transfer of responsibility for the Superior Court's share of, and subsequent transfer of title for, the San Fernando Courthouse, the Downey Courthouse and the Glendale Courthouse. The second, third and fourth of approximately 50 transfers, this change will alleviate the County's current responsibility to provide, operate, and maintain space for the Superior Court in the San Fernando, Downey and Glendale areas.

## IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the recommended actions are categorically exempt from the provisions of the California Environmental Quality Act (CEQA).

2. Approve and instruct the Chairman to sign the three Transfer Agreements with the Judicial Council of California for the transfer of responsibility for the Superior Court's share of facilities operations at the San Fernando Courthouse, the Downey Courthouse and the Glendale Courthouse, all effective October 1, 2008, and title to the entire San Fernando and Downey Courthouse properties to the State of California after the current bonded indebtedness is relieved, approximately

December 1, 2016, and title to the Glendale property to the State of California once title work is complete on that property.

3. Approve and instruct the Chair to sign the three Joint Occupancy Agreements setting the terms and conditions for the shared use of the courthouses by the County and the Superior Court, along with the other State parties.

4. Approve and instruct the Chief Executive Officer (CEO) to sign the Quitclaim Deeds, which will be approved as to form by County Counsel, substantially similar in form and content to that included as Exhibit B to each Transfer Agreement, at the appropriate time.

5. Instruct the Auditor-Controller to make quarterly installments of the County Facilities Payment associated with each of the three facilities, to the State Controller in accordance with the Government Code for transferred facilities and the instructions of the State Controller, as follows: 1) for the San Fernando Court facility, $432,449 for 2008-09, and $576,599 for subsequent years; 2) for the Downey Court facility, $332,309 for 2008-09 and $443,079 for subsequent years; and 3) for the Glendale Court facility, $295,170 for 2008-09 and $393,560 for subsequent years, as these amounts may be adjusted by the State Department of Finance to account for changes in the rate of inflation up to the date of transfer.

6. Instruct the CEO to assign any agreements for third-party tenants if the responsibility for those agreements is transferred to the Judicial Council under the Transfer Agreements, and to terminate those agreements that cannot be reassigned.

7. Authorize the CEO to execute any other documents necessary to complete the transfers, and to implement their purposes, upon approval as to form by County Counsel.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Lockyer-Isenberg Trial Court Funding Act (AB 233, Chapter 850 of the Statutes of 1997) transferred the obligation for funding of court operations from the counties to the State, along with an annual maintenance-of-effort payment by each county, and established a process for developing legislation for the transfers of personnel functions and facilities in later years. In 2000, SB 2140 (Chapter 1010 of that year) made changes to the personnel structure, so that the State became responsible for hiring, classification and compensation, and other personnel issues. Largely following the recommendations of the State Task Force on Court Facilities, the Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002) followed, establishing the authority for the transfer of the final aspect of courts,

that is, the transfer of responsibility for court facilities from the counties to the State, with the State's interests represented by the Judicial Council of California.

The Trial Court Facilities Act (the Act) authorizes the State of California, through the Judicial Council, to assume the financial responsibility for the facilities operations (e.g., payment of utilities, building and grounds maintenance, permitting of equipment, and other building management functions) in the local trial courts. With "equal access to justice" as a key underpinning of the Act, the Legislature asserted that the State can best insure 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, which responsibility has largely been dictated by the non-County tenant, as well as of its obligations for future operational cost increases.

Despite diligent efforts on the part of the County, only the Long Beach Courthouse was transferred prior to the original deadline for transfer under the Act, which was June 30, 2007. Under the Board's direction, County staff worked alongside the Judicial Council's staff agency, the Administrative Office of the Courts (AOC), and the other counties to secure passage of AB 1491 (Jones, Chapter 9 of 2008), which extends the transfer period through December 31, 2009.

County work on the transfers of all 50 court facilities is virtually complete, including efforts related to assessment and documentation of present conditions, including space and parking allocations, providing information to the AOC in support of their due diligence process, calculation of the annual County Facilities Payment (CFP), negotiation of general terms and conditions of transfers, and drafting of a "template" agreement. The remaining transfers will be submitted to your Board for approval as the agreements are completed by the AOC.

**Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we provide the public with beneficial and responsive services (Goal 1), and that we strengthen the County's fiscal capacity (Goal 4). The transfer of the San Fernando, Downey and Glendale Courthouses to the State will support the County's efforts to maintain court services in the three areas to the benefit of the public, while at the same time, limiting the County's exposure to inflationary cost increases in future years.

## FISCAL IMPACT/FINANCING

The Act requires that, for each court facility transferred, the County develop and certify a CFP, which is the maintenance-of-effort payment. The CFP is intended to approximate the amount that the County has historically expended for facilities operations costs associated with the Superior Court's share of each courthouse, including payment of utilities, building maintenance, permitting of equipment, grounds maintenance, certain property claims and losses, and management of leases and licenses with third-party tenants in the Superior Court's area. To calculate the CFP, actual costs incurred during a five-year base period were adjusted for inflation, and the average used as the basis for the payment. Because inflation to the date of transfer can only be estimated, the Act provides that the calculated CFP amounts may be adjusted, on a one-time basis, for the actual rate of inflation, once it becomes known.

After transfer of responsibility for the State's share of each facility, and payment by the County of the CFP, the State and the County will each be responsible for their respective shares of all facilities operations costs.

The Joint Occupancy Agreements (Attachments B, D, and F) for the transfer of each of the three courthouses provide that the County will retain the duties of the Building Manager at least through the end of 2009-10. During the period where the County acts as Building Manager, the State will pay the County for its share of the facilities operations costs, out of the CFP payment made annually by the County, and from additional State funding as needed. As the years go by, the State will be responsible for all cost increases that may occur in their share of facilities operations, and the County's responsibility for the State area will remain at the original level, via the CFP payment.

### San Fernando Courthouse

For the San Fernando Courthouse, the Auditor-Controller developed and certified a CFP payment of $576,599, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of $432,449.

In the San Fernando Courthouse, the State will become financially responsible for facilities operations in the 83 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 17 percent of the Courthouse that houses the District Attorney, Public Defender, County-funded Sheriff Civil Management services, and other miscellaneous County spaces, as well as the County's share of the common area.

Downey Courthouse

For the Downey Courthouse, the Auditor-Controller developed and certified a CFP payment of $443,079, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of $332,309.

In the Downey Courthouse, the State will become financially responsible for facilities operations in the 84 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 16 percent of the Courthouse that houses the District Attorney, Public Defender, and other miscellaneous County spaces, as well as the County's share of the common area.

Glendale Courthouse

For the Glendale Courthouse, the Auditor-Controller developed and certified a CFP payment of $393,560, which we have presented to the AOC. The AOC has reviewed the amount for accuracy, approved it, and submitted it to the State Department of Finance for final approval. Because responsibility is transferred effective October 1, 2008, the County will make only three of the required quarterly payments, for a total in 2008-09 of $295,170.

In the Glendale Courthouse, the State will become financially responsible for facilities operations in the 91 percent of the Courthouse that houses the Superior Court and the State-funded Sheriff security services, as well as the areas leased or licensed to Superior Court-related tenants, and the Superior Court's share of the common area. The County will continue to be financially responsible for facilities operations in the 9 percent of the Courthouse that houses the District Attorney, Public Defender, and other miscellaneous County spaces, as well as the County's share of the common area.

General Fiscal Information

The AOC worked with counties to develop forms and instructions for the CFP, which instruct the County to use the Auditor-Controller's Countywide Cost Allocation Plan amounts as the cost basis. As summary amounts, several of these costs have been allocated across the various courthouses based on a formula, rather than on actual expenditures by courthouse; thus, the amounts included in the CFPs are not exact. In order to lessen the risk to the County and to the State, for 2007-08 and 2008-09, while other courthouses are in process of being transferred, the County will bill, and the State will pay, an amount based on the CFP, rather than on actual costs, for facilities operations

services rendered by the County to the Superior Court, except utilities which will be paid by the State based on our actual costs of utilities incurred at each courthouse.

In addition, because the County does not traditionally purchase property insurance, and is therefore not making a property insurance payment as part of the CFP, the County will instead indemnify the State for certain "insurable" property losses in excess of $10,000, as long as the County retains building management responsibilities. In our experience, such property losses have rarely occurred in courthouses. Because the San Fernando and Downey Courthouses are bond-financed, the County is insuring the buildings, and the State may participate in the County's insurance coverage, including coverage for earthquake, by participating in the premiums. The AOC has not informed the County of their decision whether to participate in the County's insurance for these two courthouses.

The list of insurable losses that the County is indemnifying excludes earthquake damage at the San Fernando Courthouse only. Under SB 10 (Chapter 444 of 2006), earthquake damage becomes the responsibility of the State for buildings such as San Fernando which are rated at "Seismic Level IV." In accordance with SB 10, the County will continue to remain responsible for all real property losses associated with any seismic event at both Downey and Glendale Courthouses. Prior to the passage of SB 10, these courthouses did not meet the State's criteria for "seismic performance," and thus could not be transferred at all. SB 10 allows for the transfer of most courthouses that do not meet the State's criteria, as long as the County retains the responsibility that it would have had for seismic-related property losses if the facilities had not transferred.

There will be a recommendation in your Board's Supplemental Resolution on the 2008-09 Budget, or later in the year, to adjust appropriations among various General Fund budget units to accommodate the new financing structure, with no net County cost impact.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002, as amended by later statutes) authorizes the County to enter into agreements for the transfer of responsibility for and title to court facilities, as well as the joint occupancy of those court facilities. The Transfer Agreements (Attachments A, C and E) and Joint Occupancy Agreements (Attachments B, D and F) have been approved as to form by County Counsel. The Cities of San Fernando, Downey and Glendale have been provided notice of these transfers pursuant to Government Code Section 65402.

San Fernando Courthouse

The San Fernando Courthouse property consists of:

- the main courthouse, which totals approximately 203,000 gross square feet (according to the County's property data base), comprising 17 courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices, a vacant cafeteria, and other miscellaneous spaces;

- surface parking on the grounds of the courthouse, with 33 secure and 162 other parking spaces, shared by the Superior Court and the County for staff and juror use; and

- two parking lots (Auto Parks 84 and 92) across the street from the courthouse, with 222 and 169 spaces, respectively, used for Superior Court and County staff, jurors and the public. Auto Park 84 is a revenue-generating lot.

The transfer does not include the vacant San Fernando Courthouse Annex, a separate building on the same block as the courthouse, along with 67 parking spaces, although the parking spaces will be made available on an interim basis until another use is determined for the vacant building.

San Fernando Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the San Fernando Courthouse" is included in this Board letter as Attachment A. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 83 percent of the San Fernando Courthouse that is the Superior Court's share of the facility.

- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, the vacant area of the cafeteria, the Self-Help Legal Access Center (licensed to Neighborhood Legal Services), and other areas used by tenants that are more closely aligned to the Superior Court than to the County services.

- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and the Sheriff for its Civil Management services.

- The State's share of the courthouse will include an 83 percent share of all common areas, such as lobbies, parking and grounds, except that the State will be 100 percent responsible for management of, and entitled to all revenue from, public parking in Lot 84, and the off-hours lease of parking spaces to the Pentecostal Assembly of Van Nuys. The County's share of the courthouse will include the remaining 17 percent share of all common areas.

- The County will transfer title to the courthouse and parking via the Quitclaim Deeds, which will be substantially similar to Exhibit B of the Transfer Agreement, upon maturity of the current bond financing, anticipated to occur on December 1, 2016, and after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deeds by the County Recorder. (It is anticipated that the Quitclaim Deeds will be signed by the Chief Executive Officer in mid-2016.)

- The County will retain a 13 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

<u>San Fernando Joint Occupancy Agreement</u>

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the San Fernando Courthouse" is included in this Board letter as Attachment B. Under the Joint Occupancy Agreement:

- The State will pay its 83 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.

- The County will pay its 17 percent share of all costs of facilities operations.

- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.

- The Internal Services Department (ISD) will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements

which are not considered repairs will be completed by ISD for the Superior Court areas, but only if funding is provided for those additional services.

Downey Courthouse

The Downey Courthouse property consists of:

- the courthouse, which totals approximately 104,000 gross square feet (according to the County's property data base), comprising seven courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices, and other miscellaneous spaces; and

- surface parking on the grounds of the courthouse, with 15 secure and 285 other parking spaces, shared by the Superior Court and the County for staff, juror and public use.

The transfer does not include an additional parking lot on the same Assessor's Parcel as the Downey Courthouse. The lot is used for the Public Library and occasionally for overflow juror parking.

Downey Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the Downey Courthouse" is included in this Board letter as Attachment C. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 84 percent of the Downey Courthouse that is the Superior Court's share of the facility.

- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, and areas used by tenants that are more closely aligned to the Superior Court than to the County services.

- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and Alternate Public Defender, the Probation Department and a Fourth District Supervisor's Field Office.

- The State's share of the courthouse will include a 84 percent share of all common areas, such as lobbies, parking and grounds. The County's share of the courthouse will include the remaining 16 percent share of all common areas.

- The County will transfer title to the courthouse and parking via the Quitclaim Deed, which will be substantially similar to Exhibit B of the Transfer Agreement, upon maturity of the current bond financing, anticipated to occur on December 1, 2016, and after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deed by the County Recorder. (It is anticipated that the Quitclaim Deed will be signed by the Chief Executive Officer in mid-2016.)

- The County will retain a 16 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

Downey Joint Occupancy Agreement

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Downey Courthouse" is included in this Board letter as Attachment D. Under the Joint Occupancy Agreement:

- The State will pay its 84 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.

- The County will pay its 16 percent share of all costs of facilities operations.

- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.

- ISD will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements which are not considered repairs will be completed by ISD for the Superior Court areas, but only if funding is provided for those additional services.

Glendale Courthouse

The Glendale Courthouse property consists of:

- the courthouse, which totals approximately 69,000 gross square feet (according to the County's property data base), comprising eight courtrooms and hearing rooms (with associated prisoner holding facilities, judicial chambers, jury rooms, and the like), Superior Court offices, County offices and other miscellaneous spaces; and

- surface parking on the grounds of the courthouse, with 152 parking spaces, shared by the Superior Court and the County for staff and juror use.

Glendale Transfer Agreement

The "Transfer Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Transfer of Responsibility for and Title to the Glendale Courthouse" is included in this Board letter as Attachment E. Under the Transfer Agreement:

- The County will transfer to the State responsibility for, and equity rights to, the 91 percent of the Glendale Courthouse that is the Superior Court's share of the facility.

- The State's share of the courthouse will include areas used exclusively by the Superior Court and by the Sheriff's Court Services Division security-related staff, and areas used by tenants that are more closely aligned to the Superior Court than to the County services.

- The County's share of the courthouse will include areas used exclusively by the County, including the District Attorney, the Public Defender and the Alternate Public Defender.

- The State's share of the courthouse will include a 91 percent share of all common areas, such as lobbies, parking and grounds. The County's share of the courthouse will include the remaining 9 percent share of all common areas.

- The County will transfer title to the courthouse and parking via the Quitclaim Deed, which will be substantially similar to Exhibit B of the Transfer Agreement, after approval of the title documents by the State Public Works Board, and recordation of the Quitclaim Deed by the County Recorder. (The Quitclaim Deed will be signed by the Chief Executive Officer following approval of the transfer of the Glendale Courthouse.)

- The County will retain a 9 percent equity share of the property for which title is transferred, such that, when the parcel is sold, and under certain other circumstances, the County will receive its share of the proceeds.

Glendale Joint Occupancy Agreement

The "Joint Occupancy Agreement between the Judicial Council of California, by and through the Administrative Office of the Courts, and the County of Los Angeles for the Glendale Courthouse" is included in this Board letter as Attachment F. Under the Joint Occupancy Agreement:

- The State will pay its 91 percent share of all costs of facilities operations, including building and grounds maintenance and utilities charges, except that, during 2008-09, State costs except utilities will be limited to the amount of the applicable portion of the CFP.

- The County will pay its 9 percent share of all costs of facilities operations.

- While the State has been officially designated the managing party for purposes of building management, the County has been delegated that responsibility for at least through 2008-09.

- ISD will provide services at substantially the same levels as it has in the past, including services in the County exclusive use areas, the Court exclusive use areas, and the common areas. Alterations and improvements which are not considered repairs will be completed by ISD for the Superior Court area, but only if funding is provided for those additional services.

Building Management Services to be Provided by ISD

Currently, ISD provides facilities operations services for all of the Superior Court facilities within the County. When the State is the majority user of a transferred courthouse, it has asserted the right to become the Building Manager, and to hire its own staff or contract staff to provide facilities operations to that courthouse. When all of the courthouses are transferred, it is estimated that up to 115 ISD staff would no longer be required. Rather than accepting a layoff of that magnitude, the County and AOC negotiators concurred on a "soft landing" for the transfer of facilities operations services.

The "soft landing" is as follows: 1) for at least the first two years after the first transfer (that is, 2007-08 and 2008-09), the County will retain all of the operations and maintenance responsibilities, subject only to our loss of those service responsibilities for default; 2) beginning in July 2009, the State will be able to assume operations and maintenance responsibility for up to one-third of the transferred courthouses, and in July 2010, up to two-thirds; and 3) it will be only in July 2011, at the earliest, that the State will be able to assume all responsibilities for these services. This negotiated agreement allows ISD to mitigate, to some extent, the potentially required reduction in its staffing. ISD management has already been working with the CEO and the Department of Human Resources to plan their hiring and workload, and to use temporary employees, so as to minimize the impact of a reduction that would naturally occur through attrition over a seven-to-ten-year period.

Third Party Tenants

Prior to the facilities transfer, the Superior Court has entered into service provider agreements or had service provider arrangements with a number of third-party tenants in

County courthouses. Upon transfer of responsibility, the County will no longer have any liability for those third-party tenants that occupy State exclusive use areas or common areas. Recommendation 6 authorizes the CEO to terminate any existing County agreements that are no longer our responsibility; it is our expectation that the State will execute replacement agreements with each of the tenants.

Sale of Courthouses

The Transfer Agreements anticipate the possibility that the State may vacate any of the courthouses being transferred, such as if a replacement courthouse is built. In such an event, the County would likely also vacate the old building, and be entitled to payment for its share of the equity in the property. Even prior to a sale, there may be reason that the parties agree that one party may purchase the other party's equity. Pursuant to the Transfer Agreements, the County's payment will be based on the fair market sales value, or if no sale has occurred, based on a shared appraisal of fair market value.

Differences from the Earlier Long Beach Agreements

The attached Transfer and Joint Occupancy Agreements differ from those approved by the Board in June 2007 for the Long Beach Courthouse in the following salient ways:

- The San Fernando and Downey Courthouses are subject to bonded indebtedness, and therefore, title will remain with the County for another eight years;

- The San Fernando Courthouse is rated by the State at Seismic Level IV, and therefore, the State becomes responsible for the Superior Court share of any seismic-related real property damage, whereas, Long Beach was rated as Seismic Level V, requiring the County to retain responsibility for all seismic-related damage to the building. (Both the Downey and Glendale Courthouses are rated as Seismic Level V.);

- The date that the Transfer of Responsibility is effective is delayed to the quarter beginning at least 45 days after Board approval, in order to more smoothly transition the transfer of agreements with third-party tenants in the Superior Court area;

- The period wherein the County charges the State for building and grounds maintenance based on the CFP, rather than on actual costs, is reduced from two years to nine months (although the period will end on June 30, 2009, which is the same as the ending date for the Long Beach adjusted-charge period);

- The Parties' equity rights (upon sale or anticipated sale of the property) have been clarified based on experience in the transfer of the County's Long Beach equity rights;

- The new agreements provide for Right of Entry permission and State assumption of associated liabilities, to allow a State contractor to drill for environmental testing, whereas in Long Beach, a Right-of-Entry Permit was executed separately by the CEO; and

- The new agreements clarify that Americans with Disabilities Act upgrades to court facilities that become necessary in the future due to future capital improvements or changes in courthouse usage are the responsibility of the State.

Plan for Additional Court Transfers

In anticipation of the passage of extending legislation, the County continued to work diligently with the AOC to complete all the analysis and documentation necessary to transfer all of our remaining court facilities as early as possible, in order to minimize the annual costs after transfer. Counties are penalized for all transfer delays, both through the rate of inflation to the date of transfer, and an additional penalty on counties for transfers completed after September 30, 2008, which penalty increases after December 31, 2008. It is anticipated that approximately 46 additional transfer agreements will be presented to your Board within the next few months, along with joint occupancy agreements for those courthouses where the County shares use of the courthouse. In most cases where the Superior Court is the majority tenant, the County will also be transferring title, either in the short term, or upon maturity of outstanding bonds.

Along with the Long Beach Courthouse, which transferred effective July 1, 2007, and the Glendale Courthouse in this package, three additional courthouses, the Huntington Park Courthouse, the Santa Clarita Courthouse, and the Alfred J. McCourtney Juvenile Justice Center (Old Lancaster Courthouse) are considered by the Judicial Council to be "Immediate Need" priorities for State capital outlay, and are expected to be among the earliest courthouses transferred. As a significant amount of documentation has been collected for the AOC on three of the leased court facilities, San Pedro Annex, Redondo Beach Courthouse, and Monrovia Warehouse, and because transfer of these leases should be relatively simple, it is anticipated that these facilities will also be transferred early. As the largest facilities, the County's flagship Stanley Mosk Courthouse and the Clara Shortridge Foltz Criminal Justice Center are also among the highest priorities for early transfer.

## ENVIRONMENTAL DOCUMENTATION

The recommended actions are categorically exempt from the provisions of CEQA pursuant to Section 15301 of the State CEQA Guidelines, since the courthouses are existing public facilities, and the recommended actions involve negligible or no expansion of use of those facilities.

## IMPACT ON CURRENT SERVICES (OR PROJECTS)

Inasmuch as the State will continue to operate the San Fernando, Downey, and Glendale Courthouses for court purposes, the transfer will result in no significant impact in the levels or quality of services provided to County constituents.

## CONCLUSION

Please return one adopted, stamped copy of this letter and two signed originals of each of the agreements to the Chief Executive Office for further processing.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
MV:tlh

Attachments (6)

c: County Counsel
Auditor-Controller
Alternate Public Defender
District Attorney
Internal Service Department
Public Defender
Department of Public Works
Sheriff
Los Angeles Superior Court

AOC Facility # 19-AC-01
County LACO # Y481, L791, L792, L793, L794
San Fernando Courthouse TA
900 Third Street, San Fernando, California 91340

# TRANSFER AGREEMENT

## BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA,

**by and through**

## THE ADMINISTRATIVE OFFICE OF THE COURTS,

## AND THE COUNTY OF LOS ANGELES

## FOR THE TRANSFER OF RESPONSIBILITY FOR AND TITLE TO

## THE SAN FERNANDO COURTHOUSE

26642

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# TRANSFER AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, the staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Transfer Agreement, as of JUL 29, 2008 (the "**Effective Date**"), and set forth the terms and conditions for the Transfer of Responsibility for funding and operation of the Court Facility commonly known as the San Fernando Courthouse and for conveyance to the State of California on behalf of the Council of the County's title to the Real Property following the satisfaction of the County's obligations under the Bonded Indebtedness Documents.

## 2. BACKGROUND

The Lockyer-Isenberg Trial Court Funding Act of 1997 (Chapter 850, Statutes of 1997) 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 Council. The Parties enter into this Agreement to implement the provisions of the Act as it exists on the Effective Date.

## 3. DEFINITIONS

"**Acceptance Document**" means a certificate of acceptance or certified resolution evidencing the PWB's approval of the Transfer of Title.

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

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

"**Annex**" means the San Fernando Courthouse Annex located at 919 First Street, San Fernando, California, 91340, (AOC Facility Number 19-AC-02), and the 67 parking spaces associated therewith (the real property comprising the Annex and associated parking are identified as Assessor Parcel Numbers 2519-003-908, 2519-003-909, and 2519-003-904).

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"**Bonded Indebtedness**" means the "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 existing as of the Effective Date of this Agreement, which are listed on **Exhibit "G"** to this Agreement, and any agreements evidencing or securing any refunding of the Bonded Indebtedness as permitted by sections 70323(a) and 70325(b) of the Act.

"**Building**" means the building commonly known as the San Fernando Courthouse, located at 900 Third Street, San Fernando, California, 91340, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use Area. The Building Equipment does not include the equipment and systems that serve only the Exclusive-Use Area of one Party.

"**Building Software**" means any software used in connection with the Building Equipment.

"**Closing**" means the performance of all acts required to complete the Transfers under this Agreement, the Transfer Documents, and the Act.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on **Exhibit "D,"** including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Council Authorized Signatory**" means the AOC's Senior Manager, Business Services, Grant Walker.

"**County Authorized Signatory**" means the person or persons authorized by the County Board of Supervisors to execute this Agreement and the Transfer Documents as designated in the County Authorizing Document.

"**County Authorizing Document**" means a copy of a certified order by the County Board of Supervisors 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 Transfer Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Transfer Documents.

"**County Board of Supervisors**" means the governing body of the County.

"**County Exclusive-Use Area**" means the 21,915 square feet of the Building interior that are exclusively occupied and used by the County, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.59 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means: (i) nine parking spaces in the Secured Courthouse Parking Lot; (ii) 51 parking spaces in the Juror Parking Lot; and (iii) 30 parking spaces in the Public Parking Lot, all as shown on **Exhibit "C"** to this Agreement.

"**County Parties**" means the County, and its officers, agents, and employees.

"**Court Exclusive-Use Area**" means the 110,212 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.41 percent of the Total Exclusive-Use Area.

"**Court Facility**" means the Court Exclusive-Use Area, the Superior Court Parking, the Superior Court's non-exclusive right to occupy and use the Common Area, and the Superior Court's exclusive and non-exclusive rights to occupy and use the other spaces, fixtures, and appurtenances described in section 70301(d) of the Act, as allocated in this Agreement. A copy of a site plan showing the location of the Building and the Parking Area on the Land, and a set of floor plans showing the layout of the Court Facility in the interior of the Building, are attached as **Exhibits "C"** and **"D"** to this Agreement.

"**Datedown Certificate**" means the document titled Datedown Certificate that is similar to the document attached to this Agreement as **Exhibit "H"**.

"**Dispute**" means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding, between the County and any Third Party, related to the Real Property.

"**DOF**" means the State Department of Finance.

"**Equipment Permits**" means any governmental permits, certificates, and approvals required for lawful operation of any of the Building Equipment.

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

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

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

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means the document titled Joint Occupancy Agreement which will be signed by the Parties concurrently with their execution of this Agreement.

"**Juror Parking Lot**" means the surface parking lot, also known as "County Auto Park 92," located on the Land across the street from the Building directly to the north, on the parcels with Assessor Parcel Numbers 2519-006-904, 2519-006-905, 2519-006-906, 2519-006-907, 2519-006-908, and 2519-006-909, containing 169 parking spaces.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 6.9 acres as described on **Exhibit "A,"** including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any. The Land does not include the real property on which the Annex is located (the real property comprising the Annex and associated parking are identified as Assessor Parcel Numbers 2519-003-908, 2519-003-909, and 2519-003-904).

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Managing Party**" means the Council, which is the Managing Party under the JOA, subject to the Council's delegation to the County of the Managing Party's rights and duties under the JOA.

"**Material Agreements**" means any and all agreements, contracts, or understandings (whether written or unwritten) between the County and any Third Party relating to the Property (1) for which termination requires advance notice by a period of or 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 of TA and JOA**" means the document titled Memorandum of Transfer and Joint Occupancy Agreements in the form and content attached to this Agreement as **Exhibit "F"**.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use the Real Property for a period that continues after the Responsibility Transfer Date, and that cannot be terminated on fewer than 30 days notice.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property.

"**Owner**" means the Party that owns fee title to the Real Property, which shall be the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either of the Council or the County, and "**Parties**" means the Council and the County together.

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

"**Property Disclosure Documents**" means all documents, including Material Agreements, that provide material information relative to the title, ownership, use, occupancy, or condition of the Real Property or any rights, benefits, liabilities, obligations, or risks associated with the Real Property. A list of the categories of Property Disclosure Documents is attached as **Exhibit "E"**.

"**Public Parking Lot**" means the surface parking lot, also known as "County Auto Park 84," located on the Land across the street from the Building to the east, on the parcels with Assessor Parcel Numbers 2519-016-906 and 2519-016-907, containing 222 parking spaces.

"**PWB**" means the State Public Works Board.

"**Quitclaim Deed**" means the document entitled Quitclaim Deed that is similar in form and content to the document attached to this Agreement as **Exhibit "B"** and by which the County shall convey to the State title to the Real Property when accepted by the PWB and recorded by the County Recorder.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the first day of the first calendar quarter that is at least 45 days following the Effective Date, which is the date on which the Transfer of Responsibility will take place.

"**Responsibility Transfer Documents**" means the documents listed in section 5.1.1 of this Agreement.

"**Secured Courthouse Parking Lot**" means the secured, surface parking lot located on the Land, on the Building parcel with Assessor Parcel Number 2519-004-911, containing 33 parking spaces.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells, sallyports, and secured elevators, staircases, and hallways.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Shares**" has the meaning given to it in the JOA.

"**Staff Parking Lot**" means the surface parking lot, also known as "County Auto Park 91," located on the Land southwest of the Building, on the parcels with Assessor Parcel Numbers 2519-003-905, 2519-003-906, 2519-003-910, and 2519-003-911, containing 95 parking spaces.

"**State**" means the State of California.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Parking**" means: (i) 24 parking spaces in the Secured Courthouse Parking Lot; (ii) 95 parking spaces in the Staff Parking Lot; (iii) 118 parking spaces in the Juror Parking Lot; and (v) 60 parking spaces in the Public Parking Lot, all as shown on **Exhibit "C"** to this Agreement.

"**Tangible Personal Property**" means any unaffixed item that is, on the Responsibility Transfer Date, located on or in, or used in and is necessary to the Operation of, the Real Property, except that it does not include any tangible personal property of the County necessary to provide telecommunications services.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed is recorded in the office of the County Recorder.

"**Title Transfer Documents**" means the documents listed in section 5.2.1 of this Agreement.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer**" means either one, and "**Transfers**" means both, of the Transfer of Responsibility and the Transfer of Title.

"**Transfer Documents**" means the Responsibility Transfer Documents and the Title Transfer Documents, together.

"**Transfer of Responsibility**" means the County's full and final grant, transfer, absolute assignment, and conveyance to the Council, and the Council's 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 Court Facility, in accordance with this Agreement, except that the Transfer of Responsibility will not include those duties and liabilities expressly retained by the County under this Agreement and the Act, or any responsibility for Disputes arising from or related to facts or circumstances occurring prior to the Responsibility Transfer Date.

"**Transfer of Title**" means the County's conveyance to the State of any and all right, title, and interest the County has, or may have, in and to the Real Property.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or any Third Party.

## 4. RESPONSIBILITIES AFTER TRANSFER.

4.1 Transfer of Responsibility; Transfer of Title. On the Responsibility Transfer Date, the Transfer of Responsibility for the Court Facility from the County to the

Council will occur under this Agreement and the Responsibility Transfer Documents. The Building is subject to Bonded Indebtedness on the Effective Date. Under section 70323(a) of the Act, the Transfer of Title will occur on or after the date that the Real Property is released from the encumbrance of the Bonded Indebtedness. On the Title Transfer Date, the Transfer of Title will occur under this Agreement and the Title Transfer Documents. Prior to the Title Transfer Date, the AOC shall notify the County, in accordance with section 13 of this Agreement, that the PWB has accepted the Title Transfer Documents required for the Transfer of Title and issued the Acceptance Document.

4.2 General Responsibilities After Transfer of Responsibility. Upon the Transfer of Responsibility, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Court Facility, except as may be expressly delegated by the Parties in this Agreement and the Responsibility Transfer Documents.

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

4.3.1 Utilities. The County shall be responsible to pay all charges and fees for the Utilities provided to the Court Facility during all periods prior to the Responsibility Transfer Date, and the Parties shall be responsible for payment of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date on the basis of their respective Shares, as provided in the JOA.

4.3.2 Property Insurance. Subject to the County's obligations under the Bonded Indebtedness Documents and the Parties' respective obligations under section 6 of the JOA, neither Party shall have any obligation to provide insurance coverage obtained from a Third Party for the Real Property. The State Parties shall continue to be solely liable for all personal property owned or leased by a State Party located on or in the Real Property. The County shall continue to be solely liable for all County owned or leased personal property located on or in the Real Property, including any such personal property that is required to provide telecommunications services to the Superior Court. However, this liability will not limit the County from including costs related to repair, upgrade, or replacement of such County owned or leased personal property necessary for telecommunications services in its charges to the Superior Court for those services.

4.3.3 Building Equipment. As of the Responsibility Transfer Date, the Managing Party is responsible for further permitting of any Building Equipment that requires an Equipment Permit for lawful Operation, once the County has delivered to the AOC the most recent copies of all required Equipment Permits, whether current or

expired, as of the Responsibility Transfer Date; provided, however, that if any of the Equipment Permits are expired or are otherwise not in full force and effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs associated with the first instance of obtaining or renewing, as applicable, those Equipment Permits after the Responsibility Transfer Date.

4.3.4 Security-Related Areas. The County Sheriff's Department shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, through, and in the Security-Related Areas of the Court Facility, including but not limited to the holding cells, sallyport, secured elevators and staircases, and secured corridors, pursuant to the Security Services MOU. The County shall remain solely liable and responsible for all violations that, as of the Responsibility Transfer Date, have been identified by the State Board of Corrections, as to any Security-Related Areas of the Real Property. This Agreement does not supersede, replace, or modify the Security Services MOU or any other agreement between the County and the Superior Court with respect to security staffing for the Court Facility.

4.3.5 Disputes. The County shall promptly notify the Council in writing of any Dispute that arises after the Responsibility Transfer Date that concerns or alleges: (1) acts or omissions of the County committed at any time prior to the Responsibility Transfer Date related to the Real 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 shall manage and be responsible to resolve those Disputes, but the Council may elect, but is not required, to retain its own attorney, at the Council's sole expense, to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for those Disputes. If the Council elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for a Dispute, the County shall cooperate with the participation by the Council and its attorney, and the Council and its attorney shall cooperate with the County in respect of such participation.

4.3.6 Personal Property. If either of the Parties determines that there exists any Tangible Personal Property or Intangible Personal Property not previously transferred or assigned to the State Parties, that Party shall promptly provide to the other Party a notice that includes a reasonably detailed, written description of that property, and how it is necessary to the Operation of the Real Property. At the Council's request, the County and the Council shall promptly meet and confer to determine the proper disposition of the Tangible Personal Property or Intangible Personal Property described in that notice.

4.3.7 Adjustments. The Parties shall make the appropriate adjustments for prorations or computations required by this Agreement or the Transfer Documents as promptly as possible once accurate information becomes available evidencing that either Party is entitled to an adjustment. Adjustments will be made on a basis mutually acceptable to the Parties. The Party entitled to the adjustment shall make written demand on the other Party for the adjustment within one year after the applicable Transfer Date and shall provide a reasonably detailed explanation of the basis for the demand and all supporting documentation. The Parties shall promptly pay each other any corrected proration or adjustment amounts.

4.3.8 Occupancy Agreements.

4.3.8.1 Allocation of Responsibility and Rights to Revenue. Notwithstanding the Transfer of Responsibility, the County will continue to be responsible for, and will be entitled to all revenue arising from, all Occupancy Agreements under which space in the County Exclusive-Use Area is occupied or used by any Occupant. The County shall promptly pay to the AOC all payments or prepayments it receives from an Occupant for use or occupancy of the Court Exclusive-Use Area on or after the Responsibility Transfer Date, and the Council and the AOC shall promptly pay to the County all payments or prepayments they receive from an Occupant for use or occupancy of the County Exclusive-Use Area on or after the Responsibility Transfer Date. The Council shall be responsible for, and shall be entitled to all revenue arising from, all Occupancy Agreements under which space in the Court Exclusive-Use Area is occupied or used by any Occupant on and after the Responsibility Transfer Date, and payments or prepayments received by either Party from an Occupant for use or occupancy of the Common Area will be shared by the Parties under the terms of the JOA.

4.3.8.2 Unassigned Occupancy Agreements. The Parties acknowledge that none of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will be assigned to the Council (the **"Unassigned Occupancy Agreements"**). The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreements, as follows:

(a) Neighborhood Legal Services (d/b/a Self-Help Legal Access Center) is the Occupant of space on the first floor of the Building commonly known as the "Upper Cafeteria" under a written, countywide occupancy agreement designated County License #COL-448. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate in respect of the Building on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate

the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(b) Neighborhood Legal Services of Los Angeles County is the Occupant of space on the first floor of the Building for the purpose of operating domestic violence clinics under County License #COL-554. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate in respect of the Building on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(c) The City of Los Angeles (Police Department and City Attorney) is the Occupant of space on the first floor of the Building without any written Occupancy Agreement. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that the Council will assume responsibility for its occupancy of the Building on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(d) National Council on Alcoholism and Drug Dependence of the San Fernando Valley, Inc., is the Occupant of space on the first floor of the Building under County License #COL-545. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(e) The Volunteer Center of Los Angeles: The Assistance League of Southern California is the Occupant of space on the first floor of the Building under County License #COL-526. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(f) Pentecostal Assembly of Van Nuys is the Occupant of the Juror Parking Lot for parking on Sundays under County License #COL-558. Prior to

the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to cease its use of the Juror Parking Lot or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC; and

(g) Southern California Edison is the Occupant of a portion of the Land in connection with the construction and operation of an electric system on and under the Real Property under County License # COL-24. Prior to the Responsibility Transfer Date, the County shall give this Occupant written notice that its license agreement with the County will terminate upon replacement of the license agreement by the Council. By the Responsibility Transfer Date, and effective as of the Responsibility Transfer Date, the Council shall enter into an Occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC.

4.3.8.3 Council's Responsibility for Occupants of the Court Exclusive-Use Area. Commencing on the Responsibility Transfer Date, the Council and the AOC shall be responsible and liable for all Occupants that occupy or use the Court Exclusive-Use Area, whether under an Unassigned Occupancy Agreement, an Occupancy Agreement that is assigned to the Council, or without any written Occupancy Agreement. The Council's responsibility and liability with respect to such Occupants of the Court Exclusive-Use Area will include payment of any County costs and performance of any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, as well as responsibility and liability for all space in the Court Exclusive-Use Area that is occupied or used by such Occupants. The Council and the AOC shall also be entitled to any rights and benefits accruing to the County in respect of such Occupants of the Court Exclusive-Use Area, including to the extent applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants in respect of their respective rights to occupy and use space in the Court Exclusive-Use Area. The County, the Council, and the AOC shall cooperate with one another to ensure that the Council and the AOC are able to perform their duties and exercise their rights with respect to any such Occupants under this section 4.3.8.

4.3.8.4 Revenue Enhancement Services Contract. Pursuant to Government Code section 26220 and Penal Code section 1205, the County and the Superior Court have entered into a revenue enhancement services contract to provide collections services for unpaid court-ordered fees and fines. Notwithstanding section 4.3.8.1 or any other term of this Agreement or the JOA, all space in the Building that is occupied by a revenue enhancement services contractor will be within the Court Exclusive-Use Area for purposes of this Agreement and the JOA. Notwithstanding the

Transfers, the County and the Superior Court shall otherwise remain responsible and liable for the performance of their respective duties and obligations under any revenue enhancement services contract, and shall remain entitled to all rights and benefits accruing to them thereunder. The Parties specifically agree that (i) all revenues, indemnity payments, insurance proceeds, damages and liquidated damages, and other payments of every kind received by any County Party or State Party from a revenue enhancement services contractor under any revenue enhancement services contract will be allocated and distributed as provided in the revenue enhancement services contract, and (ii) all payments due to or alleged to be due to a revenue enhancement services contractor under any revenue enhancement services contract will be paid, contested, or otherwise addressed by, and the responsibility of, the County or the Superior Court, as provided in the revenue enhancement services contract. For clarification, the revenue enhancement services contract that is in effect on the Effective Date is designated County Contract Number 75680 and is dated May 30, 2006, among the County, the Superior Court, and GC Services Limited Partnership.

4.3.9 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas, all of which will remain the sole personal property of the County notwithstanding the Transfers.

4.3.10 Parking. The Transfer of Responsibility will include the Superior Court Parking, and commencing on the Effective Date, the Council will be responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in this Agreement and the JOA. The Superior Court Parking is available to Superior Court judges, staff, employees, jurors, and visitors, on a first-come, first-served basis. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

4.3.11 Relief from Section 70311 Obligations. Effective upon the Responsibility Transfer Date, the Council confirms and agrees that the County shall be, and is, relieved of any responsibility under section 70311 of the Act for providing to the Superior Court those necessary and suitable court facilities currently located in the

Building and the Superior Court Parking on the Effective Date, except as specifically provided in this Agreement and the Act.

4.3.12 Bonded Indebtedness. On the Effective Date, some or all of the Real Property is subject to Bonded Indebtedness, and during the Interim Period, the County will remain solely responsible to meet its obligations under the Bonded Indebtedness Documents, subject to its rights to refund pursuant to sections 70323(a) and 70325(b) of the Act, and shall not act or fail to act in a way that violates the Bonded Indebtedness Documents ("**BI Default**"). The County shall promptly provide the AOC with a copy of any notice given or received by the County that concerns or alleges a County BI Default. The Council and the AOC will exercise their 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 shall 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 Superior Court is required to vacate the Court Facility through the operation or enforcement of the Bonded Indebtedness Documents, the County shall comply with the provisions of section 70325(c) of the Act.

4.3.13 Equity in the Building. Unless the terms of section 70344(b) of the Act apply, neither Party shall have the right to purchase the other Party's Equity interest in the Real Property without the prior, written approval of the other Party.

4.3.13.1 Parties' Rights Upon Sale of Real Property. If the Owner sells the Real Property to a Third Party in an arms-length market transaction, the Parties shall allocate the purchase price paid by the Third Party buyer in respect of the sale on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Building under section 4.3.13.3, below, and net of any costs paid by the Owner in connection with the sale of the Real Property for real estate brokerage commissions, title insurance premiums, escrow fees and charges, recording fees, city and County documentary transfer taxes, and prorations of any assessments affecting the Real Property; provided that any amounts due from or paid by any Occupants of the Real Property will be prorated in accordance with section 3.7 of the JOA.

4.3.13.2 Parties' Rights Upon One Party's Purchase of the Other Party's Equity Interest. If one Party purchases the other Party's Equity interest in the Real Property without any sale of the Real Property to a Third Party, or if conveyance of the Real Property to a Third Party is not pursuant to an arms-length market transaction, the

Parties shall determine the fair market value of the Real Property, and allocate the fair market value on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property under section 4.3.13.3, below.

4.3.13.3 Mechanisms for Compensating Parties. If the Owner sells, leases, replaces, or otherwise disposes of the Real Property in a manner other than those expressly permitted by the terms of section 5.1 of the JOA, the Parties agree to work together in good faith to determine the best mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Owning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Owning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Owning Party's Equity interest in the Real Property. Notwithstanding any modification or amendment that the Parties may make to their respective Shares under the JOA for the purpose of allocating responsibility for payment of "Shared Costs" (as defined in the JOA), any such modification or amendment will not affect, or be deemed to affect, the Parties' respective Equity interests in the Real Property unless the modification or amendment to the JOA expressly provides for a change to the Parties' respective Equity interests in the Real Property.

4.3.13.4 Valuation Methodology. Upon (i) a Party's exercise of its rights under section 70344(b) of the Act, or (ii) the Parties' written agreement that one Party will purchase the Equity interest of the other Party in the Real Property, the Parties will have a 60-day period to work together in good faith to either (a) determine the fair market value of the Equity interest to be purchased, or (b) if the Parties cannot agree on the fair market value of such Equity interest, then to jointly select and engage a mutually acceptable expert with adequate experience in appraising or providing opinions of value for real properties that are owned by governmental entities and similar to the Real Property ("**Expert**") to determine the fair market value of the Equity interest to be purchased, based on a valuation methodology agreed upon by the Parties and consistent with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, or any successor entity, then in effect (the "**Code and Standards**"). Such valuation methodology and the Parties' instructions to the Expert shall be jointly communicated to the Expert by the Parties. The Parties shall equally share in the payment of all costs and expenses of any jointly engaged Expert. If the Parties cannot agree on an Expert, or the valuation methodology and instructions to be given to the Expert during that initial 60-day period, then each Party shall select its own Expert to determine the fair market value of the applicable Equity interest, and each Party shall submit the report prepared by its Expert (the "**Written Appraisal Evidence**") to the

other Party within 90 days after the end of the initial 60-day period. At a minimum, all Written Appraisal Evidence of the fair market value of the Equity interest to be purchased pursuant to this section 4.3.13 will be based upon a determination of the fair market value of the Real Property and allocation of that fair market value to each Party on the basis of its respective Share, and all such Written Appraisal Evidence will be made in material conformity with, and subject to the requirements of, the Code and Standards. Each Party shall be solely responsible for all costs and expenses of its own initial Expert. If the valuations determined by the Parties' respective Experts differ, the Parties shall have a 20-day period, starting on the first business day after the date on which both Parties have delivered their Written Appraisal Evidence to one another, to work together in good faith to either (y) agree upon the fair market value of the Equity interest to be purchased based on the Written Appraisal Evidence submitted by both Parties, or (z) provide one another with a list of five additional Experts acceptable to the submitting Party and listed in order of the submitting Party's preference (the "**Experts List**"), from which a third Expert will be chosen for purposes of determining the fair market value of the Equity interest to be purchased (the "**Third Expert**"). The most highly ranked Expert to appear on both of the Parties' Experts List shall be jointly engaged by the Parties to serve as the Third Expert. If there is no Expert that appears on both of the Parties' Experts List, then the Parties shall, within 10 days, resubmit to one another their Experts List retaining each Party's initial listing of five Experts and adding five more Experts, also listed in order of preference, such that there is a total of ten Experts on each Party's Experts List. The Parties shall continue this process of resubmitting to one another their previous Experts List adding an additional five Experts every 10 days until an Expert appears on both Experts Lists, and is thereby chosen as the Third Expert. The Third Expert shall be jointly engaged by the Parties and provided with the Written Appraisal Evidence prepared by the Parties' respective Experts, and shall be entitled to interview the Parties' respective Experts concerning the Written Appraisal Evidence they prepared and the Written Appraisal Evidence prepared by the other Party's Expert. The Third Expert shall not independently appraise the Real Property; rather, the Third Expert shall be engaged to review the Written Appraisal Evidence submitted by both Parties and to determine whether the fair market value of the Real Property is more accurately reflected in the Written Appraisal Evidence submitted by the County or in the Written Appraisal Evidence submitted by the Council. The Parties shall jointly instruct the Third Expert to limit his or her conclusions to the fair market value of the Real Property determined by either the County's initial Expert or the Council's initial Expert, as reflected in the Written Appraisal Evidence, and to support his or her selection with a reasonably detailed explanation of the factors that influenced the Third Expert's decision. The Third Expert shall further be instructed to provide his or her valuation to both Parties within 60 days of being engaged. The Parties shall be bound by the Third Expert's valuation of the Equity

interest to be purchased. The Parties shall equally share all costs and expenses of the Third Expert.

4.3.14 Cooperation for Transfer of Title. The Parties acknowledge that the legal description of the Land as prepared by the County and attached as **Exhibit "A"** to this Agreement, and as an Exhibit to the County's Quitclaim Deed, which is **Exhibit "B"** to this Agreement, varies in certain respects from the legal description provided to the Council by the Council's title company, as set forth in the Council's Preliminary Title Report for the Land. Following the Effective Date, the County and the AOC shall work together, cooperatively and in good faith, to resolve any issues arising from the wording of the legal description that are impeding the insurability of the Council's Title to the Real Property by the Council's title company. The Parties shall endeavor to resolve any such issues as promptly as possible, and shall endeavor to have full resolution of those issues by no later than one year following the Effective Date.

4.4 Specific Responsibility During the Interim Period. During the Interim Period, the County shall not: (1) transfer or agree to transfer any right, title, or interest in the Real Property to any Third Party except as provided for in section 4.3.13 of this Agreement or in the JOA; (2) enter into any agreement concerning the Real Property without the Council's prior written consent, except as provided for in the JOA; (3) do anything that would result in a change to the zoning or entitlements for use of the Real Property without the prior written consent of the Council, which consent will not be unreasonably withheld.

## 5. THE CLOSING

5.1 The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur upon the first day of the first calendar quarter that is at least 45 days following the Effective Date. The Responsibility Transfer Date will not be affected by the date of delivery of the signed Responsibility Transfer Documents.

5.1.1 Responsibility Transfer Documents. The Responsibility Transfer Documents are as follows:

(a) the JOA; and,

(b) the Memorandum of TA and JOA.

5.1.2 Time for Signature. The Parties shall sign the Responsibility Transfer Documents prior to or concurrently with the Effective Date, except that the

County shall sign the Memorandum of TA and JOA within ten business days after the Effective Date.

5.1.3 Conditions for Transfer of Responsibility. Neither of the Parties will be obligated to consummate the Transfer of Responsibility unless the following conditions are satisfied or waived prior to the Responsibility Transfer Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the Council may only be waived by the Council.

5.1.3.1 Conditions for the Benefit of the Council. 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 Responsibility Transfer Date; the County shall 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 Responsibility Transfer Date.

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

5.1.4 Delivery of Signed Agreement, Responsibility Transfer Documents, and County Authorizing Document. The County must deliver signed originals of this Agreement and the Responsibility Transfer Documents, as well as a copy of the County Authorizing Document, to the Council within 10 business days after the Effective Date.

5.1.5 Delivery of Possession. On the Responsibility Transfer Date, the County shall deliver to the Council custody and control over the Court Facility.

5.2 Transfer of Title; Title Transfer Date. The Title Transfer Date will occur upon the recordation of the Quitclaim Deed in the office of the Los Angeles County Recorder, which, under the terms of section 70325(b) of the Act, must not be later than the date that the Real Property is no longer subject to the lien of the Bonded Indebtedness Documents, and the Parties shall endeavor to complete the Transfer of Title as required by the Act. As of the Effective Date, the Bonded Indebtedness Documents provide for all of

the County's obligations under the Bonded Indebtedness Documents to be satisfied on December 1, 2016. To facilitate the Council's ability to obtain timely PWB approval of the Transfer of Title, the County shall make a good faith effort to notify the AOC at least eight months prior to any date other than December 1, 2016 on which the County anticipates that all of its obligations under the Bonded Indebtedness Documents will be satisfied or that the Real Property will be otherwise released from the lien of the Bonded Indebtedness Documents. The Parties agree that the County's failure to provide such notice will not be a material breach of this Agreement. Upon payment in full of the Bonded Indebtedness, the County shall make a good faith effort to perform any County actions necessary to have the lien of the Bonded Indebtedness Documents released by the Trustee. By completing the Transfer of Title, the County does not waive, relinquish, limit, diminish, or convey to the State, to any extent whatsoever, the County's Equity interest in the Real Property, which Equity interest of the County will be and remain the right and entitlement of the County, except only if the Council has purchased the County's Equity interest in the Real Property in exchange for fair market value consideration.

5.2.1 The Title Transfer Documents. The Title Transfer Documents are as follows:

(a) the Quitclaim Deed; and,

(b) the Datedown Certificate.

5.2.2 Execution and Delivery of Title Transfer Documents. The County shall execute and deliver the Title Transfer Documents to the Council within 30 days after the date those documents are requested in writing by the Council or the AOC, which date must not be earlier than 240 days prior to the anticipated date of final payment of the Bonded Indebtedness or other release of the Real Property from the encumbrance of the Bonded Indebtedness Documents. The Council and the AOC shall endeavor to present this Agreement, the signed Title Transfer Documents, and the County Authorizing Document to the PWB for approval of the Transfer of Title within sufficient time prior to the Title Transfer Date to enable the Parties to effect the Transfer of Title on the date the Bonded Indebtedness is satisfied. The Parties shall work together, in a good faith, cooperative manner, to effect the Transfer of Title.

5.2.3 Cooperation. The County shall provide reasonable cooperation to the Council in providing the information necessary to respond to any issues raised by the PWB concerning the Real Property that may prevent the PWB's approval of the Transfer of Title. The Parties mutually intend that no circumstance that may prevent or delay the Transfer of Title will in any way limit or delay the Transfer of Responsibility.

5.2.4 Delivery of Title. On the Title Transfer Date, the County shall deliver to the State title to the Real Property.

5.2.5 Conditions for Transfer of Title. Neither of the Parties shall be obligated to consummate the Transfer of Title unless the following conditions are satisfied or waived prior to the Title Transfer Date. The conditions for the benefit of the County may be waived only by the County, and the conditions for the benefit of the Council may be waived only by the Council.

5.2.5.1 Conditions for the Benefit of the Council. All of the County's representations and warranties in the Datedown Certificate must be accurate and complete in all material respects as though made on the Title Transfer Date; the County shall 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 Title Transfer Date. In addition, the Council is not obligated to consummate the Transfer of Title unless on or before the Title Transfer Date: the PWB has approved the Transfer of Title as evidenced by the Council's receipt of the Acceptance Document; and a title insurance company acceptable to the State Parties is irrevocably committed to issue an owner's policy of title insurance to the State on the Title Transfer Date insuring the State's title to the Real Property, subject only to exceptions acceptable to the State Parties, in the reasonable exercise of their discretion.

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

## 6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment submitted to the DOF is $576,599 which amount is subject to adjustment as provided in the Act. The terms of Article 5 of the Act govern the County's payment of the County Facilities Payment to the Controller. All rights, obligations, and remedies of the Parties pertaining to the County Facilities Payment are governed solely by the Act, and neither Party has any other or additional

rights, obligations, or remedies in respect of the County Facilities Payment under or by virtue of this Agreement.

## 7. REPRESENTATIONS AND WARRANTIES

The County, in its proprietary capacity as the owner of fee title to the Real Property, and the Council, by and through the AOC, hereby make the representations and warranties in this section 7 to one another effective on both the Effective Date and the Responsibility Transfer Date. Each Party shall 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 its own representations and warranties in this Agreement or any Responsibility Transfer Document incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the anticipated Responsibility Transfer Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the Responsibility Transfer Date will be automatically delayed one month to allow the Party receiving that notice sufficient time to decide whether to proceed with the Transfer of Responsibility.

7.1 The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the County Chief Executive Officer's Manager for Asset Planning and Strategy, and the County represents that this is the person within the County most knowledgeable with respect to the matters described in the County's representations and warranties.

7.1.1 Authority. The County Authorized Signatory has been duly authorized and empowered by the County Board of Supervisors to execute this Agreement and the Responsibility Transfer 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 its obligations under this Agreement relating to the Transfer of Responsibility and the Responsibility Transfer Documents.

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

7.1.3 No Conflict. This Agreement and the Responsibility Transfer Documents do not violate any provision of any existing agreement, obligation, or court order (including, without limitation, the Bonded Indebtedness Documents) 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 which would prohibit, the County's execution, delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility or the Responsibility Transfer Documents.

7.1.4 Title to Real Property. Other than the Occupancy Agreements, the Bonded Indebtedness Documents, those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date, and those rights and interests that the County has disclosed to the Council in the Property Disclosure Documents: (1) to the best of the County's knowledge, no Third Party has any title or interest in or right to occupy or use the Real Property; and (2) the County has not granted, conveyed, or otherwise transferred to any Third Party any present or future right, title, or interest in or to the Real Property.

7.1.5 Title to Personal Property. To the best of the County's knowledge, as of the Effective Date, there is no Tangible Personal Property or Intangible Personal Property.

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

7.1.7 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 any violation of Law, whether or not appearing in public records, with respect to the Real 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.

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

7.1.9 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 Council or the AOC under this Agreement, the County has received no notice from a Third Party of: (i) the actual, threatened, or suspected presence of any Hazardous Substance, except for any Hazardous Substance used or held in conformity with Law, or (ii) any existing violations of Law, in, on, under, adjacent to, or affecting the Real Property.

7.1.10 Full and Accurate Disclosure. To the best of the County's knowledge, the County provided to the Council and the AOC all available Property Disclosure Documents requested by the AOC within the County's possession, custody, or control. The County maintains the Property Disclosure Documents in its ordinary course of business.

7.1.11 Shared Building Occupancy. The Exclusive-Use Areas and the Common Area of the Real Property are as shown on **Exhibits "C"** and **"D"** to this Agreement.

7.1.12 Special Circumstances. The County has not undertaken or commenced any Pending Projects in or on the Real Property, and the Building is not an "historical building" as defined in section 70301(f) of the Act. Subject to section 3.11.2 of the JOA, the County acknowledges that it has obligations under the Miles Court Order to perform the work necessary to make certain modifications to the Real Property, and subject to the Council's obligations under section 3.11.2 of the JOA, the County has completed or will complete all such work, at the County's sole cost, in accordance with the requirements of the Miles Court Order.

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

7.2.1 Good Standing. The Council is an entity established by the Constitution of the State, and the AOC is the staff agency to the Council. Both the Council and the AOC are validly existing under the Law of the State.

7.2.2 Authority. The AOC is authorized by Rule 10.183(d)(2), California Rules of Court, to act on behalf of the Council in respect of the approval of this Agreement as it relates to the Transfer of Responsibility under the Act.

7.2.3 Due Execution and Delivery. This Agreement and the Responsibility Transfer Documents executed by the AOC on behalf of the Council are legal, valid, and binding obligations of the Council and the AOC and are fully enforceable against the Council and the AOC.

7.2.4 No Conflict. This Agreement and the Responsibility Transfer Documents do not violate any provision of any agreement, obligation, or court order, to

which the Council or the AOC is a party or by which the State Parties, or any of their respective assets, are subject or bound. No other action of any governmental agency or authority is required for, and the Council has no actual knowledge of any Law in effect which would prohibit, the Council's execution, delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility or the Responsibility Transfer Documents.

7.2.5 Sections 70326(b)(1), (2), and (3). The Council has determined that, as of the Effective Date, the Real Property is not deficient under sections 70326(b)(1), (2), and (3) of the Act.

7.3 Additional Representations and Warranties for Title Transfer; Datedown Certificate. Each Party shall execute the Datedown Certificate attached to this Agreement as **Exhibit "H,"** making the representations and warranties set forth therein to the other Party to be effective only on the Title Transfer Date, subject only to the exceptions to the accuracy or completeness of that Party's representations and warranties, respectively, contained in the schedules attached thereto.

## 8. INDEMNITIES

8.1 The Council's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the Council indemnifies, defends, and holds harmless the County Parties against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") asserted against the County Parties, arising out of the following:

8.1.1 Obligations. Any breach by the Council or the AOC, or both, of its or their obligations set forth in this Agreement or the Transfer Documents;

8.1.2 Representations and Warranties. Any knowing and willful inaccuracy in any of the Council's representations and warranties contained in section 7.2 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to a matter that, if known to the County prior to the Responsibility Transfer Date or Title Transfer Date, as applicable, would have been material to the County's completion of the applicable Transfer under the Act; and

8.1.3 Council and AOC Responsibilities. Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the Council, the AOC, or both, on the one hand, and a Third Party, on the other hand, that is first asserted or commenced on or after the Responsibility Transfer Date, and the factual basis for which arises from events or occurrences that took place on or after the Responsibility Transfer

Date, or from the State Parties' ownership, use, Operation, or management of, or responsibility for, the Real Property on or after the Responsibility Transfer Date.

8.2 The County's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the County indemnifies, defends, and holds harmless the State Parties, against all Indemnified Loss asserted against the State Parties, arising out of the following:

8.2.1 Obligations. Any breach by a County Party of its obligations set forth in this Agreement or the Transfer Documents;

8.2.2 Representations and Warranties. Any knowing and willful failure by the County to disclose to the Council or the AOC any document or information concerning the Real Property that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act, and any knowing and willful inaccuracy in any of the County's representations and warranties contained in section 7.1 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to any matter that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act;

8.2.3 County Responsibilities. (a) Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the County and a Third Party that is pending or threatened prior to the Responsibility Transfer Date, or related to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date, and (b) any claim, demand, litigation, arbitration, or other dispute-resolution proceeding that is first asserted or commenced by a Third Party after the Responsibility Transfer Date, but the factual basis for which arises from events or occurrences that took place prior to the Responsibility Transfer Date, and pertain to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date; and

8.2.4 CERCLA. The County acknowledges that it has certain indemnification obligations in respect of the Court Facility under section 70393(d) of the Act.

Nothing in this Agreement will in any manner be deemed or construed as an admission by the County to any Third Party that the County has any obligation, responsibility, or liability of any kind or nature whatsoever as to the environmental condition of the Real Property surrounding the Building under CERCLA or any other

Law, except that the County confirms that this provision does not alter, diminish, or negate the County's obligation to indemnify the State in accordance with the terms of 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. 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 Transfer Documents, or any other agreement.

## 9. RIGHT TO AUDIT

The County shall maintain all records relating to this Agreement, in compliance and consistent with applicable Law. The County shall 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 Transfer Documents can be resolved in accordance with the requirements of this Agreement and the Act for the period of time generally required by applicable Law. The AOC may audit or inspect those County records upon reasonable prior notice.

## 10. DEFAULT NOTICE AND CURE

Upon the occurrence of a breach or default by the Council or the County of any provision of this Agreement, the non-defaulting Party shall 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 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 shall be deemed to have committed an "**Event of Default,**" and the non-defaulting Party shall have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 12 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 12 of this Agreement before the end of the Cure Period.

## 11. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property (**"Condemnation Notice"**), that Party shall promptly deliver a copy of that notice to the other Party. In the event of an actual condemnation, or a transfer or conveyance of any part of the Real Property in lieu of condemnation, the Parties shall cooperate with one another in good faith to obtain the maximum award that may be obtained from the condemning authority, and the Parties shall allocate the award received on the basis of their respective Shares.

## 12. DISPUTE RESOLUTION

12.1 Unassisted Negotiation; Mediation. In the event of a dispute between the Parties relating to performance of the Parties' obligations under this Agreement, or any aspect of the Transfers contemplated in this Agreement, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties must be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents. 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 conclude their unassisted negotiation with respect to the dispute before either of the Parties may commence a dispute resolution proceeding before the CFDRC.

12.2 Referral to CFDRC. After compliance with the terms for unassisted negotiation provided in section 12.1 of this Agreement, any unresolved dispute involving any of the matters set forth in sections 70303(c)(1) through (5) of the Act will be referred to the CFDRC for hearing and recommendation to the Director of Finance, as contemplated in the Act and in accordance with the CFDRC regulations.

## 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 Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst for the
Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 an alleged breach or default by the Council or the AOC of this Agreement or a Transfer 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

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

This Agreement will survive and remain in full force and effect notwithstanding the Transfer of Responsibility. In the event of the termination of this Agreement prior to the Responsibility Transfer Date, all documents, other tangible objects, and information containing or representing confidential or proprietary information disclosed by one Party to the other, and all copies that are in the possession or under the control of the other Party will be and remain the property of the Party that disclosed the documents, objects, and information, and all those documents and other tangible objects will be promptly returned to the Party that disclosed them at that Party's written request.

## 15. MISCELLANEOUS

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

15.2 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by the Party making such waiver. 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 any other provision of this Agreement or a consent to any subsequent breach of the same or another 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 subsequent occasion or a consent or approval of any other action.

15.3 Force Majeure. Neither Party will be responsible for performance in accordance with the terms of 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.

15.4 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.

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

15.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this Agreement and the Transfer Documents for the benefit of the Council.

15.7 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.

15.8 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. The word "or" when used in this Agreement, is inclusive, and can mean both. This Agreement and the Transfer Documents will not be construed against either Party as the principal draftsperson. 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.

15.9 Integration. This Agreement and the Transfer 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.

15.10 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.

15.11 Severability. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

15.12 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 Agreement, the Transfer Documents, and the Act, and (ii) consummate the transactions contemplated herein, and shall 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 Transfer Documents, and the Act.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this Agreement as of the Effective Date.

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

By: Rachel Dragolovich
Name: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai
Executive Officer, Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: Yvonne B. Burke
YVONNE B. BURKE
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

# 11 JUL 29 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76642

## EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deed

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plan of Building Interior

Exhibit "E" – Categories of Property Disclosure Documents

Exhibit "F" – Memorandum of Transfer and Joint Occupancy Agreements

Exhibit "G" – List of Bonded Indebtedness Documents

Exhibit "H" – Datedown Certificate

## EXHIBITS

Exhibit "A" – Legal Description of the Land

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Exhibit "G" – List of Bonded Indebtedness Documents

Exhibit "H" – Datedown Certificate

## EXHIBIT "A"

## LEGAL DESCRIPTION OF LAND

Part A:

All of Lots 21 through 28, Maclay's Addition to the Town of San Fernando, Block N, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part B:

That portion of the southwesterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the northeasterly prolongation of the southeasterly line of above-mentioned Lot 28, northwesterly to the northeasterly prolongation of the northwesterly line of said lot.

Part C:

That portion of the northeasterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block N, which lies southwesterly of and adjoins the southwesterly line of above-mentioned Lot 21, said portion extends from the southwesterly prolongation of the southeasterly line of said last-mentioned lot, northwesterly to the southwesterly prolongation of the northwesterly line of said lastmentioned lot.

Part D:

All of Lots 1 through 28, Block 0, above-mentioned map.

Part E:

That portion of the northeasterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the southwesterly prolongation of the southeasterly line of above-mentioned Lot 15, northwesterly to the southwesterly prolongation of the northwesterly line of above-mentioned Lot 1.

Part F:

That certain Alley (now vacated), 15 feet wide, in above-mentioned Block 0, which extends from the southeasterly prolongation of the southwesterly line of abovementioned Lot 1, northeasterly to the northwesterly prolongation of the northeasterly line of Lot 28, said Block O.

Part G:

All of Lots 1 through 10, and 15 through 22, Block U, Maclay's Addition to the Town of San Fernando, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part H:

That portion of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 1, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 8.

Part I:

That portion of the northwesterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 9, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 10.

Part J:

All of Lots 1 through 14, Newton Tract, as shown on map recorded in Book 9, page 179, of Maps, in the Office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

**EXHIBIT "B"**

**COPY OF QUITCLAIM DEED**

[See attached.]

WHEN RECORDED
MAIL THIS DOCUMENT TO:

Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3660

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Numbers:
2519-003,905, 2519-003-906,
2519-003-910, 2519-003-911 and
2519-004-911

# QUITCLAIM DEED

For a valuable consideration, receipt of which is hereby acknowledged, the COUNTY OF LOS ANGELES, a body corporate and politic, does hereby remise, release, and forever quitclaim to the STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA and THE ADMINISTRATIVE OFFICE OF THE COURTS, all of the County's right, title, and interest in and to the real property in the City of San Fernando, County of Los Angeles, State of California, described in Exhibit A attached hereto and by this reference made a part hereof.

Subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Deputy

**SAN FERNANDO COURTHOUSE AND PARKING LOT**
(File: San Fernando Civic Center (1) )
I.M. 204-137
S.D. 3

MV

**NOTE: Acknowledgement certificate on reverse side.**

**ACKNOWLEDGEMENT CERTIFICATE**

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

# EXHIBIT A

**SAN FERNANDO COURTHOUSE and ADJACENT PARKING LOT**
File with: San Fernando Civic Center (1)
A.I.N. 2519-003-905, 906, 910, 911
2519-004-911
T.G. 482 (B7)
I.M. 204-137
Third District
A320SBAC

## LEGAL DESCRIPTION

**Part A:**

All of Lots 21 through 28, Maclay's Addition to the Town of San Fernando, Block N, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

**Part B:**

That portion of the southwesterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the northeasterly prolongation of the southeasterly line of above-mentioned Lot 28, northwesterly to the northeasterly prolongation of the northwesterly line of said lot.

**Part C:**

That portion of the northeasterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block N, which lies southwesterly of and adjoins the southwesterly line of above-mentioned Lot 21, said portion extends from the southwesterly prolongation of the southeasterly line of said last-mentioned lot, northwesterly to the southwesterly prolongation of the northwesterly line of said last-mentioned lot.

**Part D:**

All of Lots 1 through 28, Block O, above-mentioned map.

**Part E:**

That portion of the northeasterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the southwesterly prolongation of the southeasterly line of above-mentioned Lot 15, northwesterly to the southwesterly prolongation of the northwesterly line of above-mentioned Lot 1.

**Part F:**

That certain Alley (now vacated), 15 feet wide, in above-mentioned Block O, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 1, northeasterly to the northwesterly prolongation of the northeasterly line of Lot 28, said Block O.

APPROVED AS TO DESCRIPTION

March 13, 2008

COUNTY OF LOS ANGELES

By [signature]

SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

*This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.*

RO C:\MyFiles\Legal Descriptions\CountyCourthouses\SanFernandoCourthouseAdjacentParkingLot.doc

WHEN RECORDED
MAIL THIS DOCUMENT TO:

Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3660

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Numbers:
2519-016-906 and 2519-016-907

# QUITCLAIM DEED

For a valuable consideration, receipt of which is hereby acknowledged, the COUNTY OF LOS ANGELES, a body corporate and politic, does hereby remise, release, and forever quitclaim to the STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA and THE ADMINISTRATIVE OFFICE OF THE COURTS, all of the County's right, title, and interest in and to the real property in the City of San Fernando, County of Los Angeles, State of California, described in Exhibit A attached hereto and by this reference made a part hereof.

Subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Deputy

**SAN FERNANDO COURTHOUSE PUBLIC LOT**
(File: San Fernando Civic Center (1))
I.M. 204-137
S.D. 3

MV

**NOTE: Acknowledgement certificate on reverse side.**

**ACKNOWLEDGEMENT CERTIFICATE**

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

# EXHIBIT A

**SAN FERNANDO COURTHOUSE PUBLIC LOT**
File with: San Fernando Civic Center (1)
A.I.N. 2519-016-906 and 907
T.G. 482 (B7)
I.M. 204-137
Third District

## LEGAL DESCRIPTION

All of Lots 1 through 14, Newton Tract, as shown on map recorded in Book 9, page 179, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

APPROVED AS TO DESCRIPTION
March 26, 2008
COUNTY OF LOS ANGELES
By _____
SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

*This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.*

RO C:\MyFiles\Legal Descriptions\CountyCourthouses\SanFernandoCourthousePublicLot.doc

WHEN RECORDED
MAIL THIS DOCUMENT TO:

Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3660

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Numbers:
2519-006-904, 2519-006-905, 2519-006-906, 2519-006-907, 2519-006-908 and 2519-006-909

# QUITCLAIM DEED

For a valuable consideration, receipt of which is hereby acknowledged, the COUNTY OF LOS ANGELES, a body corporate and politic, does hereby remise, release, and forever quitclaim to the STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA and THE ADMINISTRATIVE OFFICE OF THE COURTS, all of the County's right, title, and interest in and to the real property in the City of San Fernando, County of Los Angeles, State of California, described in Exhibit A attached hereto and by this reference made a part hereof.

Subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Deputy

**SAN FERNANDO COURTHOUSE**
**JUROR/EMPLOYEE LOT**
(File: San Fernando Civic Center (1))
I.M. 204-137
S.D. 3

MV

**NOTE: Acknowledgement certificate on reverse side.**

**ACKNOWLEDGEMENT CERTIFICATE**

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

# EXHIBIT A

**SAN FERNANDO COURTHOUSE JUROR/EMPLOYEE LOT**
File with: San Fernando Civic Center (1)
A.I.N. 2519-006-904, 905, 906, 907, 908 and 909
T.G. 482 (B7)
I.M. 204-137
Third District

## LEGAL DESCRIPTION

**Part A:**

All of Lots 1 through 10, and 15 through 22, Block U, Maclay's Addition to the Town of San Fernando, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

**Part B:**

That portion of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 1, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 8.

**Part C:**

That portion of the northwesterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 9, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 10.

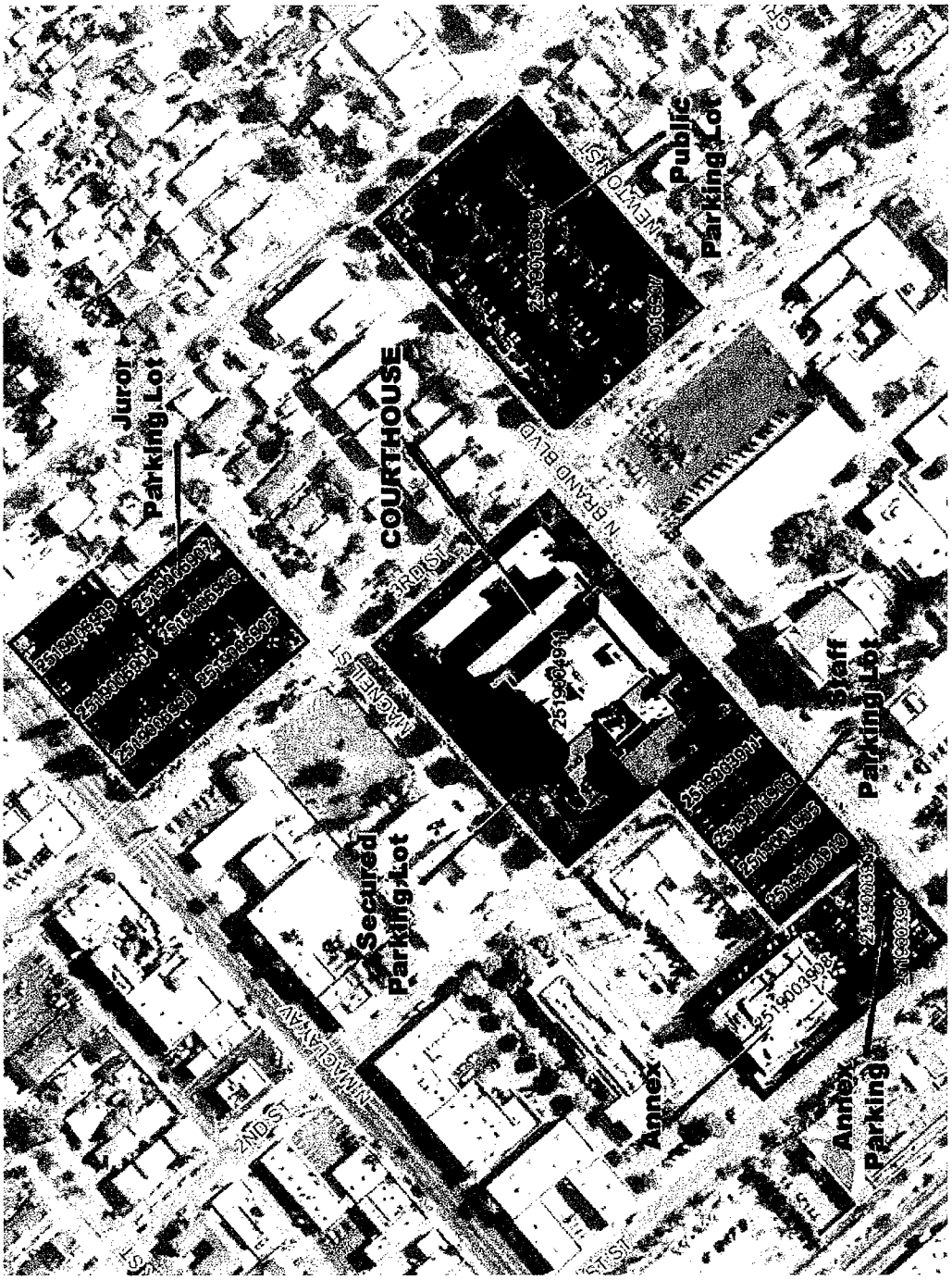
APPROVED AS TO DESCRIPTION
April 29, 2008
COUNTY OF LOS ANGELES
By _____
SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

*This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.*

RO C:\MyFiles\Legal Descriptions\CountyCourthouses\SanFernandoCourthouseJurorEmployeeLot.doc

# EXHIBIT "C"

# SITE PLAN OF REAL PROPERTY



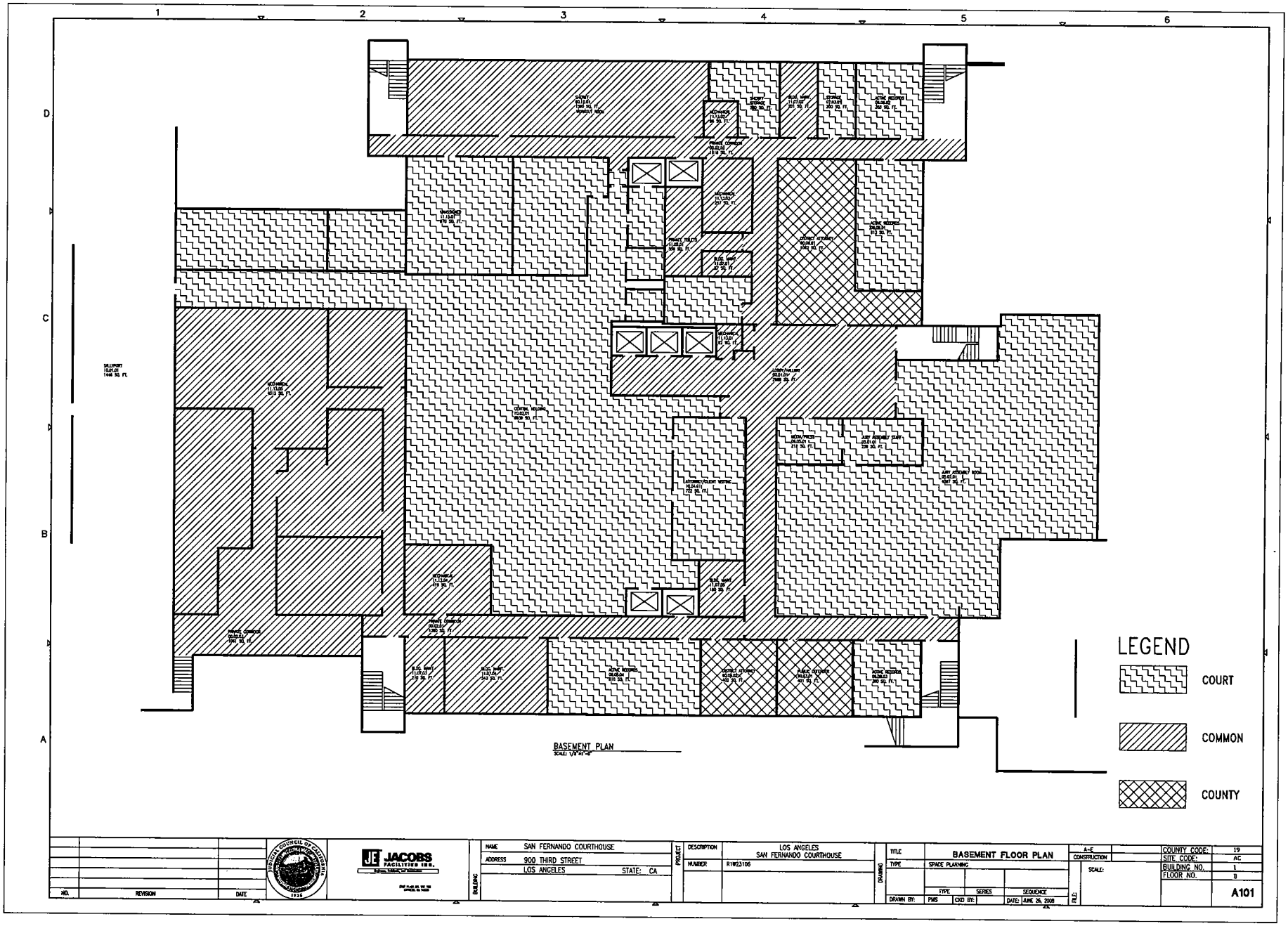


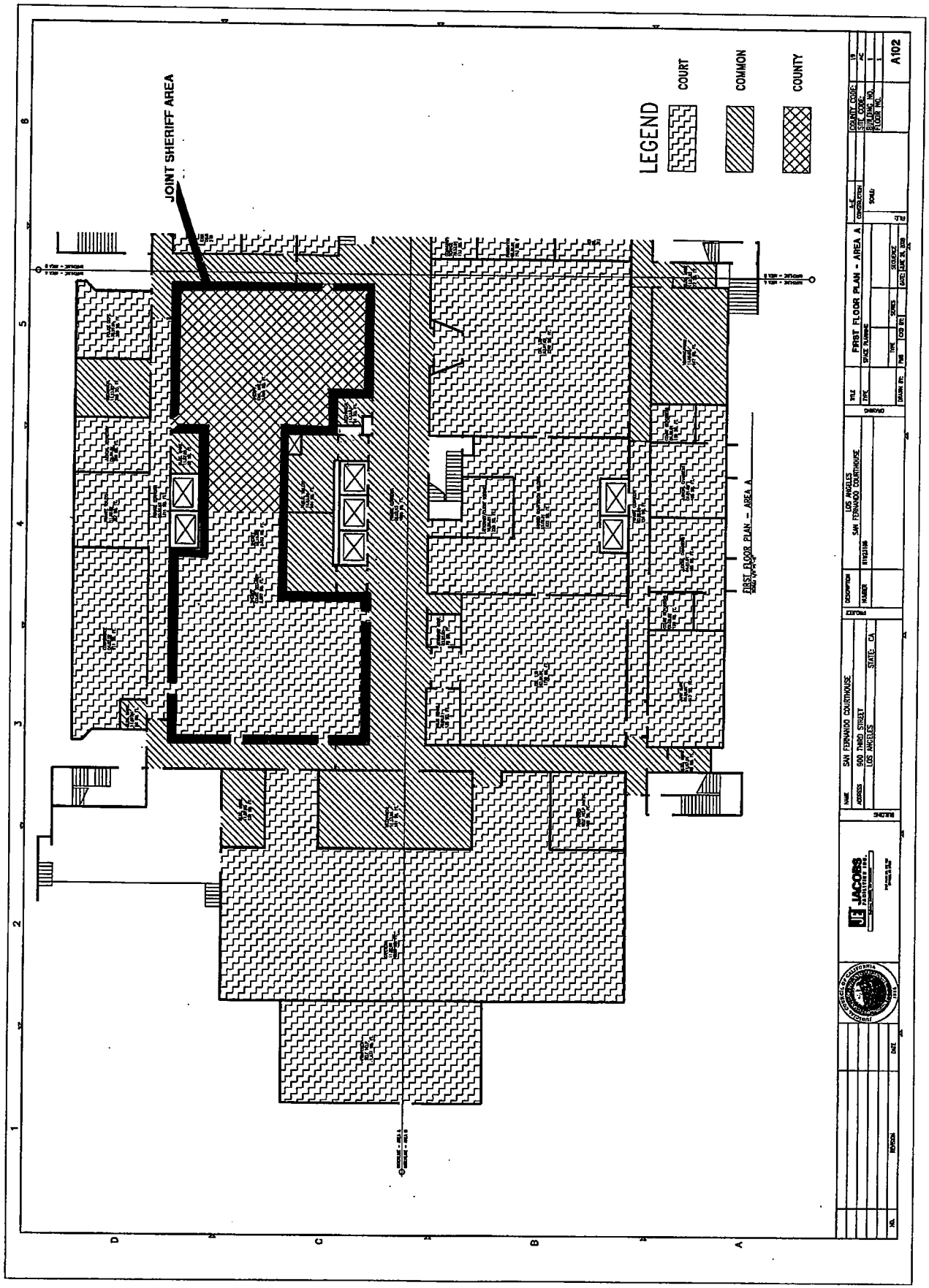

San Fernando TA
AOC Court Facility # 19-AC1
County LACO #Y481, L791, L792, L793, L794
Owned-Shared
July 10, 2008
1044418.7

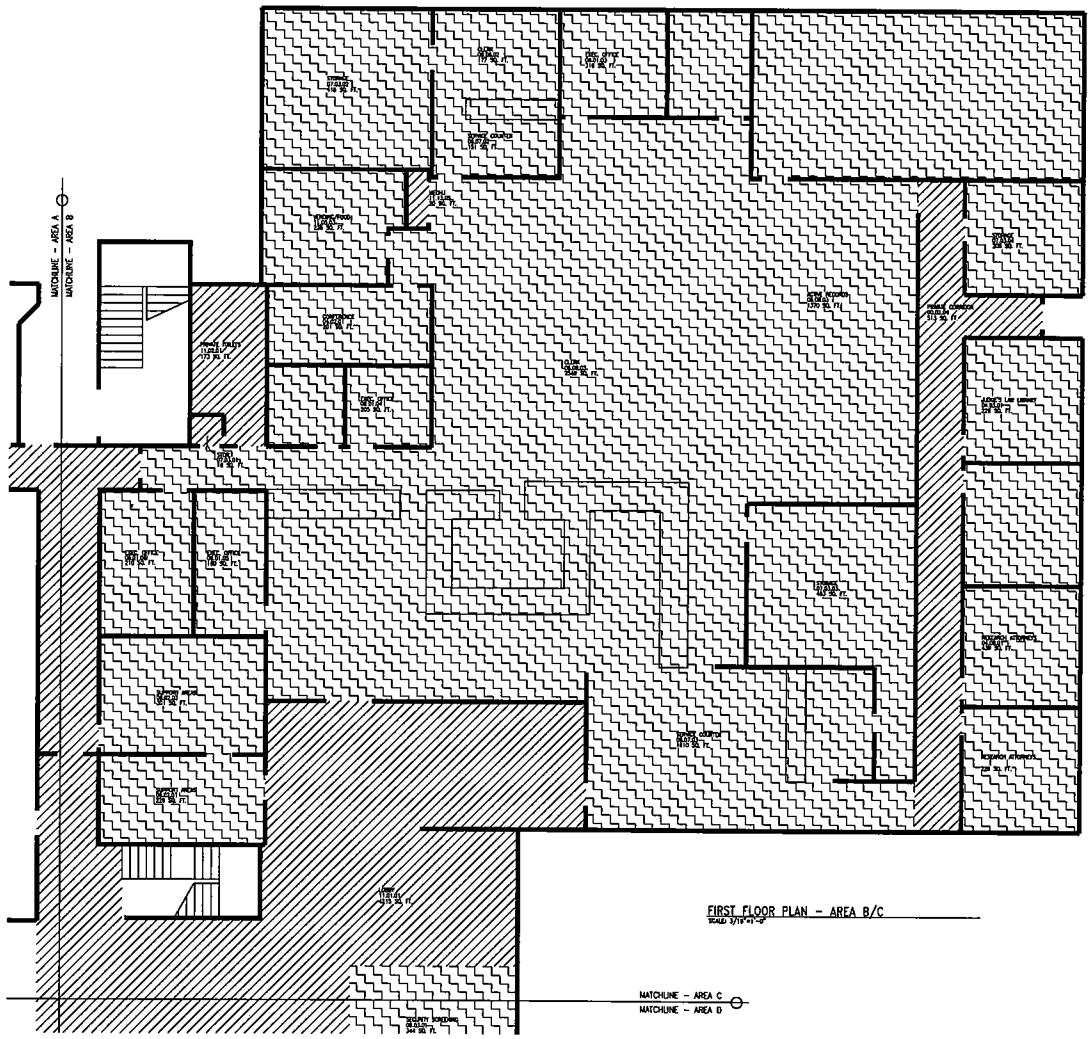
# EXHIBIT "D"

# FLOOR PLAN OF BUILDING INTERIOR

[See attached.]


1
2
3
4
5
6
D
C
B
A
BASEMENT PLAN
SCALE: 1/8"=1'-0"
LEGEND
COURT
COMMON
COUNTY
NO.
REVISION
DATE
JACOBS
FACILITIES INC.
NAME SAN FERNANDO COURTHOUSE
ADDRESS 900 THIRD STREET
LOS ANGELES STATE: CA
BUILDING
PROJECT
DESCRIPTION LOS ANGELES SAN FERNANDO COURTHOUSE
NUMBER R1W23106
DRAWING
TITLE BASEMENT FLOOR PLAN
TYPE SPACE PLANNING
TYPE SERIES SEQUENCE
DRAWN BY: PMS CKD BY: DATE: JUNE 26, 2008
FILE
A-E CONSTRUCTION
SCALE:
COUNTY CODE: 19
SITE CODE: AC
BUILDING NO. 1
FLOOR NO. B
A101


JOINT SHERIFF AREA
LEGEND
COURT
COMMON
COUNTY
FIRST FLOOR PLAN - AREA A
FIRST FLOOR PLAN - AREA A
LOS ANGELES
SAN FERNANDO COURTHOUSE
SAN FERNANDO COURTHOUSE
900 THIRD STREET
LOS ANGELES
STATE: CA
JACOBS
A102




FIRST FLOOR PLAN - AREA B/C
SCALE: 3/16"=1'-0"

## LEGEND

- COURT
- COMMON
- COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

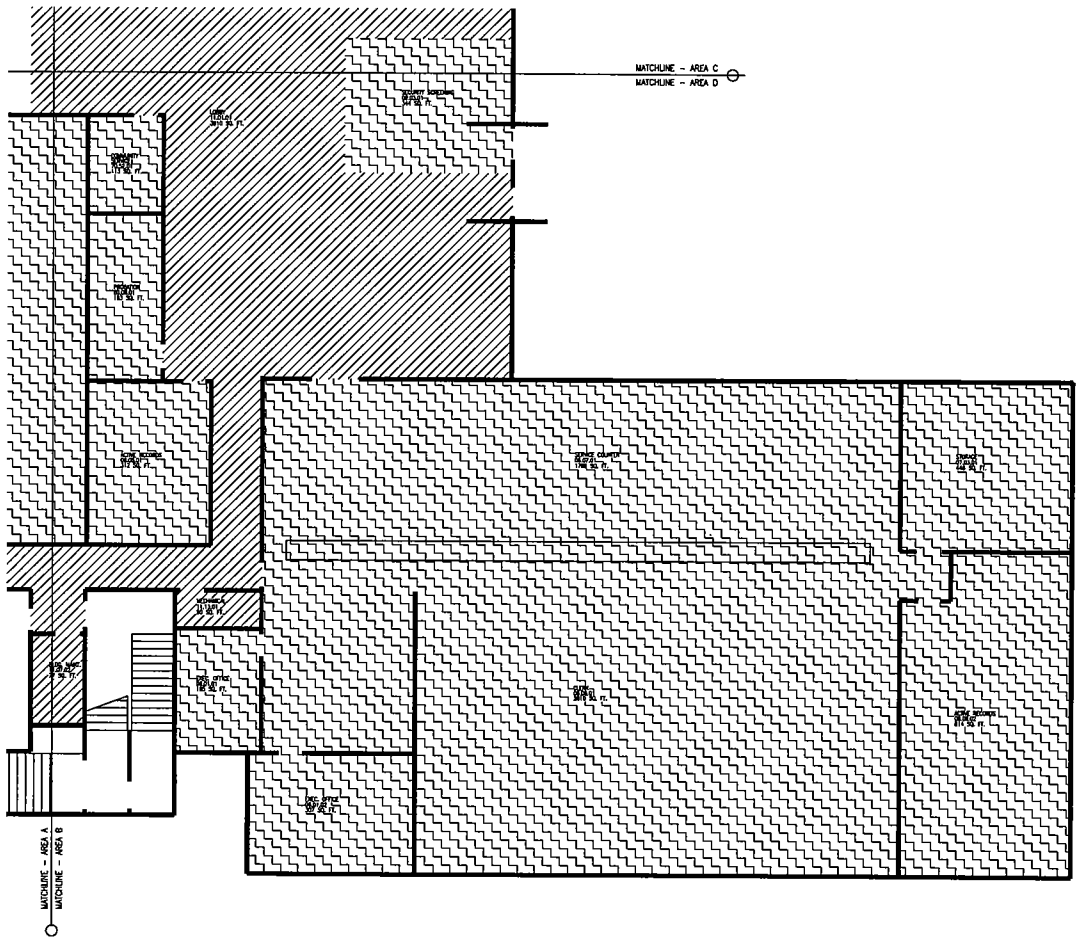
| | |
|---|---|
| NAME | SAN FERNANDO COURTHOUSE |
| ADDRESS | 900 THIRD STREET |
| | LOS ANGELES STATE: CA |

| | |
|---|---|
| DESCRIPTION | LOS ANGELES SAN FERNANDO COURTHOUSE |
| NUMBER | R1W23106 |

| | |
|---|---|
| TITLE | FIRST FLOOR PLAN - AREA B/C |
| TYPE | SPACE PLANNING |
| TYPE / SERIES / SEQUENCE | |
| DRAWN BY: | PMS |
| CKD BY: | |
| DATE: | JUNE 26, 2008 |
| A-E CONSTRUCTION | |
| SCALE: | |

| | |
|---|---|
| COUNTY CODE: | 19 |
| SITE CODE: | AC |
| BUILDING NO. | 1 |
| FLOOR NO. | 1 |

A103




FIRST FLOOR PLAN - AREA B/D
SCALE: 3/16"=1'-0"

LEGEND

COURT

COMMON

COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

BUILDING
NAME: SAN FERNANDO COURTHOUSE
ADDRESS: 900 THIRD STREET
LOS ANGELES STATE: CA

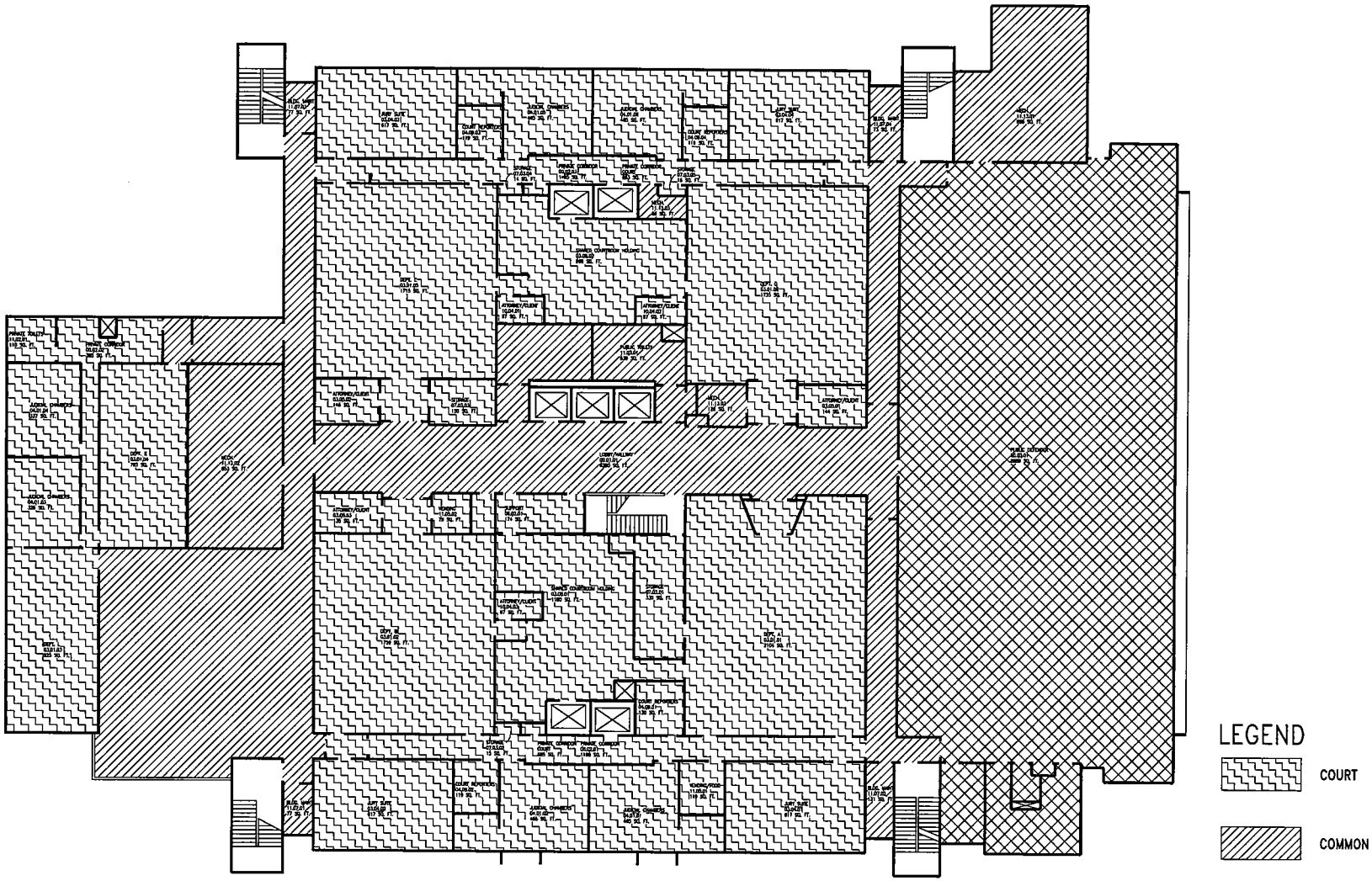
PROJECT
DESCRIPTION: LOS ANGELES SAN FERNANDO COURTHOUSE
NUMBER: R1W23106

DRAWING
TITLE: FIRST FLOOR PLAN - AREA B/D
TYPE: SPACE PLANNING
TYPE | SERIES | SEQUENCE
DRAWN BY: PMS CKD BY: DATE: JUNE 26, 2006

A-E CONSTRUCTION
SCALE:

COUNTY CODE: 19
SITE CODE: AC
BUILDING NO. 1
FLOOR NO. 1

A104




SECOND FLOOR PLAN
SCALE: 1/8"=1'-0"

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

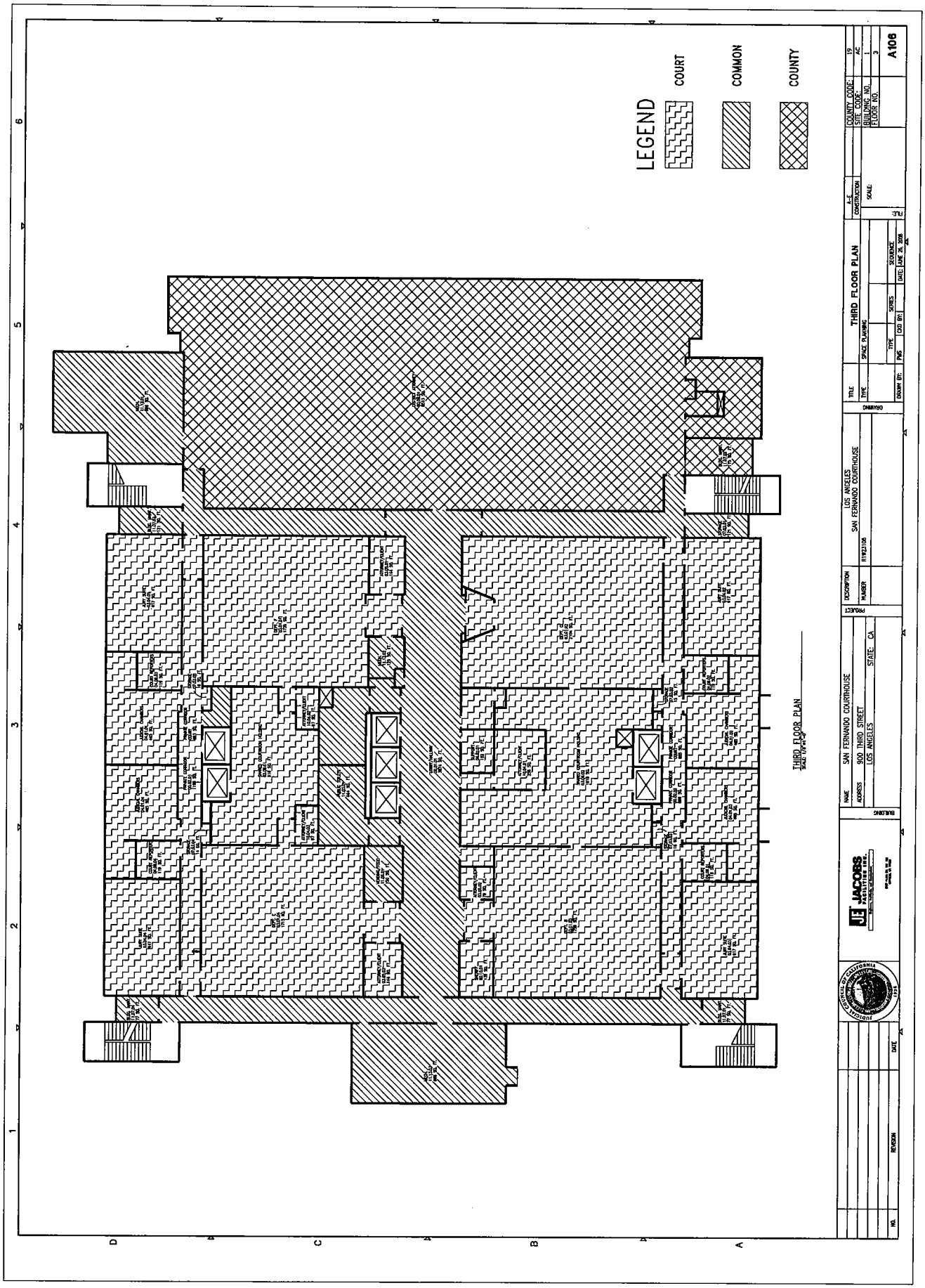
BUILDING
NAME: SAN FERNANDO COURTHOUSE
ADDRESS: 900 THIRD STREET
LOS ANGELES STATE: CA

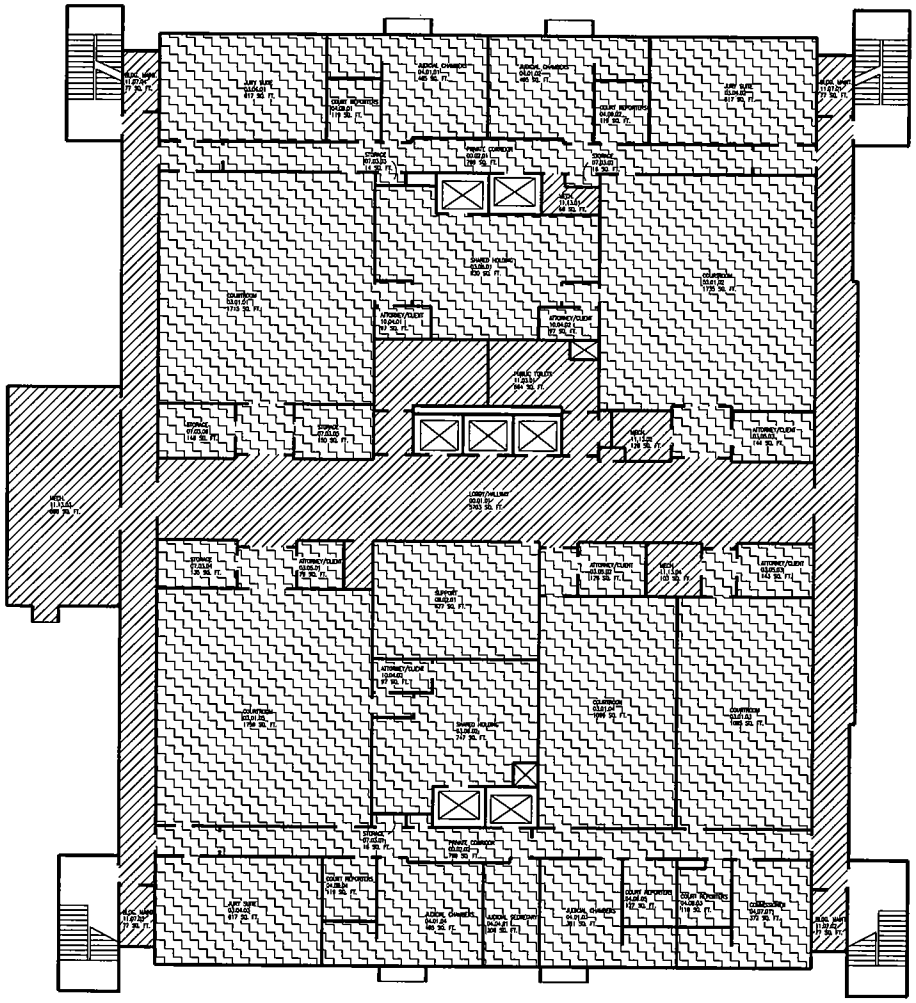
PROJECT
DESCRIPTION: LOS ANGELES SAN FERNANDO COURTHOUSE
NUMBER: R1W23106

DRAWING
TITLE: SECOND FLOOR PLAN
TYPE: SPACE PLANNING
TYPE | SERIES | SEQUENCE
DRAWN BY: PMS CKD BY: DATE: JUNE 26, 2006

FILE:
A-E CONSTRUCTION
SCALE:

COUNTY CODE: 19
SITE CODE: AC
BUILDING NO. 1
FLOOR NO. 2
A105


LEGEND
COURT
COMMON
COUNTY
THIRD FLOOR PLAN
SAN FERNANDO COURTHOUSE
900 THIRD STREET
LOS ANGELES
STATE: CA
LOS ANGELES
SAN FERNANDO COURTHOUSE
THIRD FLOOR PLAN
SPACE PLANNING
COUNTY CODE: 19
SITE CODE: AC
BUILDING NO. 1
FLOOR NO. 3
A106
JACOBS



FOURTH FLOOR PLAN

SCALE: 1/8"=1'-0"

## LEGEND

- COURT
- COMMON
- COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

BUILDING

NAME: SAN FERNANDO COURTHOUSE

ADDRESS: 900 THIRD STREET
LOS ANGELES STATE: CA

PROJECT

DESCRIPTION: LOS ANGELES SAN FERNANDO COURTHOUSE

NUMBER: R1W23106

DRAWING

TITLE: FOURTH FLOOR PLAN

TYPE: SPACE PLANNING

| TYPE | SERIES | SEQUENCE |
|---|---|---|
| | | |

DRAWN BY: PMS CKD BY: DATE: JUNE 28, 2006

A-E CONSTRUCTION

SCALE:

FILE:

| | |
|---|---|
| COUNTY CODE: | 19 |
| SITE CODE: | AC |
| BUILDING NO. | 1 |
| FLOOR NO. | 4 |

A107

## EXHIBIT "E"

## CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

### 1 - Material Agreements

Contracts related to title, use, occupancy or condition of court facility requiring more than 30 days prior notice to terminate and annual payment from or to the County of more than $25,000

### 2 - Structural/Physical Condition

(a) Plans and specifications for the original planning, design and construction of the buildings or for later additions or structural modifications, site plans, building plans, floor plans, flood maps

(b) "As-built" construction documents, including architectural, structural, mechanical, plumbing, and engineering plans and/or specifications

(c) Structural or engineering assessments, reports or notices

(d) Current floor plans for each floor (including basements)

(e) Inspection reports

(i) Documents describing repairs or maintenance made or required

(j) Documents reflecting the age and condition of the building roofs and the systems and equipment installed in or affixed to each court facility including HVAC, security systems, intercom or other internal communications systems, fire life safety systems, elevators and escalators;

(k) Seismic studies, seismic retrofitting or upgrades recommended or completed

(l) Fire/Life/Safety Compliance Documents

### 3 - Environmental

(a) Phase I or Phase II environmental site assessments

(b) Asbestos and mold reports

(c) Radon, methane gas or other air quality studies

(d) Environmental Impact Reports

(e) Endangered species investigations

(f) Biological assessments

(g) Negative declarations

(h) Remedial action plans

(i) Notices from and correspondence with any governmental body relating to compliance with environmental laws

(j) No further action (NFA) letters

(k) Environmental covenants and restrictions

(l) Closure reports

(n) Permits or licenses related to environmental compliance

(o) Documents and inspection reports related to underground or above-ground storage tanks

(p) County's written disclosures to/from third parties regarding environmental conditions

**4 - Title**

(a) County's current title policy or title report, if any

(b) New title report and recorded title exception documents

(c) ALTA survey and any maps, plats, plans, specifications or other drawings/depictions of each court facility

(d) Descriptions of unrecorded/unwritten liens and encumbrances

(f) Covenants, conditions and restrictions

(g) Reciprocal easement agreements

**5 - Compliance**

(a) Certificates of occupancy

(b) Inspection certificates for elevators, escalators, fire safety equipment and other building systems

(c) Assessments, reports or analyses relating to ADA compliance

(d) Permits and approvals for capital improvements, repair or maintenance projects

(e) Licenses for software and other proprietary materials to be transferred

(f) Notices and correspondence concerning actual or claimed violations of law related to real property or building

(g) Licenses and permits required for any business operated on the property (other than the courts)

**6 - Occupancy**

(a) Leases, subleases and rental agreements

(b) Licenses for use of land, building or personal property

(c) Occupancy or use arrangements (verbal or written)

(d) Notices and material correspondence related to any lease, sublease, rental agreement, license or other occupancy or use arrangements

**7 - Intangible Rights and Obligations**

(a) Written/verbal contract rights and commitments (e.g., leases for equipment, signage or other personal property, vending machine rental or purchase agreements, service or maintenance contracts, vendor agreements, contracts for or related to the development, design, construction, ownership, repair, maintenance, operation, upkeep and/or inspection of all or any part of the real or personal property to be transferred)

(b) Software license agreements or arrangements to be transferred

(c) Warranties, permits, licenses, certificates, guaranties and suretyship agreements and arrangements, indemnification rights, and any unresolved claims or demands made on any such warranties, indemnification rights, guaranties and/or suretyship agreements

(d) Commitments, deposits and rights for utilities

(e) Engineering, accounting, legal and other technical or business data concerning the real or personal property to be transferred, and title documents and information concerning any tangible personal property to be transferred

(f) Deposits, deposit accounts and escrow accounts arising from or related to any transactions related to the land, building or intangible personal property, and rights to receive refunds or rebates of impact fees, assessments or charges, premiums

(g) Rights to oil, gas and other hydrocarbons and minerals produced from or allocated to the land and the proceeds thereof

(h) Reversionary rights and interests held by the County or other third party in the land, any adjacent land or any other land previously comprising a part of the court property

(j) Amendments, addenda, exhibits, appendices, attachments, schedules, riders, modifications, renewals, extensions and other changes or additions of every kind to any of (a) through (i) above

**8 - Insurance Coverage, Damage or Loss, Claims**

(a) Proceeds arising from any damage to or loss of all or any part of the court facility, including any commercial tort claims arising from or related to any such damage or loss

(b) Documentation of and written materials relating to any self-insurance programs covering all or any of the real or personal property to be transferred

**9 - Condemnation**

(a) Claims, demands for mediation, arbitration or other dispute resolution procedure, causes of action or complaints received in connection with any actual

or proposed condemnation or eminent domain proceeding affecting the court facility

(b) Proceeds to which the County is or may be entitled related to the taking of any part of the land or building by condemnation, eminent domain or transfer in lieu of condemnation or eminent domain, for public or quasi-public use under any law

**10 - Litigation**

Brief written description of each pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation or other dispute resolution proceeding involving, related to or affecting the court facility

**11 - Excluded Documents**

If there are materials that are responsive to the AOC's document and information requests, but which the County believes it may not disclose to the AOC for reasons of attorney-client privilege, attorney work product privilege or confidentiality obligations, the AOC requests that the County provide the AOC with a written list setting forth the title and general subject matter of each such document.

**SPECIAL CONSIDERATIONS**

**A - Historical Buildings**

Historic Building Designation Documents

**B - Bonded Indebtedness**

(a) Written evidence that County's interest in the land and building is subject to bonded indebtedness (as defined in Section 70301(a) of the Act)

(b) Legal documents evidencing and/or securing the bonded indebtedness and any material notices or correspondence related thereto

(c) Identification of all revenue sources that are and/or will be used to pay the bonded indebtedness

**C - Pending Projects (see §§770326(d) and 70331 of SB 1732)**

(a) Written approval by the County's Board of Supervisors for the pending project

(b) Resolutions or ordinances approved by the County allocating, approving, appropriating or committing funds for the applicable phases of a pending project

(c) Contracts or agreements entered into, or under negotiation, by the County for a pending project

(d) Written description of the source and amount of all County funds allocated, approved, appropriated or committed for a pending project and the terms and conditions applicable to the County's use of such funds

(e) Draft/final plans, specifications, energy or structural calculations, drawings, maps and surveys depicting or related to a pending project

(f) Permits and approvals given by any governmental body for a pending project, and/or completed applications for required permits or approvals for a pending project, including CEQA documents

(g) Bids, estimates, proposals, responses to requests for proposals or other documents reflecting proposed pricing for labor and/or materials for any one or more of the pending projects

(h) Materials related to the approval, permitting, funding, planning, implementation, performance and/or completion of the pending project

# EXHIBIT "F"

## MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS

[See attached.]

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

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

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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): 2519004911, 2519003911, 2519003906, 2519003905, 2519003910, 2519016906, 2519016907, 2519006909, 2519006906, 2519006905, 2519006904, 2519006907, 2519006908

## MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS

THIS MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS ("**Memorandum of TA and JOA**") is made and entered into the _____ day of _____, 2008 by and between the County of Los Angeles ("**County**"), whose present address is 754 Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, Attention: Manager, Asset Planning and Strategy, Chief Executive Office, and the Judicial Council of California ("**Council**"), 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 San Fernando, County of Los Angeles, State of California, having a street address of 900 Third Street, as more particularly described on **Attachment 1** to

this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the court facility commonly known as the San Fernando Courthouse, and certain other buildings, structures, parking lots and improvements located on and/or affixed to the Land (together with the Land, the "**Real Property**");

B. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the San Fernando Courthouse dated as of _____, 2008 ("**TA**"). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the San Fernando Courthouse, 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;

C. The TA provides, among other things, for transfer of title to the Real Property from the County to the State upon release of the lien of the bonded indebtedness to which the Real Property is subject;

D. The TA further provides, among other things, that the County's equity interest in the Real Property will be compensated, should the Council replace the courthouse for all or part of the court facility or otherwise sell or release title to the Real Property after transfer of title;

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

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

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: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: William T Fujioka
Title: Chief Executive Officer

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) SS.
COUNTY OF _____)

On _____, before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person 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 of Notary Public

(Seal)

## COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

## ATTACHMENT 1 TO EXHIBIT "F"

## LEGAL DESCRIPTION OF THE PROPERTY

Part A:

All of Lots 21 through 28, Maclay's Addition to the Town of San Fernando, Block N, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part B:

That portion of the southwesterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the northeasterly prolongation of the southeasterly line of above-mentioned Lot 28, northwesterly to the northeasterly prolongation of the northwesterly line of said lot.

Part C:

That portion of the northeasterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block N, which lies southwesterly of and adjoins the southwesterly line of above-mentioned Lot 21, said portion extends from the southwesterly prolongation of the southeasterly line of said last-mentioned lot, northwesterly to the southwesterly prolongation of the northwesterly line of said lastmentioned lot.

Part D:

All of Lots 1 through 28, Block 0, above-mentioned map.

Part E:

That portion of the northeasterly half of 2nd Street (now vacated), 60 feet wide, as shown on above-mentioned map, which extends from the southwesterly prolongation of the southeasterly line of above-mentioned Lot 15, northwesterly to the southwesterly prolongation of the northwesterly line of above-mentioned Lot 1.

Part F:

That certain Alley (now vacated), 15 feet wide, in above-mentioned Block 0, which extends from the southeasterly prolongation of the southwesterly line of abovementioned
Lot 1, northeasterly to the northwesterly prolongation of the northeasterly line of Lot 28, said Block O.

Part G:

All of Lots 1 through 10, and 15 through 22, Block U, Maclay's Addition to the Town of San Fernando, as shown on map recorded in Book 17, pages 11 and 12, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part H:

That portion of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 1, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 8.

Part I:

That portion of the northwesterly half of that certain Alley (now vacated), 15 feet wide, in above-mentioned Block U, which extends from the southeasterly prolongation of the southwesterly line of above-mentioned Lot 9, northeasterly to the southeasterly prolongation of the northeasterly line of above-mentioned Lot 10.

Part J:

All of Lots 1 through 14, Newton Tract, as shown on map recorded in Book 9, page 179, of Maps, in the Office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

## EXHIBIT "G"

## LIST OF KEY BONDED INDEBTEDNESS DOCUMENTS

1. Site and Facility Lease, dated as of December 1, 1992, by and between County of Los Angeles and Los Angeles County Capital Asset Leasing Corporation.

2. Sublease and Option to Purchase, dated as of December 1, 1992, by and between Los Angeles County Capital Asset Leasing Corporation and County of Los Angeles.

3. Amendment to Sublease and Option to Purchase, dated as of December 1, 2002, by and between Los Angeles County Capital Asset Leasing Corporation and County of Los Angeles.

4. Indenture of Trust, dated as of December 1, 1992, by and between Los Angeles County Capital Asset Leasing Corporation and State Street Bank and Trust Company of California, N.A., Trustee, Relating to the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Bonds (1992 Master Refunding Project).

5. First Supplemental Indenture between the Los Angeles County Capital Asset Leasing Corporation and State Street Bank and Trust Company of California, N.A., as Trustee, dated as of December 1, 2002.

# EXHIBIT "H"

# DATEDOWN CERTIFICATE

[See attached.]

## DATEDOWN CERTIFICATE

A. The Judicial Council of California ("**Council**"), and the County of Los Angeles ("**County**"), have entered into that certain Transfer Agreement for the Transfer of Responsibility for portions of, and Title to, the San Fernando Courthouse dated as of _____, 2008 ("**Agreement**"). Capitalized terms used in this Datedown Certificate have the meanings ascribed to them in the Agreement.

B. Under the Agreement, the Council has requested from the County the Title Transfer Documents in preparation for the Transfer of Title.

C. This Certificate is given by the County and the Council to one another to update and confirm their representations and warranties given in the Agreement.

THEREFORE, the County, in its proprietary capacity as the owner of fee title to the Real Property, and the Council, by and through the AOC, hereby make the representations and warranties to one another effective on both the date of this Certificate and the Title Transfer Date. Each Party will give written notice to the other within ten business days of its discovery of any facts or circumstances that would render any information contained in its own representations and warranties in this Certificate incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the anticipated Title Transfer Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the Title Transfer Date will be automatically delayed one month to allow the Party receiving that notice sufficient time to decide whether to proceed with the Transfer of Title.

1. The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the County Chief Executive Officer's Manager for Asset Planning and Strategy, and the County represents that this is the person within the County most knowledgeable with respect to the matters described in the County's representations and warranties.

1.1. Authority. The County Authorized Signatory has been duly authorized and empowered by the County Board of Supervisors to execute the

Title Transfer 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 its obligations under the Agreement relating to the Transfer of Title and the Title Transfer Documents.

1.2. Due Execution and Delivery. The Agreement and the Title Transfer Documents are legal, valid, and binding obligations of the County and are fully enforceable against the County.

1.3. No Conflict. The Agreement and the Title Transfer Documents do not violate any provision of any existing agreement, obligation, or court order (including, without limitation, the Bonded Indebtedness Documents) to which the County is a party or by which the County or any of its assets is subject or bound. Other than the actions necessary to retire the Bonded Indebtedness, no other action of any governmental agency or authority is required for, and the County has no actual knowledge of any Law in effect which would prohibit, the County's execution, delivery, or performance of its obligations under the Agreement relating to the Transfer of Title or the Title Transfer Documents.

1.4. Title to Real Property. Other than the Occupancy Agreements, the Bonded Indebtedness Documents, those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date of the Agreement, and those rights and interests that the County has disclosed to the Council in the Property Disclosure Documents: (1) to the best of County's knowledge, no Third Party has any title or interest in or right to occupy or use the Real Property, excepting any Third Parties that may be occupying or using the Real Property with the consent, written or implied, of the State Parties; and (2) the County has not granted, conveyed, or otherwise transferred to any Third Party any present or future right, title, or interest in or to the Real Property.

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

1.6. 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, any violation of Law, whether or not appearing in public records, with respect to the Real 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.

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

1.8. 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 Council or the AOC under the Agreement, the County has received no notice from a Third Party of the actual, threatened, or suspected presence of any Hazardous Substance, or of any existing violations of Law, in, on, under, adjacent to, or affecting the Real Property, except for any Hazardous Substance used or held in conformity with Law.

1.9. Exceptions. All of the above representations and warranties are true, correct, and complete in all respects, except as specifically set forth on **Schedule 1** attached to and made a part of this Certificate.

1.10. Conditions to Transfer of Title. All of the conditions for the benefit of the County to the Transfer of Title set forth in section 5.2.5.2 of the Agreement have been satisfied or waived.

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

2.1. Good Standing. The Council is an entity established by the Constitution of the State, and the AOC is the staff agency to the Council. Both the Council and the AOC are validly existing under the Law of the State.

2.2. Authority. The AOC is authorized by Rule 10.183(d)(2), California Rules of Court, to act on behalf of the Council in respect of the Transfer of Title, and for approving the Agreement for the Transfer of Title under the Act.

2.3. Due Execution and Delivery. The Agreement and the Title Transfer Documents executed by the AOC on behalf of the Council are legal, valid, and binding obligations of the Council and the AOC and fully enforceable against the Council and the AOC.

2.4. No Conflict. The Agreement and the Title Transfer Documents do not violate any provision of any agreement, obligation, or court order, to which the Council or the AOC is a party or by which any of the State Parties, or any of their respective assets, are 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 Council has no actual knowledge of any Law in effect which would prohibit, the Council's execution, delivery, or performance of its obligations under the Agreement relating to the Transfer of Title or the Title Transfer Documents.

2.5. Exceptions. All of the above representations and warranties are true, correct, and complete in all respects, except as specifically set forth on **Schedule 2** attached to and made a part of this Certificate.

2.6. Conditions to Transfer of Title. All of the conditions for the benefit of the Council to the Transfer of Title set forth in section 5.2.5.1 of the Agreement have been satisfied or waived.

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IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the _____ day of _____, 20__.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
County Counsel

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: _____
Title: Chief Executive Officer

## Schedule "1" to Datedown Certificate

To be completed, if necessary, when Datedown Certificate is executed.

## Schedule "2" to Datedown Certificate

To be completed, if necessary, when Datedown Certificate is executed.

AOC Facility # 19-AC-01
County LACO # Y481, L791, L792, L793, L794
San Fernando Courthouse JOA
900 Third Street, San Fernando, California 91340

# JOINT OCCUPANCY AGREEMENT

# BETWEEN

# THE JUDICIAL COUNCIL OF CALIFORNIA,

# BY AND THROUGH

# THE ADMINISTRATIVE OFFICE OF THE COURTS,

# AND

# THE COUNTY OF LOS ANGELES

# FOR THE SAN FERNANDO COURTHOUSE

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# JOINT OCCUPANCY AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Agreement as of JUL 29 —, 2008 (the "**Effective Date**"), and set forth the terms and conditions for the Parties' shared possession, occupancy, and use of the Real Property.

## 2. DEFINITIONS

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

"**Additional Court Area Services**" has the meaning ascribed to it in section 3.2.1.3 of this JOA.

"**Annex**" means the San Fernando Courthouse Annex located at 919 First Street, San Fernando, California, 91340, (AOC Facility Number 19-AC-02), and the 67 parking spaces associated therewith (the real property comprising the Annex and associated parking are identified as Assessor Parcel Numbers 2519-003-908, 2519-003-909, and 2519-003-904).

"**Bonded Indebtedness**" means the "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 existing as of the Effective Date of this JOA, which are listed on Exhibit "G" to the Transfer Agreement, and any agreements evidencing or securing any refunding of the Bonded Indebtedness as permitted by sections 70323(a) and 70325(b) of the Act.

"**Building**" means the building commonly known as the San Fernando Courthouse, located at 900 Third Street, San Fernando, California, 91340, on the Land in which the Court Facility (as defined in the Transfer Agreement) is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use

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Area. The Building Equipment does not include the equipment and systems that exclusively serve the Exclusive-Use Area of only one Party.

"**Building Software**" means any software used in connection with the Building Equipment.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on Exhibit "D" attached to the Transfer Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Contractors**" means all Third-Party contractors, vendors, service providers, and all levels of subcontractors, and their respective employees, consultants, and representatives, that provide goods, services, or supplies to the Real Property with respect to (i) the Operation of the Real Property, or (ii) the performance of alterations and additions to the Real Property under sections 3.2.1.3 and 3.2.2.3 of this JOA.

"**Contributing Party**" means the County, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Council Claim**" means any demand, complaint, cause of action, or claim related to the period on and after the Responsibility Transfer Date, alleging or arising from acts, errors, omissions, or negligence of the Superior Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a Third Party against a Superior Court employee).

"**Council Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**Council Share**" means 83.41 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the Superior Court.

"**County Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**County Exclusive-Use Area**" means the 21,915 square feet of the Building that are exclusively occupied and used by the County, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.59 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the State Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means: (i) nine parking spaces in the Secured Courthouse Parking Lot; (ii) 51 parking spaces in the Juror Parking Lot; and (iii) 30 parking spaces in the Public Parking Lot, all as shown on Exhibit "C" to the Transfer Agreement.

"**County Parties**" means the County and its officers, agents, and employees.

"**County Share**" means 16.59 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

"**Court Exclusive-Use Area**" means the 110,212 square feet of the Building that are exclusively occupied and used by the Superior Court, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.41 percent of the Total Exclusive-Use Area.

"**Defect**" means any condition of, damage to, or defect in the Common Area that: (1) threatens the life, health, or safety of persons occupying or visiting the Real Property; (2) unreasonably interferes with, disrupts, or prevents either Party's or the Superior Court'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 or the Superior Court; (4) threatens to diminish the value of the Real Property, or threatens to damage or destroy the personal property of a Party or the Superior Court; (5) threatens the preservation of a Party's or the Superior Court's files, records, and documents located in the Building; or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Real Property.

"**Emergency**" means a sudden, unexpected event or circumstance, on or affecting the Real Property, that (i) results in a Defect, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Real Property, or (c) to

the preservation of a Party's or the Superior Court's files, records, and documents located in the Building.

"**Equipment Permits**" means all governmental permits, certificates, and approvals required for the lawful operation of any of the Building Equipment.

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

"**Estimated Shared Costs of Operation**" means the Managing Party's reasonable, itemized estimate of the Shared Costs for a fiscal year, exclusive of Utility Costs.

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**First Year**" means the time period, if any, commencing on the Responsibility Transfer Date and ending on June 30, 2008.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means this Joint Occupancy Agreement.

"**Joint Sheriff Area**" means the area of the Building that is located in the basement and on the first floor and labeled "**Joint Sheriff Area**" on Exhibit "D" to the Transfer Agreement.

"**Juror Parking Lot**" means the surface parking lot, also known as "County Auto Park 92," located on the Land across the street from the Building directly to the north on the parcels with Assessor Parcel Numbers 2519-006-904, 2519-006-905, 2519-006-906, 2519-006-907, 2519-006-908, and 2519-006-909, containing 169 parking spaces.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 6.9 acres as described on Exhibit "A" to the Transfer Agreement, including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any. The Land does not include the real property on which the Annex is

located (the real property comprising the Annex and associated parking are identified as Assessor Parcel Numbers 2519-003-908, 2519-003-909, and 2519-003-904).

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Liability Claim**" means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of a Third Party (excluding any employees of State Parties or County Parties acting within the scope of their employment as such) in, on, or about the Real Property, or (2) damage to or destruction of personal property of a Third Party (other than personal property of a County Party or a State Party) in, on, or about the Real Property.

"**Major Defect**" means any Defect: (i) that cannot, with reasonable diligence, be corrected within ten days, or (ii) as to which the estimated cost to correct is reasonably expected to exceed $10,000.

"**Managing Party**" means the Council, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use any part of the Real Property.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property, whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property (such as a Party's Exclusive-Use Area or the Common Area), and does not include additions or alterations covered by sections 3.2.1.3 or 3.2.2.3 of this JOA. For clarification, custodial services are not governed by this JOA.

"**Owner**" means the Party that owns fee title to the Real Property, which is the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either the Council or the County, and "**Parties**" means the Council and the County.

"**Property Claim**" means any claim or demand submitted by a Party under its Property Insurance Policy arising from, or related to, the physical loss or damage to the Real Property.

"**Property Insurance Costs**" means those premiums required to provide or maintain any Property Insurance Policies obtained by a Party.

"**Property Insurance Policies**" means any policies of property insurance, self-insurance, or other forms of coverage obtained by a Party to insure against Property Losses, including all property insurance coverage the County is required to maintain for the Real Property under the Bonded Indebtedness Documents.

"**Property Loss**" means any physical loss or damage to, or destruction of, the Real Property that arises from a cause other than the gross negligence or willful misconduct of a County Party or a State Party.

"**Public Parking Lot**" means the surface parking lot, also known as "County Auto Park 84," located on the Land across the street from the Building to the east, on the parcels with Assessor Parcel Numbers 2519-016-906 and 2519-016-907, containing 222 parking spaces.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the date on which the Transfer of Responsibility takes place pursuant to the Transfer Agreement.

"**Second Year**" means the time period commencing on the later of July 1, 2008 or the Responsibility Transfer Date, and ending on June 30, 2009.

"**Secured Courthouse Parking Lot**" means the secured, surface parking lot located on the Land, on the Building parcel with Assessor Parcel Number 2519-004-911, containing 33 parking spaces.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells, sallyports, and secured elevators, staircases, and corridors.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Service Standards**" means those standards for the Operation of the Real Property set forth in **Attachment "3"** to this JOA.

"**Share**" means the Council Share or the County Share, as determined by the context in which the term is used.

"**Shared Costs**" means: (i) the cost of owned or rented capital replacement items, improvements, Building Equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area; (iii) the cost of obtaining and maintaining Equipment Permits, subject to section 3.2.5 below (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party's negligent failure to timely pay the cost or keep the Equipment Permits in effect); (iv) the Utility Costs for the Common Area; and (v) the Utility Costs for the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party's Exclusive-Use Area and can be differentiated as such; (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 an Emergency; (c) any Property Insurance Costs, unless the Parties enter into the separate, written agreement described in section 6.1 of this JOA; or (d) 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.

"**Sheriff**" means the Los Angeles County Sheriff's Department.

"**Staff Parking Lot**" means the surface parking lot, also known as "County Auto Park 91," located on the Land southwest of the Building, on the parcels with Assessor Parcel Numbers 2519-003-905, 2519-003-906, 2519-003-910, and 2519-003-911, containing 95 parking spaces.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Area Services**" means the Operation of the Court Exclusive-Use Area for which the County will be responsible pursuant to section 3.2.1.2 of this JOA.

"**Superior Court Parking**" means: (i) 24 parking spaces in the Secured Courthouse Parking Lot; (ii) 95 parking spaces in the Staff Parking Lot; (iii) 118 parking spaces in the Juror Parking Lot; and (iv) 60 parking spaces in the Public Parking Lot, all as shown on Exhibits "C" and "D" to the Transfer Agreement.

"**Term**" means the term of this JOA, which commences on the Responsibility Transfer Date and continues indefinitely until the Parties enter into a Termination Agreement.

"**Termination Agreement**" means the document titled Termination of Joint Occupancy Agreement in the form and content substantially similar to **Attachment "1"** to this JOA.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed (as defined in the Transfer Agreement) is recorded in the office of the County Recorder.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer Agreement**" means that certain Transfer Agreement Between the Judicial Council of California By and Through the Administrative Office of the Courts and the County of Los Angeles for the Transfer of Responsibility for and Title to the San Fernando Courthouse, of even date herewith.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or by Third Parties.

"**Utility Costs**" means the actual cost of providing Utilities.

## 3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Transfer Agreement, and this JOA, during the Term, the County has the right to exclusively occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area, and the State Parties have the right to exclusively occupy and use the Court Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area. Each Party's non-exclusive right to use the Common Area must: (i) not interfere with the other Party's use of its Exclusive-Use Area or the Common Area; (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 Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

3.2.1 Exclusive-Use Areas.

3.2.1.1 Responsibility. During the Term, each Party is responsible for the Operation of its Exclusive-Use Area at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Area, as long as those alterations and additions do not unreasonably interfere with the other Party's use of, or ingress to and egress from, its Exclusive-Use Area or the Common Area.

3.2.1.2 Superior Court Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date, and continuing thereafter for so long as the Parties agree consistent with the terms of this JOA (the "**Superior Court Area Delegation Period**"), the Council exclusively delegates its responsibility for the Operation of the Court Exclusive-Use Area (the "**Superior Court Area Delegation**") to the County, and the County accepts the Superior Court Area Delegation and agrees to be responsible for the Operation of the Court Exclusive-Use Area, and to keep and maintain the Court Exclusive-Use Area in good order and condition in accordance with Law and the Service Standards (the "**Superior Court Area Services**"). The Parties agree that the County does not have an obligation to inspect the Court Exclusive-Use Area, and is only required to provide the Superior Court Area Services to the extent the County becomes, or is made, aware of any condition or circumstance in the Court Exclusive-Use Area requiring the Superior Court Area Services. Without foreclosing any other channels of informal communication between the Parties, the Council Designated Representative and the County Designated Representative may discuss any matter related to the Superior Court Area Services. The Council shall reimburse the County for the cost and expense of the Superior Court Area Services in accordance with section 4 of this JOA. At the Council's request, the County

shall provide reasonably detailed information regarding the Superior Court Area Services that have been or will be provided by the County, such as a service call log, including the list of services completed and status of pending work. The Council may withdraw and terminate the Superior Court Area Delegation either (i) for any reason and at any time during the Superior Court Area Delegation Period upon no less than 180 days prior written notice to the County, provided that the Superior Court Area Delegation Period shall last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services in accordance with this section 3.2.1.2, or (b) perform the duties delegated to the County under section 3.2.2.2 of this JOA in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination.

3.2.1.3 Alterations. The Council may request that the County provide alterations and additions to the Court Exclusive-Use Area that are not otherwise required of the County as part of the Superior Court Area Services (the "**Additional Court Area Services**"). If the County consents to any such request, the Council and the County shall work together diligently and in good faith to prepare a service request (the "**Service Request**") describing the scope of services and a detailed estimate of the time and cost for completing the Additional Court Area Services. The County Designated Representative, or his or her designee, and the Council Designated Representative, or his or her designee, shall approve the Service Request in writing prior to the County incurring any costs or expenses under the Service Request. The County shall diligently pursue the completion of the Additional Court Area Services in accordance with the Service Request, and the Council shall be responsible to pay the costs and expenses set forth thereunder within 30 days following the completion (or, to the extent provided in the Service Request, the partial completion) of the Additional Court Area Services and the receipt of an invoice from the County, and reasonable documentation therefor, in respect of the Service Request. The Council shall not be responsible for any cost or expense not set forth in the Service Request, and the County must obtain the written consent of the Council Designated Representative, or his or her designee, to any change to the Service Request prior to incurring any such additional costs or expenses. Prior to undertaking any services in the Court Exclusive-Use Area, the County is responsible to determine whether such services are, in whole or in part, Superior Court Area Services or Additional Court Area Services, and to the extent the County incurs any cost or expense in connection with any Additional Court Area Services prior to obtaining the Council Designated Representative's, or his or her designee's, written approval of a Service Request, such services shall be deemed to be Superior Court Area Services provided by the County pursuant to section 3.2.1.2 of this

JOA. For clarification, nothing in this section 3.2.1.3 limits or prevents the Council from obtaining services included as Additional Court Area Services from any Third Party.

3.2.2 Common Area.

3.2.2.1 Responsibility; Notice of Concerns. During the Term, the Managing Party is responsible for the Operation of the Common Area under this JOA, and the Contributing Party is responsible for paying its Share of the Shared Costs pursuant to section 4 of this JOA. During the Common Area Delegation Period (defined below), the County shall undertake the Operation of the Common Area in accordance with the Service Standards. Notwithstanding the foregoing, at any time during the Term, the Party that is then responsible to perform the duties of the Contributing Party shall have the right to notify the Party that is then responsible to perform the duties of the Managing Party of specific questions or concerns that the Contributing Party has pertaining to any specific practices or protocols being used by the Managing Party in the Operation of the Common Area. Any such question or concern of the then Contributing Party will be communicated to the then Managing Party in writing and will set forth, in reasonable detail, the specific operating practice or protocol about which the then Contributing Party has questions or concerns (each a "**Notice of Concerns**"). The Party that receives a Notice of Concerns in its role as the Managing Party shall notify the then Contributing Party, in writing, within 15 days after the Managing Party's receipt of a Notice of Concerns, whether the Managing Party agrees to discontinue or modify the practice or protocol identified in the Notice of Concerns. If the Managing Party does not so agree, it shall state, in reasonable detail in its written response to the Contributing Party, the Managing Party's reasons for disagreement, which reasons may include, among other things, the impact that any change proposed by the Contributing Party would have on Shared Costs, the structural integrity of the Building, or the overall risk profile of the Real Property. Following the Managing Party's written response to any Notice of Concerns, either Party may, within 10 days, request a meeting, in person or by telephone, to attempt to resolve any remaining disagreement concerning the issues noted in the Notice of Concerns. If the Parties are not able to agree on a resolution to the issues identified in any Notice of Concerns prior to or during such meeting, then the Parties shall seek to resolve any remaining disagreement through the dispute resolution process set forth in section 11 of this JOA. For clarification, nothing in this section 3.2.2.1 modifies, limits, or diminishes the Council's right to terminate the Common Area Delegation, as provided in section 3.2.2.2, below.

3.2.2.2 Common Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date and continuing for as long as the Parties agree thereafter consistent with the terms of this

JOA (the "**Common Area Delegation Period**"), the Council exclusively delegates all of its rights and duties as Managing Party to the County (the "**Common Area Delegation**"), and the County accepts the Common Area Delegation and agrees to act in its delegated role as the Managing Party on behalf of the Council. During the Common Area Delegation Period, the County shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Managing Party in this JOA, and the Council shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Contributing Party in this JOA. The Council may withdraw and terminate the Common Area Delegation either (i) for any reason and at any time during the Common Area Delegation Period upon no less than 180 days prior written notice to the County; provided that the Common Area Delegation Period will last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services as required by section 3.2.1.2 of this JOA, or (b) perform the duties of the Managing Party in a commercially reasonable manner and in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination. Any termination of the Common Area Delegation by the Council pursuant to the foregoing sentence will take effect on the first day of a fiscal quarter, unless otherwise agreed in writing by the Parties. During the 180 days prior to the termination of the Common Area Delegation, the Parties shall work together diligently and in good faith to effect a smooth transition of the Managing Party responsibilities from the County to the Council, including, to the extent applicable, the transfer or assignment of vendor and service agreements, equipment manuals and instructions, outstanding service requests and service request histories, warranties and guarantees for the Building and Building Equipment, documentation for Shared Costs, and other similar items. For clarification, nothing in this section 3.2.2.2 limits either Party's exclusive right to occupy and use its Exclusive-Use Area and its non-exclusive right to occupy and use the Common Area under sections 3.1 and 3.3 of this JOA.

3.2.2.3 Alterations. At either Party's request, and with the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, the Managing Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost. If the Contributing Party neither consents, nor provides the Managing Party with 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 actually incurred by the Managing Party in making the Common Area alterations or additions up to the amount described in the Managing Party's request for consent.

3.2.3 Joint Sheriff Area. The Parties acknowledge and agree that, on the Effective Date, the Joint Sheriff Area is occupied approximately 51.94 percent by the Sheriff in the performance of Superior Court security, which is a part of "court operations" as defined by section 77003 of the Government Code, and 48.06 percent by the Sheriff in the performance of service of process and other civil management functions that are the responsibility of the County. It is acknowledged by both Parties that, for purposes of the development of the Parties' respective Shares, the Joint Sheriff Area has been considered 51.94 percent Court Exclusive-Use Area and 48.06 percent County Exclusive-Use Area. For the purposes of the Parties' respective rights and responsibilities under sections 3.1, 3.2, and 3.5 of this JOA, the Joint Sheriff Area will be considered part of the Common Area, and the Parties are responsible for Shared Costs related to the Joint Sheriff Area based on their respective Shares; provided that, the Parties shall be responsible for those Shared Costs that the Managing Party accounts for in a manner that is specifically identifiable to the Joint Sheriff Area, and that do not relate to the Building generally, based on the actual pro rata occupancy percentages of the Joint Sheriff Area, as they exist on the date that the applicable Shared Cost is incurred. The entire Joint Sheriff Area will at all times continue to be made available to the Sheriff for both Court security functions and civil management functions in approximately the same ratio that exists on the Effective Date, unless the Parties otherwise agree in writing. The actual pro rata occupancy percentages of the Joint Sheriff Area, as they exist, or may change from time to time, will be used by the Parties for all other purposes under this JOA.

3.2.4 Utilities. The Managing Party will be responsible to maintain all Utility accounts in its name and cause all Utilities to be provided to the Real Property. Each Party will be responsible for its Share of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date pursuant to section 4 of this JOA. Following the termination of the Common Area Delegation Period, the Parties shall work together diligently, and in good faith, to cause the County's accounts with the providers of Utilities to be closed and new Utilities accounts to be opened in the name of the Council or its designee.

3.2.5 Equipment Permits. The Managing Party is responsible for obtaining and maintaining the Equipment Permits, the cost of which will be a Shared Cost. Notwithstanding the foregoing, if, as of the Responsibility Transfer Date, any of the Equipment Permits are expired or otherwise not in full force or effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs and expenses associated with initially obtaining or renewing such expired Equipment Permits.

3.2.6 Building Software. The County shall continue to maintain the Building Software and the County's hardware that operates the Building Software for the benefit of both Parties. The Council and the County shall work together, reasonably and in good faith, to determine if any licenses or other rights to use to the Building Software exist separate and apart from the Building Equipment, and which Party should be the licensee or rights holder thereunder. If agreed to by the Parties, the Parties shall then take the steps necessary to transfer control of such Building Software from the County to the Council, the AOC, or the Superior Court.

3.2.7 Correction of Defects.

3.2.7.1 Defect. Upon the Managing Party's discovery of a Defect, the Managing Party shall either (i) correct the Defect within 10 calendar days, or (ii) if the Defect is reasonably expected to be a Major Defect, send a written notice to the Contributing Party, within three business days, describing the Defect (the "**Major Defect Notice**"). If the Managing Party does not provide an estimate of the time and cost to correct the Defect as part of its initial Major Defect Notice, the Managing Party shall keep the Contributing Party reasonably apprised of the status of the obtaining such an estimate, and shall provide such estimate to the Contributing Party promptly following its completion. After delivery of any Major Defect Notice, the Managing Party shall make available to the Contributing Party, upon the Contributing Party's request, any information that the Managing Party has in its possession that would assist the Contributing Party in its evaluation of the nature and extent of the Major Defect, including any written reports, photographs, Incident reports (pursuant to section 6.5.2 of this JOA), and information that was, or is being, used to develop an estimate for the time and cost to correct the Defect.

3.2.7.2 Contributing Party's Right to Correct. If the Managing Party neither corrects the Defect nor sends a Major Defect Notice within the time periods provided in section 3.2.7.1 above, and if the Managing Party's discovery of the Defect in section 3.2.7.1 was by written notice received from the Contributing Party, then the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct any Defect in any reasonable manner under the circumstances, provided that for any Major Defect, the Contributing Party must first prepare a Correction Plan pursuant to section 3.2.7.3 of this JOA.

3.2.7.3 Major Defect Correction Plan. For any Major Defect, within 15 days following the Contributing Party's receipt of a Major Defect Notice or the Contributing Party's notification to the Managing Party, the Parties shall meet and confer, in good faith, in person or by telephone, to determine a plan

("**Correction Plan**") for the correction of the Major Defect, including the method, estimated cost, and time period for the correction. If the Managing Party does not thereafter diligently pursue completion of the Major Defect in accordance with the Correction Plan, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct the Major Defect in a manner consistent with the Correction Plan. If the Party that actually performs the correction of the Defect (the "**Correcting Party**") at any time determines that the time or cost for correcting the Defect may exceed the time or cost set forth in the Correction Plan by more than 10 percent, the Correcting Party shall so inform the other Party, and promptly thereafter the Parties shall meet and confer, in good faith, to determine how best to amend or revise the Correction Plan to correct the Defect within a mutually acceptable timeframe and at a mutually acceptable cost.

3.2.7.4 Not Applicable to Emergencies. This section 3.2.7 does not apply to any Defect that arises from an Emergency, which Defects will be governed by section 3.2.8 of this JOA.

3.2.8 Emergencies. If any Emergency occurs, the Parties shall immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances, and the Managing Party shall promptly take steps to correct any Defect that arises from the Emergency. If the Managing Party does not promptly correct any such Defect arising from an Emergency, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct that Defect without making any further demand on the Managing Party, and shall notify the Managing Party of the steps taken to correct the Defect as soon as reasonably possible. The Party that corrects a Defect arising from an Emergency under this section 3.2.8 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 3.2.9 of this JOA.

3.2.9 Correcting Party; Reimbursement. The Correcting Party shall be responsible for diligently pursuing the correction of any Defect pursuant to sections 3.2.7 or 3.2.8 of this JOA, and the non-Correcting Party shall reimburse the Correcting Party for the non-Correcting Party's Share of the actual costs that the Correcting Party incurs in correcting any Defect. If the Correcting Party is the Managing Party, the Correcting Party shall be reimbursed in accordance with section 4 of this JOA, and if the Correcting Party is the Contributing Party, the Managing Party shall reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Defect 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

Defect. Notwithstanding the foregoing, the Correcting Party shall not be entitled to reimbursement for amounts greater than 110 percent of the costs set forth in the Correction Plan (including any amendments or revisions thereto) approved by the non-Correcting Party pursuant to Section 3.2.7.3 of this JOA. 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 Defect against any amounts that the Correcting Party owes to the non-Correcting Party under this JOA or any other agreement.

3.3 Right To Enter. Commencing on the Effective Date, the Parties agree that each Party has the right to enter all areas of the Real Property for purposes of performing any inspections or testing related to its occupancy or use of the Real Property or necessary for the Non-Owning Party's completion of the Transfer of Title, as defined in and governed by the Transfer Agreement. Each Party shall exercise its rights of ingress, egress, and access to, and use of, the Real Property under this section 3.3 in a reasonable, good faith manner, and shall make diligent efforts to minimize interference with the other Party's occupancy and Operation of its Exclusive-Use Area and its use of the Common Area, and the Managing Party's Operation of the Common Area. Neither Party shall perform, or direct any Third Party to perform, any destructive or invasive work on the Real Property without at least five business days' prior, written notice to the other Party stating the date and time when, and the location at which, the destructive or invasive work will be performed by or on behalf of the Party that is conducting the work ("**Testing Party**"), and generally describing the nature, scope, and duration of that work. The non-Testing Party is entitled, but not obligated, to have its employees or consultants observe the Testing Party's performance of any destructive or invasive work on the Real Property and to take split samples of any soil, ground water, or other substance or material that the Testing Party removes from the Real Property for laboratory analysis, all at the non-Testing Party's sole expense. The Testing Party shall make reasonable efforts to accommodate the scheduling needs of the non-Testing Party in scheduling any inspections or testing of the Real Property. All work performed by, or at the request of, the Testing Party, including all costs and expenses incurred in connection with that work, will be the sole liability and responsibility of the Testing Party, and the Testing Party must, at its sole expense, promptly repair any damage caused to the Real Property as a result of the work performed, such that the Real Property is returned to substantially the same condition it was in before the destructive or invasive work was performed. The Testing Party shall comply with the terms of section 6.6 of this JOA in connection with any inspections or testing of the Real Property performed by Contractors.

3.4 Parking. The Managing Party is responsible for the Operation of the Parking Area, which is included in Common Area; provided, however, that the Council

shall be solely entitled to all revenues arising from the Operation, leasing, or licensing of the Parking Area. The County Parking may be used by the County Parties, and their Contractors, invitees, licensees, and patrons, and the Superior Court Parking may be used by the State Parties, and their judges, jurors, Contractors, invitees, licensees, and patrons, on a first-come, first-served basis. Up to three of the parking spaces allocated to the County Parking in the Secured Courthouse Parking Lot, and up to 19 of the parking spaces allocated to the Superior Court Parking in the Secured Courthouse Parking Lot, may be designated or reserved. Otherwise, all of the County Parking and the Superior Court Parking will be undesignated parking spaces. Except for any parking spaces that may be reserved or designated under this JOA, the County Parking and the Superior Court Parking may be used by the staff or Contractors of the Managing Party, as needed, for the purpose of carrying out the duties of the Managing Party under this JOA. Commencing on the Effective Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in the Transfer Agreement and this JOA. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

3.4.1 Annex Parking. If, and only if, the County makes available any or all of the 67 parking spaces associated with the Annex as an extension to the Staff Parking Lot, then the Parties shall share the Staff Parking Lot, as so extended, on a first-come, first-served basis, and the Managing Party shall include the costs of Operation of the additional parking spaces associated with the Annex as part of the Shared Costs of Operation. At all times that the County does not make available any or all of the 67 parking spaces associated with the Annex as an extension of the Staff Parking Lot, the County shall be solely responsible for operation of those unavailable parking spaces at the County's sole cost and expense. The Parties acknowledge that the County is under no obligation to provide any or all of the 67 parking spaces associated with the Annex.

3.4.2 Contract Parking Management. Upon the termination of the Common Area Delegation Period, the Council shall assume responsibility for management and Operation of the Parking Area, and the County shall terminate its contract with any parking manager as it relates to management of the Parking Area.

3.5 Cooperation. The Parties shall cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner shall cooperate in good faith with the Non-Owning Party, 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 shall allow the other Party to enter its Exclusive-Use Area 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, subject to the exclusive delegations set forth in sections 3.2.1.2 and 3.2.2.2 of this JOA, but no delegation will relieve the delegating Party from its obligations under this JOA.

3.6 Security-Related Areas. In accordance with the Security Services MOU, the County shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, in, and through the Security-Related Areas, and shall have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.

3.7 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Area, in each case without contribution from the other Party, and the Managing Party is responsible for all Occupancy Agreements affecting the Common Area. The Party that is responsible for each Occupancy Agreement is entitled to all revenues arising from it; provided, however, that the Council is solely entitled to all revenues arising from the Parking Area and the Parties shall share in any revenues received by the Managing Party arising from Occupancy Agreements affecting any other parts of the Common Area in accordance with their respective Shares.

3.8 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas (collectively, the "**County Telecommunication Equipment**"), all of which shall remain the sole personal property of the County notwithstanding the Transfer of Responsibility and the Transfer of Title (as such terms are defined in the Transfer Agreement).

3.8.1 Cooperation; Interference With or Damage To County Telecommunication Equipment. The Council agrees to cooperate fully with the County to ensure that the County has ingress, egress, and access to each and every area of the Real Property, including the Court Exclusive-Use Area, in which any of the County Telecommunication Equipment, or any component thereof or connection thereto, is located, for the purpose of the County's continued operation, use, maintenance, repair,

replacement, and expansion of its telecommunication system. The Council shall endeavor to ensure that no action of the State Parties, including facility alterations or upgrades, or other activities that may affect the electrical power or the controlled environment for various components of the telecommunication system, causes damage to any of the County Telecommunication Equipment, or interferes with the telecommunication services provided by the County. If any of the State Parties cause damage to any of the County Telecommunication Equipment or interference with the telecommunication services provided by the County, the County may make the necessary repairs or replacements and the Council shall be responsible for all costs incurred by the County associated with such repair or replacement.

3.8.2 Council's Right to Provide Alternate Telecommunications System. The Parties agree that the Council may at any time provide a telecommunication system that replaces all or part of the County-provided telecommunication service, and at the County's sole discretion, existing wiring or other components may be used by the Superior Court or the Council for the replacement system. The fact that the Council may replace County systems in no way limits the Council's responsibility to ensure that the County continues to have access to the County Telecommunication Equipment located in or on the Real Property.

3.9 Criminal Background Screening. The Managing Party shall provide for the screening and approval of all County employees and County Contractors before they provide services in, or make deliveries to, any area of the Real Property. The screening must be conducted by 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 "2"** to this JOA sets forth the criteria for approval of a County employee or County Contractor 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 of County employees or County Contractors that have access to the Real Property, and, in such event, the Managing Party agrees to cooperate with the Contributing Party with respect to the screening of County employees or County Contractors that access the Real Property. Unless an exemption applies under section 3.9.2 of this JOA, only those County employees and County Contractors that have been screened and approved ("**Approved Persons**") may have unescorted access to the Real Property. Unscreened County employees and County Contractors may access the Real Property if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Superior Court if the Superior Court's Executive Officer, or his or her designee, consents to a Superior Court employee escorting and monitoring the unscreened person. The Managing Party shall ensure that the Operation of the Real Property is at all times

consistent with this section 3.9, and for all Security-Related Areas, the Security Services MOU.

3.9.1 Approved Persons. The County shall issue an identification badge to each Approved Person bearing the Approved Person's name and picture, or affix a sticker or other marking on the existing badges of those Approved Persons, to indicate their right to access the Real Property. The Parties shall work together in a cooperative manner to ensure that Approved Persons enter only those portions of the Real Property where work is to be accomplished, and enter the Security-Related Areas only in accordance with the Security Services MOU. Approved Persons must wear their identification badges in a readily visible manner whenever they are on the Real Property.

3.9.2 Exemptions. The following County employees and County Contractors are exempt from the requirements of this section 3.9: (i) County employees who are already engaged in providing services or materials to the Real Property on the Responsibility Transfer Date; and (ii) unscreened persons only when responding to and correcting a Defect arising from an Emergency under section 3.2.8 of this JOA.

3.9.3 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the County 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 County employee or County Contractor who has physical access to any portion of the Court Exclusive-Use 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**"). If requested by either the Superior Court or the AOC, the County must provide to either the Superior Court or the AOC suitable documentation evidencing the County's 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.

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

3.11 Miles Court Order. Notwithstanding any other provision of this JOA, but subject to the terms of this section 3.11, the County is responsible, at its sole cost and expense, for all of the County's obligations under the Miles Court Order with respect to the Real Property in its interior and exterior layout and configuration on the Responsibility Transfer Date, and upon reasonable notice to the Superior Court, and

subject to any reasonable restrictions by the Council or the Superior Court, the County shall be allowed to enter the Court Exclusive-Use Area for all purposes related thereto. The Parties agree as follows with respect to performance of the obligations set forth in the Miles Court Order:

3.11.1 Maintaining Compliance. The County shall perform, at the County's sole cost, the work necessary for initial compliance with each of the County's obligations under the Miles Court Order, and the Parties shall thereafter share the costs and expenses of maintaining the Real Property in a condition that complies with the requirements of the Miles Court Order in accordance with the terms of this JOA. As such, the County shall be solely responsible to maintain the County Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the County's sole cost; the Council shall be solely responsible to maintain the Court Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the Council's sole cost; and the Managing Party shall be responsible to maintain the Common Area in compliance with the requirements of the Miles Court Order in accordance with the terms of this JOA, and the costs of such compliance in respect of the Common Area will be Shared Costs pursuant to section 4 of this JOA.

3.11.2 Obligations Triggered by Refurbishment or Repair Work. If alteration or repair work in or on the Real Property triggers additional obligations for compliance with the Miles Court Order, then the County will be solely responsible for the costs of such compliance in the County Exclusive-Use Area, the Council will be solely responsible for the costs of such compliance in the Court Exclusive-Use Area, and costs of such compliance in the Common Area will be Shared Costs pursuant to section 4 of this JOA.

## 4. SHARED COSTS

4.1 Estimate of Shared Costs of Operations. The Managing Party shall make timely, direct payment of all Shared Costs owed to Third Parties, and the Contributing Party shall reimburse the Managing Party for its Share of all Shared Costs under this section 4. At least 120 days before the first day of each fiscal year after the Responsibility Transfer Date, the Managing Party shall deliver to the Contributing Party a statement (the "**Estimate Statement**") itemizing the Estimated Shared Costs of Operation, together with copies of reasonable documentation supporting the Estimated Shared Costs of Operation and, to the extent not already provided, copies of invoices, bills, and other similar supporting documentation for Utility Costs. The Contributing Party shall either comment on or approve the Estimate Statement within 30 days, and if the Contributing Party disapproves any of the Estimated Shared Costs of Operation in the Estimate Statement, the Parties shall promptly meet and discuss the reason for the

disapproval. When the Parties reach agreement with respect to all Estimated Shared Costs of Operation, the Managing Party shall, if necessary, revise the Estimate Statement, which both Parties shall approve. Until the Contributing Party approves the Estimate Statement, the Contributing Party shall pay its Share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each calendar month, the Managing Party shall deliver to the Contributing Party a statement (the "**Monthly Invoice**") itemizing the actual Shared Costs incurred during the previous calendar month ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party shall also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Monthly Invoice. The Contributing Party shall pay its Share of the Actual Shared Costs to the Managing Party within 30 days after its receipt of the Monthly Invoice, up to the Contributing Party's Share of 110 percent of the Estimated Shared Costs of Operation and Utility Costs for that fiscal year. If the Actual Shared Costs exceed the sum of Estimated Shared Costs of Operation plus Utility Costs ("**Excess Costs**") by more than 10 percent, or if the Managing Party has failed to provide the Contributing Party with adequate documentation supporting the Actual Shared Costs within 10 days following request by the Contributing Party, or if the Contributing Party reasonably believes that the amount of Actual Shared Costs may be in error, the Contributing Party will not be obligated to pay such Excess Costs until the Parties meet and reach agreement regarding the amount of the Excess Costs.

4.2.1 Agreement for Quarterly Invoicing and Payment. The Managing Party may, upon 30 days prior written notice to the Contributing Party, elect to deliver invoices itemizing Actual Shared Costs on a quarterly basis rather than on a monthly basis, in which event, the Contributing Party shall pay all invoices itemizing Actual Shared Costs on a quarterly basis, and all references to "calendar month" in section 4.2 of this JOA will be automatically amended to refer to "fiscal quarter" and the defined term "Monthly Invoice" in this JOA will be automatically amended to "Quarterly Invoice".

4.3 Council as Managing Party. If the Council is responsible for the obligations of the Managing Party under this JOA, then notwithstanding the provisions of sections 4.1 and 4.2 of this JOA to the contrary: (a) following its approval of the annual Estimate Statement, the Contributing Party shall pay its Share of (i) the Estimated Shared Costs of Operation based on the approved Estimate Statement, and (ii) the estimated Utility Costs, 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

Statement, in equal quarterly installments in advance on the first day of each fiscal quarter; (b) if the Actual Shared Costs are less than the Estimated Shared Cost of Operation plus Utility Costs for a particular fiscal quarter, the Managing Party shall refund the amount overpaid to the Contributing Party within 30 days after the Managing Party's delivery of the 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; and (c) the Contributing Party shall pay any Excess Costs to the Managing Party within 30 days after its receipt of the Quarterly Invoice, except that (i) if the Excess Costs are more than 10 percent of the sum of Estimated Shared Costs of Operation and Utility Costs for any fiscal quarter, or (ii) 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 shall continue to make payment of its Share of the Shared Costs based on the Estimate Statement, but may defer payment of the Excess Costs (or, in the case of (ii) 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.

4.4 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in an Excess Cost in an amount greater than 10 percent of the Estimated Shared Costs of Operation shown on the Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for such Excess Costs, except that no notice need be given to the Contributing Party under this section 4.4 if the Excess Costs arise from the correction of a Major Defect under section 3.2.7.3 of this JOA. 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 calendar 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 shall 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.

4.5 Records Retention; Audit Rights. The Parties shall maintain all records relating to this JOA, in compliance and consistent with applicable law. The Managing Party shall also maintain an accounting system, supporting fiscal records, and agreements related to the Real Property, adequate to ensure that all claims and disputes arising under this JOA can be resolved in accordance with the requirements of this JOA

and the Act, for the period of time generally required by applicable Law. 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 costs incurred related to the Actual Shared Costs for up to 18 calendar months prior to the date of the Contributing Party's inspection. The Parties shall cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference by either Party. If the Contributing Party disputes any Actual Shared Costs for any of the immediately preceding 18 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 year, the Parties shall make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit and receipt of the final audit document by both Parties. 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 4.5.

4.6 Limitation on Actual Shared Costs.

4.6.1 First and Second Year Costs. Notwithstanding any provision of this JOA to the contrary, during the First Year and the Second Year, the Parties agree that the Council, in its delegated role as the Contributing Party, shall pay the County, in its delegated role as the Managing Party, the following amounts in lieu of paying (a) the Contributing Party's Share of the Actual Shared Costs incurred during the applicable time period, and (b) any cost or expense associated with the County's provision of the Superior Court Area Services under section 3.2.1.2:

4.6.1.1 First Year Costs. In respect of the First Year, the Council shall pay the County an amount equal to the sum of (i) $202,425 (the "**First Year Basic Costs**"), as prorated by the number of months of the Term, out of 12, that fall within the First Year, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA; and

4.6.1.2 Second Year Costs. In respect of the Second Year, the Council shall pay the County an amount determined as follows: (a) if the Responsibility Transfer Date occurs prior to July 1, 2008, then for the Second Year, the Council shall pay an amount equal to the sum of (i) the First Year Basic Costs multiplied by the DOF Inflator (defined below), plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the

Parties enter into the separate, written agreement described in section 6.1 of this JOA. As used in this section 4.6.1.2, the term "**DOF Inflator**" means the fraction in which the denominator is the final value of the DOF Inflation Index (defined below) for February 2007, and the numerator is the DOF Inflation Index for February 2008. The term "**DOF Inflation Index**" means the final value of the inflation index described in section 70355 of the Act that is published on a monthly basis by the State Department of Finance; or (b) if the Responsibility Transfer Date occurs on or after July 1, 2008, then during the Second Year, the Council shall pay an amount equal to the sum of (i) $202,425, as prorated by the number of months of the Term, out of 12, that fall within the Second Year, as adjusted by the change in the DOF Inflation Index as compared with the forecasted inflation index actually used by the County in calculating the County Facilities Payment set forth in section 6 of the Transfer Agreement, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA. Whichever of the amounts described in (a)(i) and (b)(i) of this section 4.6.1.2 applies will be the **"Second Year Basic Costs"** for purposes of this JOA.

4.6.1.3 Time for Payment; Applicability. Acting as the Contributing Party, in respect of the First Year, the Council shall pay the First Year Basic Costs, and in respect of the Second Year, the Council shall pay the Second Year Basic Costs, or the prorations thereof as defined in sections 4.6.1.1 and 4.6.1.2 above, in equal monthly installments within 30 days following the Contributing Party's receipt of a Monthly Invoice setting forth the Utility Costs for the applicable calendar month. For clarification, (i) the amounts of First Year Basic Costs and Second Year Basic Costs will not be affected by the amounts of Actual Shared Costs or the actual cost of the Superior Court Area Services incurred by the County during the First Year or the Second Year, respectively, and (ii) the First Year Basic Costs and the Second Year Basic Costs do not include the costs associated with Utilities, custodial services, alterations or additions (described in sections 3.2.1.3 or 3.2.2.3 above) made or provided to the Real Property, or any Property Insurance Costs. The terms of this section 4.6.1 will no longer be applicable following the earlier of (i) the end of the Second Year, or (ii) the date that the Common Area Delegation is terminated.

4.6.2 Costs After Expiration of Second Year.

4.6.2.1 Common Area Costs. If the Common Area Delegation Period continues after the end of the Second Year, then the Council, in its delegated role as the Contributing Party, shall thereafter pay the County, in its delegated role as the Managing Party, an amount equal to the Council's Share of the Actual Shared

Costs incurred during the applicable time period in respect of the Operation of the Common Area, as provided in section 4.1 through 4.5 of this JOA.

4.6.2.2 Superior Court Area Costs. If the Superior Court Area Delegation Period continues after the end of the Second Year, then the Council shall thereafter pay the County the actual cost and expense associated with the County's performance of the Superior Court Area Services until the Superior Court Area Delegation is terminated.

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

### 5.1 Right of First Refusal and Increase of Space In Building

5.1.1 Right of First Refusal for Excess Area. At least 30 days before either Party leases, licenses, or transfers to any Third Party, or allows a Third Party to use, all or any portion of its Exclusive-Use Area that is not needed in connection with its operations ("**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**"). 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 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 shall 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. Neither Party is required to comply with the provisions of this section 5.1.1 prior to leasing, licensing, transferring, or otherwise allowing any Occupant to occupy or use a portion of its Exclusive-Use Area to the extent that such Occupant's use or occupancy is consistent with, or complementary to, its existing operations in the Building.

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 shall 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 for the

Additional Area), subject to section 5.1.4 of this JOA, or the Parties may agree to amend this JOA to adjust the Parties' respective Shares for purposes of allocating responsibility for payment of Shared Costs, and/or to include a reasonable rent for the Additional Area.

5.1.3 No Adjustment to Shares. If a Party rents or licenses any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental or licensing transaction will not result in a change to the Parties' Shares. Rather, the rent or license fee paid by the Party renting or licensing the Excess Area or the Additional Area will be deemed to include the Shared Costs applicable to the Excess Area or the Additional Area, as applicable. The Parties' Shares for purposes of determining the Parties' Equity in the Real Property will be adjusted only if one Party at any time buys the other Party's rights to occupancy and use of the Real Property for fair market value under section 4.3.13 of the Transfer Agreement, or as otherwise agreed to by the Parties in writing.

5.1.4 Terms of this JOA Not Affected. Any leasing or license 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 written agreement, or an amendment to this JOA, entered into by the Parties for the Excess Area or the Additional Area.

5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party shall use, and shall require that any Occupant use, its Exclusive-Use Area in a manner that is compatible with the Parties' use of the Building on the Responsibility Transfer Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Area or the Common Area effectively. The Party responsible for each Occupant that occupies any of the Common Area must ensure that that Occupant uses its space in a manner compatible with the Parties' use of the Building.

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

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Responsibility Transfer Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act (which section of the Act generally permits a Party occupying 80 percent or more of the Building to require the other Party to vacate the Real

Property), 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 shall repair, at its sole cost, any damage it causes to any part of the Real Property 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 or the fair market value of the Vacating Party's relocation costs, the Parties shall use the valuation methodology described in section 4.3.13 of the Transfer Agreement to determine such values. The Parties shall enter into a written agreement to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties shall enter into a Termination Agreement, substantially similar to **Attachment "1"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Termination of JOA. If the Parties agree to terminate this JOA as authorized by this JOA or the Act, the Parties shall enter into a Termination Agreement.

## 6. PROPERTY LOSSES; INSURANCE

6.1 Property Insurance. The Owner may, without obligation and at the Owner's sole cost, obtain one or more Property Insurance Policies to insure against Property Losses, and the Owner will be solely entitled to all proceeds from such Property Insurance Policies. The Owner may, in its sole discretion, agree in writing to make the Non-Owning Party an additional insured or a joint loss payee in respect of Owner's Property Insurance Policies, provided that the Non-Owning Party agrees to pay its Share of the Property Insurance Costs arising from such Property Insurance Policies. The Parties agree to enter into a separate written agreement by no later than the date on which the Owner adds the Non-Owning Party as an additional insured or joint loss payee under the Property Insurance Policies, which agreement will provide for the allocation of the proceeds from the Property Insurance Policies following a Property Loss. Whether or not the Non-Owning Party becomes an additional insured or joint loss payee under the terms of any Property Insurance Policy obtained by the Owner, the Owner shall waive and require the provider of the Property Insurance Policy to waive any right of recovery it may have against the Non-Owning Party.

6.1.1 Compliance with Requirements of Property Insurance Policies. If a Party obtains any Property Insurance Policies (the "**Insuring Party**"), the non-Insuring Party shall comply in all material respects with the reasonable requirements for use of the Real Property set forth in such Property Insurance Policies; provided that (i) the Insuring Party has provided reasonable notice of such requirements to the non-

Insuring Party, and (ii) such requirements are consistent with, and do not materially limit, the non-Insuring Party's use of the Real Property.

6.1.2 Property Insurance During Interim Period. Notwithstanding anything to the contrary in this JOA, 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.

6.2 Relocation Costs. Either Party may, without obligation and at its own sole cost, obtain one or more Property Insurance Policies to insure against the cost of relocation to and occupancy of alternative space necessitated by a Property Loss for which it is responsible pursuant to section 7.1 of this JOA, and the Party obtaining such Property Insurance Policies shall be solely entitled to all proceeds from such Property Insurance Policies.

6.3 Allocation of Risk for Property Claims. Subject to section 7 below, each Party shall be solely responsible for, and bear all of the risk arising from, Property Losses in the following manner:

6.3.1 First and Second Year Property Losses. During the First Year and the Second Year, the County shall be solely responsible for, and shall pay all costs arising from, any Property Loss; provided, however, that the provisions of this section 6.3.1 will have no force or effect if the Common Area Delegation is terminated prior to the expiration of the Second Year.

6.3.2 Post-Second Year Property Losses. Following the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation, the Parties shall be responsible for Property Losses, as follows:

6.3.2.1 Areas For Which County is Solely Responsible. For a Property Loss that originates in a portion of the Real Property for which the County is, on the date of the Property Loss, solely responsible for maintenance and repair services, the County shall be solely responsible for, and shall pay all costs arising from, any such Property Loss that both (i) exceeds $10,000, and (ii) arises from a cause set forth in **Attachment "4"** of this JOA. For clarification, the Parties shall be responsible for all Property Losses not meeting the requirements of both (i) and (ii) above in this section in accordance with section 6.3.2.2, below.

6.3.2.2 Areas For Which County Is Not Solely Responsible. For a Property Loss that either (i) originates in a portion of the Real Property for which the County is not, on the date of the Property Loss, solely responsible for maintenance and repair services, or (ii) does not meet the requirements of both (i) and (ii) of section 6.3.2.1 of this JOA, each Party shall be solely responsible for, and shall bear all of the risk arising from, Property Losses that affect its Exclusive-Use Area, and the Parties shall be jointly responsible for all Property Losses that affect the Common Area in accordance with their Shares.

6.3.2.3 State Parties' Right to Buy Property Insurance. For a Property Loss that is not the responsibility of the County pursuant to sections 6.3.2.1 and 6.3.2.2 of this JOA, the State Parties may, without obligation and at the State Parties' sole cost, obtain one or more Property Insurance Policies to insure against Property Loss, and the State Parties will be solely entitled to all proceeds from any such Property Insurance Policies. If any State Party purchases a Property Insurance Policy, it shall ensure by specific endorsement to the Property Insurance Policy, that the Property Insurance Policy will not impair the County's right to recover under the terms of any Property Insurance Policy that the County obtains under section 6.1 of this JOA, and the State Parties shall waive and shall require the provider of its Property Insurance Policy to waive any right of recovery it may have against the County.

6.4 Full Cost of Repairs. The Parties agree that the Parties' obligations under sections 6.3.1 and 6.3.2 of this JOA include the responsibility for the full cost and expense of restoring or replacing the damaged portions of the Real Property arising from the Property Loss ("**Damaged Property**") to the condition immediately preceding the Property Loss in compliance with the applicable Law, including the demolition and replacement of the undamaged components of the Real Property, but only to the extent necessary to restore or replace the Damaged Property, and the upgrade or alteration of components or systems of the Real Property, but only to the extent required by applicable Law, and subject to the limitations set forth in section 7 of this JOA. However, the Parties shall be responsible for the cost and expense of alterations, improvements, or upgrades to the Damaged Property that are above and beyond the restoration or replacement of the Damaged Property in accordance with their Shares.

6.5 Reporting and Processing Claims.

6.5.1 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 Loss, Property Claim, or Liability Claim (each, a "**Claim**", and together, "**Claims**"), or if a Party otherwise becomes aware

that an Incident has occurred, that Party shall make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties shall 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 JOA. If the Parties are not able to so agree, then they shall proceed as set forth in section 11 of this JOA.

6.5.2 Incident Reports. The Managing Party shall 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 shall provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

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

6.7 Workers' Compensation Coverage. Each Party shall maintain its own workers' compensation insurance covering its own employees, and neither Party shall have any liability or responsibility for any claims which could be covered by workers' compensation for employees of the other Party.

## 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction Event. If, due to a Property Loss, the Real Property cannot be occupied by one or both Parties, each Party shall be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, but in no event later than 180 days after a Property Loss, each Party shall notify the other in writing ("**Restoration Election Notice**") whether it wishes to restore or replace the Damaged Property.

7.2 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties shall cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the portion of the costs to restore or replace the Damaged Property for which it is responsible in accordance with sections 6.3 or 6.4 (as applicable) of this JOA; provided that if, pursuant to section 6.3.2.2 of this JOA, the Parties are responsible for the Property Loss in accordance with their Shares, and the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares, the Parties shall each pay the costs and expenses to restore or replace the Damaged Property according to their newly determined Shares.

7.3 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 shall meet and confer in good faith to determine how to proceed with respect to: (i) the Damaged Property, and (ii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they shall proceed as set forth in section 11 of this JOA.

7.4 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, and any of the Non-Owning Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss, then the Parties shall meet and confer in good faith to determine how to proceed with respect to (a) the Damaged Property; and (b) compensation for the Equity rights of either Party in the Real Property, if applicable. Following such meeting, the Owner shall compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area, determined in the manner described in section 4.3.13 of the Transfer Agreement, and the Parties shall amend this JOA to reflect the changes in the Parties' Equity rights, which amendment will become effective when the Non-Owning Party has been compensated. Unless the Parties have otherwise agreed in writing under section 6.1 of this JOA, and except as otherwise provided in section 6.3.2.3 of this JOA, if applicable, the Non-Owning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Owning Party will no longer occupy all or any part of the Building due to Property Loss that neither Party elects to restore or replace, then the Parties shall either (i) amend this JOA to reflect any change in the Parties' respective Shares if the Non-Owning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in the Building and the Non-Owning Party has been fully compensated for its Equity rights, by signing a Termination Agreement.

## 8. INDEMNIFICATION

8.1 Indemnification Obligation of Council. The Council will and does indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County, from and against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") arising from (i) all Council Claims, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the State Parties, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the Council.

8.2 Indemnification Obligation of County. The County will and does indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the AOC, from and against all Indemnified Loss arising from (i) the willful misconduct or negligence of any of the County Parties in the provision of the Superior Court Area Services or the Additional Court Area Services, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the County Parties, including, without limitation, the willful or negligent failure by any of the County Parties to provide building maintenance in the Building and grounds maintenance on the Land to the extent required in accordance with the terms of this JOA, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the County.

8.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Claims for which it is responsible under sections 8.1 or 8.2, as applicable (the "**Indemnified Claims**"). 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 Indemnified 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 an Indemnified Claim, the indemnifying Party shall cooperate with the indemnified Party, and the attorney retained by the indemnified Party, and the indemnified Party and its attorney shall cooperate with the indemnifying 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, including, without limitation, with respect to the Common Area Delegation under this JOA. The

indemnifying Party shall have no right of set-off in respect of payment of any Indemnified Loss to the indemnified Party under this JOA.

## 9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property ("**Condemnation Notice**"), that Party shall immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties shall 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

10.1 Event of Default. Upon the occurrence of a breach or default by the Council or the County of any provision of this JOA, the non-defaulting Party shall provide written notice to the defaulting Party of the breach or default ("**Default Notice**"). Upon receipt of the Default Notice, the defaulting Party shall 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 so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("**Cure Period**"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "**Event of Default,**" and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 11 of this JOA. The Parties may mutually agree to commence the dispute resolution procedures in section 11 of this JOA before the end of the Cure Period.

10.2 Insufficient Funds. Notwithstanding anything in this JOA or the Transfer Agreement to the contrary, no default or breach will be deemed to have occurred if the Council is unable to pay any amounts due and owing under this JOA as a result of either (i) the State of California's failure to timely approve and adopt a State budget, or (ii) the State Controller's determination that the Council has insufficient funds to pay such amounts. In such an event, the Council shall promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget or the State Controller's determination that the Council has sufficient funds to make such payments.

## 11. DISPUTE RESOLUTION

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties shall be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents.

## 12. NOTICES

Any notice or communication required to be sent to a Party pursuant to this JOA related, or delivered pursuant, to (i) the termination of the Superior Court Area Delegation or the Common Area Delegation under sections 3.2.1.2 and 3.2.2.2 of this JOA, respectively, or (ii) sections 5, 6, 7, 8, 9, 10, 11, and 14 of this JOA, 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 in this section 12 below, and to the Parties' Designated Representatives pursuant to section 13 of this JOA. Routine exchange of information may be conducted via telephone, facsimile, or electronic means, including e-mail. All other notices or communications, including notices related to estimates, invoices, Emergencies, Defects, Correction Plans, and audits, shall be delivered to the Parties' Designated Representatives pursuant to section 13 of this JOA.

If to the Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst, Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 JOA or an alleged breach or default by the Council or the AOC of this JOA 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

A Party may change its address for notice under this JOA by giving written notice to the other Party in the manner provided in this section 12. Any notice or communication sent under this section 12 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.

## 13. DESIGNATED REPRESENTATIVES

The Parties shall each identify and appoint an individual who shall have authority to bind it to all matters and approvals related to Operations undertaken with respect to the Real Property under this JOA. Each Party may change its Designated Representative by written notice to the other. Each Party hereby acknowledges and agrees that its Designated Representatives shall bear primary responsibility for the giving and receipt of notices, and for the coordination of its administrative obligations, under this JOA, but neither Party's Designated Representative has any authority to alter, amend, or modify the rights or obligations of such Party under this JOA. The contact information for the initial Council Designated Representative is:

Kenneth S. Kachold
Regional Manager of Facility Operations, Southern Region
Office of Court Construction and Management
Judicial Council of California - Administrative Office of the Courts
2255 North Ontario Street, Suite 200
Burbank, CA 91504
Phone: 818-558-3079
Fax: 818-558-3112
Email: kenneth.kachold@jud.ca.gov

The contact information for the initial County Designated Representative is:

Tim Braden, General Manager
Facilities Operations Service
Internal Services Department
1100 N. Eastern Avenue
Los Angeles, CA 90063
Phone: 323-267-2107
Fax: 323-881-0290
Email: tbraden@isd.lacounty.gov

## 14. MISCELLANEOUS

14.1 Amendment. This JOA may be amended only by written agreement signed by both of the Parties.

14.2 Waivers. No waiver of any provision of this JOA will be valid unless it is in writing and signed by the Party making such waiver. Waiver by either Party at any time of any breach of this JOA cannot be deemed a waiver of or consent to a breach of any other provision of this JOA or a consent to any subsequent breach of the same or another provision of this JOA. 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 subsequent occasion or a consent or approval of any other action.

14.3 Force Majeure. Neither Party is responsible for performance in accordance with the terms of 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.

14.4 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.

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

14.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this JOA for the benefit of the Council.

14.7 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. The word "or" when used in this JOA is inclusive and can mean both. This JOA will not be construed against either Party as the principal draftsperson. 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 JOA and not otherwise defined herein will have the meanings given to them in the Transfer Agreement.

14.8 Integration. This JOA and the Transfer 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.

14.9 Incorporation By Reference. The Attachments attached to this JOA are all incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments will be deemed to include the entirety of this JOA.

14.10 Severability. If any term of this JOA is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

14.11 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 shall 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.

14.12 Conflicts Between JOA and Transfer Agreement. The Transfer Agreement supersedes and controls to the extent of any conflicts between the terms of the Transfer Agreement and this JOA.

14.13 Signature Authority. The Council and the County each certify that the individual signing this JOA on its behalf is duly authorized and empowered to do so.

14.14 Independent Contractors. The relationship of the Parties to each other hereunder will be that of independent contractors, and nothing herein shall be construed to create a partnership, joint venture, employer-employee, or agency relationship between or among any of the County Parties or the State Parties.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this JOA as of the Effective Date.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: Rachel Dragolovich
Name: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: Yvonne B. Burke
YVONNE B. BURKE
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

# 11 JUL 29 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76643



San Fernando JOA
AOC Court Facility # 19-AC-01
County LACO # Y481, L791, L792, L793, L794
July 10, 2008
1042664.15

## LIST OF ATTACHMENTS

| | |
|---|---|
| Attachment "1" | Form of Termination of Joint Occupancy Agreement |
| Attachment "2" | Criteria for Approving County Employees and County Contractors with Respect to Background Checks |
| Attachment "3" | Service Standards |
| Attachment "4" | Causes of Loss |

## ATTACHMENT "1" TO JOA

## FORM OF 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, ("**Council**") acting by and through the Administrative Office of the Courts, staff agency to the Council ("**AOC**"), and the County of Los Angeles ("**County**"). The Council and the County each constitute a "**Party**" and collectively constitute the "**Parties**" to this Termination.

RECITALS

A. On _____, 2008, the County and the Council entered into a Transfer Agreement (the "**Transfer Agreement**") for the Transfer of Responsibility for portions of, and a future Transfer of Title to, the San Fernando Courthouse, which is located in a building on certain real property in the City of San Fernando, County of Los Angeles, State of California and having a street address of 900 Third Street (along with appurtenant parking, and as more completely described in the Transfer Agreement, the "**Real Property**"), with the legal description of the Real Property set forth on Exhibit "A" of the Transfer Agreement.

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

C. The County and the Council now desire to terminate the JOA.

NOW, THEREFORE, County and Council do hereby agree that the JOA is terminated, and is no longer of any force or effect.

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: _____

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: _____
Title: _____
Administrative Office of the Courts

ATTEST:
_____, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
County Counsel

By _____
Deputy County Counsel

## ATTACHMENT "2" TO JOA

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

No County employee or County Contractor may access or work unescorted in any 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 "2"**).

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 County 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 County shall <u>not</u> include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS shall notify the County 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 superior or federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT "2"

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 "3" TO JOA

## SERVICE STANDARDS

[See Attached]

## Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Hardware and Locks*** | | | | | | | | |
| Building hardware (e.g. door handles, closers, etc.) | X | | | | X | X | X | |
| Replacement of keys (other than furniture keys) and card access devices. | | | | | | | X | |
| ***Carpentry*** | | | | | | | | |
| Wood, Formica and wooden structural members | | X | X | | | | | |
| Ceiling tiles | | | | | | | X | |
| Building-related signage (but not customer signage) | | | | | | X | X | |
| ***Electrical Systems*** | | | | | | | | |
| All electrical systems | X | | X | | | X | X | X |
| Electrical panels | X | | | X | | X | X | |
| Motor controllers | X | | | X | | X | X | |
| Connections/terminals | | | | X | X | X | X | |
| Controls/other accessories | X | | | X | X | X | X | |
| Electrical motor service | X | | | | X | X | X | |
| Lighting (bulbs, ballasts, fixtures and diffusers) including exterior lighting | | X | | | | X | X | |
| Cleaning of light fixtures – as needed | X | | | | | | | |
| Emergency power systems | X | | X | | X | X | X | X |
| BEAS equipment: data gathering panels; space sensors; equipment control points | X | | | | X | X | X | |
| ***Fire Extinguishing/Fire Alarm Systems*** | | | | | | | | |
| Automatic fire extinguishing systems, including stand pipes | X | | X | X | | X | X | X |
| Manual fire extinguishings devices/systems | X | | X | X | | | X | |
| Fire detection and alarm systems | X | | X | X | | X | | X |
| ***Plumbing*** | | | | | | | | |
| Plumbing fixtures (e.g. toilets, sinks, urinals, faucets) | | | | | | X | X | |
| Internal drains (sanitary and free of debris) | X | | X | X | | X | X | |
| Piping, tanks and liquid enclosures | X | | X | X | | X | X | |
| Backflow devices | X | | X | X | X | X | X | X |

## Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Heating/Ventilation/Air Conditioning (HVAC) Equipment*** | | | | | | | | |
| Air conditioning systems | X | | X | | X | X | X | X |
| Control air systems (compressor units, filters, regulators, safety devices) | X | | | X | X | X | | X |
| Fan systems | X | | | | X | X | | |
| Cleaning of HVAC ducts -- as needed | X | | | | | | | |
| Boilers | X | | | | X | X | | |
| Water treatment | | | | | X | | | X |
| ***Elevators, Escalators and Lifts*** | | | | | | | | |
| Elevators | X | | X | X | X | X | X | X |
| Escalators | X | | X | X | X | X | X | X |
| Dumbwaiters | X | | X | X | X | X | X | X |
| ***Roofing*** | | | | | | | | |
| Maintain leak free environment | X | | | X | | X | | X |
| Roof drains free of debris and free flowing | X | | | X | | | | |
| Roof decks | | | | | | X | X | |
| ***Sheetmetal*** | | | | | | | | |
| HVAC ducts | X | | | | | X | | |
| Door/window frames except those included under Carpentry | X | | | | | X | X | |
| Toilet partitions/doors | X | | | | | X | X | |
| Metal/glass doors | X | | | | | X | X | |
| Flagpoles and halyards | X | | | | | X | X | |
| Fences/gates | X | | | | | X | | |
| Roll-up doors | X | | | | | X | | |
| Gutters/spouts/flashings | X | | | | | X | X | |
| ***Hazardous Materials*** | | | | | | | | |
| Handling/storage/disposal of FOS-generated materials | | | X | | | | | |

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***Equipment Rooms and Electrical Closets***

- To be accessed only by maintenance and/or custodial service providers designated by the Managing Party.
- Shall not be used for customer storage.
- All equipment will be properly identified.
- Shall be kept clean of debris.
- Materials shall be arranged/stored in an orderly manner on a weekly basis.

***Timing of Maintenance***

- Advanced notification/coordination shall be made with court administrator when equipment must be shut down for maintenance/repairs/replacement or alterations.
- Every effort will be made to avoid disruption of building operations.
- Tasks requested by the AOC or Superior Court that cannot be done during normal working hours may require additional funding.

***Response Times During Normal Working Hours***

****** ISD will advise customers, as quickly as possible, in those instances where the timeframes stated below cannot be adhered to ******

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. persons trapped in elevator).

**Within 4 Hours**

- Calls from the Superior Court regarding significant discomfort to or disruption of building occupants' operations (e.g. air conditioning).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555.
- County Operator will contact the appropriate ISD representative.

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform services shall be safe and used in accordance with manufacturer's instructions.
- Work is warranted for 90 days, with longer periods negotiable.
- ISD will make every effort not to void manufacturers' warranties on equipment.
- Where applicable, ISD will administer contracts with third parties to fulfill the scope of services requirements.

***Exceptions requiring additional Service Fees to be negotiated***

- Repainting or treatment of wood paneling.
- Customer provided/owned Furnishings/Fixtures/Equipment - FFE (e.g. refrigerators, window A/C units, modular furniture, intrusion/panic alarms, access control devices, furniture and keys to that furniture).
- Carpet/Floor covering not covered in Superior Court areas or common areas.
- Maintenance of live plants.
- Cafeterias, snack bars or related equipment (responsibility of cafeteria operator).
- Custodial items such as removing mineral deposits from restroom fixtures and hardware, pest control and exclusion, removal of washable graffiti, cleaning of ceiling vents, window washing.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

***Additional Customer Information***

- The Managing Party is responsible for maintaining all applicable permits and causing payment of related fees.
- If ISD determines that a piece of equipment, or part of the infrastructure is beyond reasonable repair, ISD will issue a notice to the AOC to that effect. In those cases, repair of said equipment/infrastructure component is outside of this scope of services.
- ISD will provide the AOC with updated listings of building equipment that has exceeded useful life expectancies.
- ISD and FOS mean Internal Services Department and its Facilities Operations Service.
- Services related to vandalism and certain other causes are covered herein in accordance with Section 6.3 of the Joint Occupancy Agreement.
- Items listed under "Sheetmetal" are covered regardless of construction.
- Note: for Secured Areas (e.g., holding cells), the Sheriff may substitute for ISD in completing the work shown above.

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Lawns*** | | | | | | | | | | |
| Mow lawns | | X | | | | | | | | |
| Weeding | | | | | | | | | | X |
| Edging | | X | | | | | | | | |
| Mechanical Edging | | | X | | | | | | | |
| Chemical Edging/Detailing (April through September) | | | | | X | | | | | |
| Chemical Edging/Detailing (October through March) | | | | | | X | | | | |
| Litter Control | | X | | | | | | | | |
| Raking | | X | | | | | | | | |
| ***Trees, Hedges, Ground Cover*** | | | | | | | | | | |
| Trim Trees | | | | | | X | | | | X |
| Thin Trees | | | | | | | | | | X |
| Damaged Trees - Staked/Tied (Within 24 Hours) | | | | | | | | | | X |
| Missing/Damaged Stakes (Within 5 Days) | | | | | | | | | | X |
| Pruning | | | | | | | | | | X |
| Hedging | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| Damage to Shrubs, Trees, Turf or Ground Cover (Within 5 Working Days) | | | | | | | | | | X |
| Pruning plant materials for vehicular and pedestrian visibility | | | | | | X | | | | |
| Flower Beds - Thinning | | | | | | | | | | X |
| Litter Control | | X | | | | | | | | |
| ***Watering*** | | | | | | | | | | |
| Irrigation in General - Depending upon individual requirements of the location | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| ***Aeration*** | | | | | | | | | | |
| General | | | | | | | | | X | |
| Areas around office buildings | | | | | | | | X | | |
| ***Fertilization*** | | | | | | | | | | |
| Turf areas | | | | | | | | X | | |
| ***Irrigation Systems Maintenance*** | | | | | | | | | | |
| Unplug clogged drains | | | | | | | X | | | |
| Flush lines | | | | | | | X | | | |

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Concrete Areas/Hard Courts/Parking Lots*** | | | | | | | | | | |
| Sweeping/washing, except parking lots | | X | | | | | | | | |
| Maintenance of parking lot surfaces | | | | | | | | | | X |
| ***Vermin/Pest/Disease Control*** | | | | | | | | | | |
| Areas maintained free of rodents and insects | | | | | | | | | | X |
| Landscaped areas free of disease that could damage plant materials | | | | | | | | | | X |
| ***Cultivation (Retaining/Maintaining Original Conditions)*** | | | | | | | | | | |
| Beds | | | | | | | | | | X |
| Planter areas | | | | | | | | | | X |
| Turf Reseeding/Restoration of Bare Areas | | | | | | | | | | X |
| ***Trash Removal*** | | | | | | | | | | |
| Collect and remove all clippings (when work performed) | | | | | | | | | | X |
| Contractors may not use County trash bins | | | | | | | | | | |

***Response Times During Normal Working Hours***

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 4 Hours**

- Calls from AOC regarding significant discomfort to or disruption of building occupants' operations.

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

**ISD will advise the customer in those instances where the above stated timeframes cannot be met as quickly as possible.**

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555
- County Operator will contact the appropriate ISD representative

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|

## Scope of Services Statement - GROUNDS MAINTENANCE

***Regular Pest Control***

- Regular pest control services are outside of the scope of services, but are available upon submittal of a service request.

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform grounds maintenance services shall be safe and used in accordance with manufacturers' instructions.
- Where applicable, ISD will administer grounds maintenance contracts with third parties to fulfill the scope of services requirements.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

## ATTACHMENT "4" TO JOA

## CAUSES OF LOSS

Causes of Loss means the following:

1. Fire.

2. Lightning.

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by: (a) rupture, bursting, or operation of pressure relief devices; or (b) rupture or bursting due to expansion or swelling of the contents of the Building, caused by or resulting from water.

4. Windstorm or Hail, but not including: (a) frost or cold weather; (b) ice (other than hail), snow, or sleet, whether driven by wind or not; or (c) loss or damage to the interior of the Building, or the property inside the Building, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Building first sustains wind or hail damage to its roof or walls through which the rain, snow, sand, or dust enters.

5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

6. Aircraft or Vehicles, meaning only physical contact with the Real Property of (i) an aircraft, (ii) a spacecraft, (iii) a self-propelled missile, (iv) a vehicle, or (v) an object thrown up by a vehicle. This cause of loss includes loss or damage by objects falling from aircraft, but does not include loss or damage caused by or resulting from vehicles owned or operated by the State Parties in the course of their business.

7. Riot or Civil Commotion, including: (a) acts of striking employees (except employees of the State Parties) while occupying the described premises; and (b) looting occurring at the time and place of a riot or civil commotion.

8. Vandalism, meaning willful and malicious damage to, or destruction of, the Real Property, but not theft, except for damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System (defined below), including collapse of a tank that is part of the system. If the Building contains an Automatic Sprinkler System, causes of loss also includes the cost to: (a) repair or replace damaged parts of the Automatic Sprinkler System if the damage: (1) results in sprinkler leakage; or (2) is directly caused by freezing; and (b) tear out and replace any part of the Building to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

   Automatic Sprinkler System means: (1) any automatic fire protective or extinguishing system, including connected: (a) sprinklers and discharge nozzles; (b) ducts, pipes, valves, and fittings; (c) tanks, their component parts, and supports; and (d) pumps and private fire protection mains; and (2) when supplied from an automatic fire protective system: (a) any non-automatic fire protective systems; and (b) hydrants, standpipes, and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include: (a) the cost of filling sinkholes; or (b) sinking or collapse of land into man-made underground cavities.

11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by: (a) airborne volcanic blast or airborne shock waves; (b) ash, dust or particulate matter; or (c) lava flow. All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. This cause of loss does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the described property.

12. Falling Objects, but not: (b) personal property in the open; or (b) the interior of the Building, or property inside the Building, unless the roof or an outside wall of the Building is first damaged by a falling object.

13. Weight of snow, ice, or sleet, but not loss or damage to personal property outside of the Building.

14. Water Damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning, or other system or appliance, that is located on the described

premises and contains water or steam. However, Water Damage does not include:

a. Discharge or leakage from: (i) An Automatic Sprinkler System; (2) a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water; or (3) roof drains, gutters, downspouts, or similar fixtures or equipment.

b. The cost to repair any defect that caused the loss or damage;

c. Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more; or

d. Loss or damage caused by or resulting from freezing, unless: (a) the State Parties do their best to maintain heat in the Building; or (b) the State Parties drain the equipment and shut off the water supply if the heat is not maintained.

Water Damage, as defined in this section 14, also includes the cost to tear out and replace any part of the Building to repair damage to the system or appliance from which the water or steam escapes, but not the cost to repair any defect that caused the loss or damage.

AOC Facility # 19-AM-01
County LACO # D600
Downey Courthouse TA
7500 East Imperial Highway, Downey, California 90242

# TRANSFER AGREEMENT

## BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA,

**by and through**

## THE ADMINISTRATIVE OFFICE OF THE COURTS,

## AND THE COUNTY OF LOS ANGELES

## FOR THE TRANSFER OF RESPONSIBILITY FOR AND TITLE TO

## THE DOWNEY COURTHOUSE

76944

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# TRANSFER AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, the staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Transfer Agreement, as of JUL 29, 2008, (the "**Effective Date**"), and set forth the terms and conditions for the Transfer of Responsibility for funding and operation of the Court Facility commonly known as the Downey Courthouse and for conveyance to the State of California on behalf of the Council of the County's title to the Real Property following the satisfaction of the County's obligations under the Bonded Indebtedness Documents.

## 2. BACKGROUND

The Lockyer-Isenberg Trial Court Funding Act of 1997 (Chapter 850, Statutes of 1997) 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 Council. The Parties enter into this Agreement to implement the provisions of the Act as it exists on the Effective Date.

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## 3. DEFINITIONS

"**Acceptance Document**" means a certificate of acceptance or certified resolution evidencing the PWB's approval of the Transfer of Title.

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

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

"**Bonded Indebtedness**" means the "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 existing as of the Effective Date of this Agreement, which are listed on **Exhibit "G"** to this Agreement, and any agreements evidencing or

securing any refunding of the Bonded Indebtedness as permitted by sections 70323(a) and 70325(b) of the Act.

"**Building**" means the building commonly known as the Downey Courthouse, located at 7500 East Imperial Highway, Downey, California, 90242, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use Area. The Building Equipment does not include the equipment and systems that serve only the Exclusive-Use Area of one Party.

"**Building Software**" means any software used in connection with the Building Equipment.

"**Closing**" means the performance of all acts required to complete the Transfers under this Agreement, the Transfer Documents, and the Act.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on **Exhibit "D,"** including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Council Authorized Signatory**" means the AOC's Senior Manager, Business Services, Grant Walker.

"**County Authorized Signatory**" means the person or persons authorized by the County Board of Supervisors to execute this Agreement and the Transfer Documents as designated in the County Authorizing Document.

"**County Authorizing Document**" means a copy of a certified order by the County Board of Supervisors 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 Transfer Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Transfer Documents.

"**County Board of Supervisors**" means the governing body of the County.

"**County Exclusive-Use Area**" means the 12,553 square feet of the Building interior that are exclusively occupied and used by the County, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.30 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means: (i) five parking spaces in the Secured Parking Lot; and (ii) 16 parking spaces in the employee area and 29 parking spaces in the public area of the Public and Employee Parking Lot, all as shown on **Exhibit "C"** to this Agreement.

"**County Parties**" means the County, and its officers, agents, and employees.

"**Court Exclusive-Use Area**" means the 64,450 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.70 percent of the Total Exclusive-Use Area.

"**Court Facility**" means the Court Exclusive-Use Area, the Superior Court Parking, the Superior Court's non-exclusive right to occupy and use the Common Area, and the Superior Court's exclusive and non-exclusive rights to occupy and use the other spaces, fixtures, and appurtenances described in section 70301(d) of the Act, as allocated in this Agreement. A copy of a site plan showing the location of the Building and the Parking Area on the Land, and a set of floor plans showing the layout of the Court Facility in the interior of the Building, are attached as **Exhibits "C"** and **"D"** to this Agreement.

"**Datedown Certificate**" means the document titled Datedown Certificate that is similar to the document attached to this Agreement as **Exhibit "H"**.

"**Dispute**" means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding, between the County and any Third Party, related to the Real Property.

"**DOF**" means the State Department of Finance.

"**Equipment Permits**" means any governmental permits, certificates, and approvals required for lawful operation of any of the Building Equipment.

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

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

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

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means the document titled Joint Occupancy Agreement which will be signed by the Parties concurrently with their execution of this Agreement.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 7.2 acres as described on **Exhibit "A,"** including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any.

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Managing Party**" means the Council, which is the Managing Party under the JOA, subject to the Council's delegation to the County of the Managing Party's rights and duties under the JOA.

"**Master License Agreement**" means the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, County Agreement #63619, dated July 31, 1990, between the County and the State Department of Rehabilitation under which Vending Facilities are located in the Building.

"**Material Agreements**" means any and all agreements, contracts, or understandings (whether written or unwritten) between the County and any Third Party relating to the Property (1) for which termination requires advance notice by a period of or 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 of TA and JOA**" means the document titled Memorandum of Transfer and Joint Occupancy Agreements in the form and content attached to this Agreement as **Exhibit "F"**.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use the Real Property for a period that continues after the Responsibility Transfer Date, and that cannot be terminated on fewer than 30 days notice.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property.

"**Owner**" means the Party that owns fee title to the Real Property, which shall be the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either of the Council or the County, and "**Parties**" means the Council and the County together.

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

"**Property Disclosure Documents**" means all documents, including Material Agreements, that provide material information relative to the title, ownership, use, occupancy, or condition of the Real Property or any rights, benefits, liabilities, obligations, or risks associated with the Real Property. A list of the categories of Property Disclosure Documents is attached as **Exhibit "E"**.

"**Public and Employee Parking Lot**" means the surface parking lot located on the Land adjacent to the Building to the south, containing 72 parking spaces restricted to employees, 11 parking spaces for vehicle inspections, and 202 parking spaces available to the public.

"**PWB**" means the State Public Works Board.

"**Quitclaim Deed**" means the document entitled Quitclaim Deed that is similar in form and content to the document attached to this Agreement as **Exhibit "B"** and by which the County shall convey to the State title to the Real Property when accepted by the PWB and recorded by the County Recorder.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the first day of the first calendar quarter that is at least 45 days following the Effective Date, which is the date on which the Transfer of Responsibility will take place.

"**Responsibility Transfer Documents**" means the documents listed in section 5.1.1 of this Agreement.

"**Secured Parking Lot**" means the secured, surface parking lot located on the Land adjacent to the Building to the west, containing 15 parking spaces.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells, sallyports, and secured elevators, staircases, and hallways.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Shares**" has the meaning given to it in the JOA.

"**State**" means the State of California.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Parking**" means: (i) 10 parking spaces in the Secured Parking Lot; and (ii) 56 parking spaces in the employee area, 11 parking spaces in the vehicle inspection area, and 173 parking spaces in the public area of the Public and Employee Parking Lot, all as shown on **Exhibit "C"** to this Agreement.

"**Tangible Personal Property**" means any unaffixed item that is, on the Responsibility Transfer Date, located on or in, or used in and is necessary to the Operation of, the Real Property, except that it does not include any tangible personal property of the County necessary to provide telecommunications services.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed is recorded in the office of the County Recorder.

"**Title Transfer Documents**" means the documents listed in section 5.2.1 of this Agreement.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer**" means either one, and "**Transfers**" means both, of the Transfer of Responsibility and the Transfer of Title.

"**Transfer Documents**" means the Responsibility Transfer Documents and the Title Transfer Documents, together.

"**Transfer of Responsibility**" means the County's full and final grant, transfer, absolute assignment, and conveyance to the Council, and the Council's 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 Court Facility, in accordance with this Agreement, except that the Transfer of Responsibility will not include those duties and liabilities expressly retained by the County under this Agreement and the Act, or any responsibility for Disputes arising from or related to facts or circumstances occurring prior to the Responsibility Transfer Date.

"**Transfer of Title**" means the County's conveyance to the State of any and all right, title, and interest the County has, or may have, in and to the Real Property.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or any Third Party.

"**Vending Facility**" has the meaning given to it in section 19626 of the Welfare and Institutions Code.

## 4. RESPONSIBILITIES AFTER TRANSFER.

4.1 Transfer of Responsibility; Transfer of Title. On the Responsibility Transfer Date, the Transfer of Responsibility for the Court Facility from the County to the Council will occur under this Agreement and the Responsibility Transfer Documents. The Building is subject to Bonded Indebtedness on the Effective Date. Under section 70323(a) of the Act, the Transfer of Title will occur on or after the date that the Real Property is released from the encumbrance of the Bonded Indebtedness. On the Title Transfer Date, the Transfer of Title will occur under this Agreement and the Title Transfer Documents. Prior to the Title Transfer Date, the AOC shall notify the County, in accordance with section 13 of this Agreement, that the PWB has accepted the Title Transfer Documents required for the Transfer of Title and issued the Acceptance Document.

4.2 General Responsibilities After Transfer of Responsibility. Upon the Transfer of Responsibility, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Court Facility, except as may be expressly delegated by the Parties in this Agreement and the Responsibility Transfer Documents.

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

4.3.1 Utilities. The County shall be responsible to pay all charges and fees for the Utilities provided to the Court Facility during all periods prior to the Responsibility Transfer Date, and the Parties shall be responsible for payment of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date on the basis of their respective Shares, as provided in the JOA.

4.3.2 Property Insurance. Subject to the County's obligations under the Bonded Indebtedness Documents and the Parties' respective obligations under section 6 of the JOA, neither Party shall have any obligation to provide insurance coverage obtained from a Third Party for the Real Property. The State Parties shall continue to be solely liable for all personal property owned or leased by a State Party located on or in the Real Property. The County shall continue to be solely liable for all County owned or leased personal property located on or in the Real Property, including any such personal property that is required to provide telecommunications services to the Superior Court. However, this liability will not limit the County from including costs related to repair, upgrade, or replacement of such County owned or leased personal property necessary for telecommunications services in its charges to the Superior Court for those services.

4.3.3 Building Equipment. As of the Responsibility Transfer Date, the Managing Party is responsible for further permitting of any Building Equipment that requires an Equipment Permit for lawful Operation, once the County has delivered to the AOC the most recent copies of all required Equipment Permits, whether current or expired, as of the Responsibility Transfer Date; provided, however, that if any of the Equipment Permits are expired or are otherwise not in full force and effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs associated with the first instance of obtaining or renewing, as applicable, those Equipment Permits after the Responsibility Transfer Date.

4.3.4 Security-Related Areas. The County Sheriff's Department shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, through, and in the Security-Related Areas of the Court

Facility, including but not limited to the holding cells, sallyport, secured elevators and staircases, and secured corridors, pursuant to the Security Services MOU. The County shall remain solely liable and responsible for all violations that, as of the Responsibility Transfer Date, have been identified by the State Board of Corrections, as to any Security-Related Areas of the Real Property. This Agreement does not supersede, replace, or modify the Security Services MOU or any other agreement between the County and the Superior Court with respect to security staffing for the Court Facility.

4.3.5 Disputes. The County shall promptly notify the Council in writing of any Dispute that arises after the Responsibility Transfer Date that concerns or alleges: (1) acts or omissions of the County committed at any time prior to the Responsibility Transfer Date related to the Real 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 shall manage and be responsible to resolve those Disputes, but the Council may elect, but is not required, to retain its own attorney, at the Council's sole expense, to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for those Disputes. If the Council elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for a Dispute, the County shall cooperate with the participation by the Council and its attorney, and the Council and its attorney shall cooperate with the County in respect of such participation.

4.3.6 Personal Property. If either of the Parties determines that there exists any Tangible Personal Property or Intangible Personal Property not previously transferred or assigned to the State Parties, that Party shall promptly provide to the other Party a notice that includes a reasonably detailed, written description of that property, and how it is necessary to the Operation of the Real Property. At the Council's request, the County and the Council shall promptly meet and confer to determine the proper disposition of the Tangible Personal Property or Intangible Personal Property described in that notice.

4.3.7 Adjustments. The Parties shall make the appropriate adjustments for prorations or computations required by this Agreement or the Transfer Documents as promptly as possible once accurate information becomes available evidencing that either Party is entitled to an adjustment. Adjustments will be made on a basis mutually acceptable to the Parties. The Party entitled to the adjustment shall make written demand on the other Party for the adjustment within one year after the applicable Transfer Date and shall provide a reasonably detailed explanation of the basis for the demand and all supporting documentation. The Parties shall promptly pay each other any corrected proration or adjustment amounts.

4.3.8 Occupancy Agreements.

4.3.8.1 Allocation of Responsibility and Rights to Revenue. Notwithstanding the Transfer of Responsibility, the County will continue to be responsible for, and will be entitled to all revenue arising from, all Occupancy Agreements under which space in the County Exclusive-Use Area is occupied or used by any Occupant. The County shall promptly pay to the AOC all payments or prepayments it receives from an Occupant for use or occupancy of the Court Exclusive-Use Area on or after the Responsibility Transfer Date, and the Council and the AOC shall promptly pay to the County all payments or prepayments they receive from an Occupant for use or occupancy of the County Exclusive-Use Area on or after the Responsibility Transfer Date. The Council shall be responsible for, and shall be entitled to all revenue arising from, all Occupancy Agreements under which space in the Court Exclusive-Use Area is occupied or used by any Occupant on and after the Responsibility Transfer Date, and payments or prepayments received by either Party from an Occupant for use or occupancy of the Common Area will be shared by the Parties under the terms of the JOA. On and after the Responsibility Transfer Date, the Parties will work with the State Department of Rehabilitation to ensure the transfer of the Vending Facilities located in the Building under the Master License Agreement, and the continuity of the vending services in the Building.

4.3.8.2 Unassigned Occupancy Agreements. The Parties acknowledge that none of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will be assigned to the Council (the **"Unassigned Occupancy Agreements"**). The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreements, as follows:

(a) Su Casa Domestic Violence Clinic is the Occupant of space on the first floor of the Building without any written Occupancy Agreement. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days prior written notice that on and after the Responsibility Transfer Date, the Council will be responsible for the Occupant's occupancy or use of the Building. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC;

(b) Downey Unified School District is the Occupant of space on the first floor of the Building without any written Occupancy Agreement. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days prior written notice that on and after the Responsibility Transfer Date, the Council will be

responsible for the Occupant's occupancy or use of the Building. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC; and

(c) La Mirada Volunteer Center is the Occupant of space on the first floor of the Building without any written Occupancy Agreement. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days prior written notice that on and after the Responsibility Transfer Date, the Council will be responsible for the Occupant's occupancy or use of the Building. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC.

4.3.8.3 Council's Responsibility for Occupants of the Court Exclusive-Use Area. Commencing on the Responsibility Transfer Date, the Council and the AOC shall be responsible and liable for all Occupants that occupy or use the Court Exclusive-Use Area, whether under an Unassigned Occupancy Agreement, an Occupancy Agreement that is assigned to the Council, or without any written Occupancy Agreement. The Council's responsibility and liability with respect to such Occupants of the Court Exclusive-Use Area will include payment of any County costs and performance of any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, as well as responsibility and liability for all space in the Court Exclusive-Use Area that is occupied or used by such Occupants. The Council and the AOC shall also be entitled to any rights and benefits accruing to the County in respect of such Occupants of the Court Exclusive-Use Area, including to the extent applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants in respect of their respective rights to occupy and use space in the Court Exclusive-Use Area. The County, the Council, and the AOC shall cooperate with one another to ensure that the Council and the AOC are able to perform their duties and exercise their rights with respect to any such Occupants under this section 4.3.8.

4.3.8.4 Revenue Enhancement Services Contract. Pursuant to Government Code section 26220 and Penal Code section 1205, the County and the Superior Court have entered into a revenue enhancement services contract to provide collections services for unpaid court-ordered fees and fines. Notwithstanding section 4.3.8.1 or any other term of this Agreement or the JOA, all space in the Building that is occupied by a revenue enhancement services contractor will be within the Court Exclusive-Use Area for purposes of this Agreement and the JOA. Notwithstanding the Transfers, the County and the Superior Court shall otherwise remain responsible and

liable for the performance of their respective duties and obligations under any revenue enhancement services contract, and shall remain entitled to all rights and benefits accruing to them thereunder. The Parties specifically agree that (i) all revenues, indemnity payments, insurance proceeds, damages and liquidated damages, and other payments of every kind received by any County Party or State Party from a revenue enhancement services contractor under any revenue enhancement services contract will be allocated and distributed as provided in the revenue enhancement services contract, and (ii) all payments due to or alleged to be due to a revenue enhancement services contractor under any revenue enhancement services contract will be paid, contested, or otherwise addressed by, and the responsibility of, the County or the Superior Court, as provided in the revenue enhancement services contract. For clarification, the revenue enhancement services contract that is in effect on the Effective Date is designated County Contract Number 75680 and is dated May 30, 2006, among the County, the Superior Court, and GC Services Limited Partnership.

4.3.9 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas, all of which will remain the sole personal property of the County notwithstanding the Transfers.

4.3.10 Parking. The Transfer of Responsibility will include the Superior Court Parking, and commencing on the Effective Date, the Council will be responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in this Agreement and the JOA. The Superior Court Parking is available to Superior Court judges, staff, employees, jurors, and visitors, on a first-come, first-served basis. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

4.3.11 Relief from Section 70311 Obligations. Effective upon the Responsibility Transfer Date, the Council confirms and agrees that the County shall be, and is, relieved of any responsibility under section 70311 of the Act for providing to the Superior Court those necessary and suitable court facilities currently located in the

Building and the Superior Court Parking on the Effective Date, except as specifically provided in this Agreement and the Act.

4.3.12 Bonded Indebtedness. On the Effective Date, some or all of the Real Property is subject to Bonded Indebtedness, and during the Interim Period, the County will remain solely responsible to meet its obligations under the Bonded Indebtedness Documents, subject to its rights to refund pursuant to sections 70323(a) and 70325(b) of the Act, and shall not act or fail to act in a way that violates the Bonded Indebtedness Documents ("**BI Default**"). The County shall promptly provide the AOC with a copy of any notice given or received by the County that concerns or alleges a County BI Default. The Council and the AOC will exercise their 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 shall 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 Superior Court is required to vacate the Court Facility through the operation or enforcement of the Bonded Indebtedness Documents, the County shall comply with the provisions of section 70325(c) of the Act.

4.3.13 Equity in the Building. Unless the terms of section 70344(b) of the Act apply, neither Party shall have the right to purchase the other Party's Equity interest in the Real Property without the prior, written approval of the other Party.

4.3.13.1 Parties' Rights Upon Sale of Real Property. If the Owner sells the Real Property to a Third Party in an arms-length market transaction, the Parties shall allocate the purchase price paid by the Third Party buyer in respect of the sale on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Building under section 4.3.13.3, below, and net of any costs paid by the Owner in connection with the sale of the Real Property for real estate brokerage commissions, title insurance premiums, escrow fees and charges, recording fees, city and County documentary transfer taxes, and prorations of any assessments affecting the Real Property; provided that any amounts due from or paid by any Occupants of the Real Property will be prorated in accordance with section 3.7 of the JOA.

4.3.13.2 Parties' Rights Upon One Party's Purchase of the Other Party's Equity Interest. If one Party purchases the other Party's Equity interest in the Real Property without any sale of the Real Property to a Third Party, or if conveyance of the Real Property to a Third Party is not pursuant to an arms-length market transaction, the

Parties shall determine the fair market value of the Real Property, and allocate the fair market value on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property under section 4.3.13.3, below.

4.3.13.3 Mechanisms for Compensating Parties. If the Owner sells, leases, replaces, or otherwise disposes of the Real Property in a manner other than those expressly permitted by the terms of section 5.1 of the JOA, the Parties agree to work together in good faith to determine the best mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Owning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Owning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Owning Party's Equity interest in the Real Property. Notwithstanding any modification or amendment that the Parties may make to their respective Shares under the JOA for the purpose of allocating responsibility for payment of "Shared Costs" (as defined in the JOA), any such modification or amendment will not affect, or be deemed to affect, the Parties' respective Equity interests in the Real Property unless the modification or amendment to the JOA expressly provides for a change to the Parties' respective Equity interests in the Real Property.

4.3.13.4 Valuation Methodology. Upon (i) a Party's exercise of its rights under section 70344(b) of the Act, or (ii) the Parties' written agreement that one Party will purchase the Equity interest of the other Party in the Real Property, the Parties will have a 60-day period to work together in good faith to either (a) determine the fair market value of the Equity interest to be purchased, or (b) if the Parties cannot agree on the fair market value of such Equity interest, then to jointly select and engage a mutually acceptable expert with adequate experience in appraising or providing opinions of value for real properties that are owned by governmental entities and similar to the Real Property ("**Expert**") to determine the fair market value of the Equity interest to be purchased, based on a valuation methodology agreed upon by the Parties and consistent with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, or any successor entity, then in effect (the "**Code and Standards**"). Such valuation methodology and the Parties' instructions to the Expert shall be jointly communicated to the Expert by the Parties. The Parties shall equally share in the payment of all costs and expenses of any jointly engaged Expert. If the Parties cannot agree on an Expert, or the valuation methodology and instructions to be given to the Expert during that initial 60-day period, then each Party shall select its own Expert to determine the fair market value of the applicable Equity interest, and each Party shall submit the report prepared by its Expert (the "**Written Appraisal Evidence**") to the

other Party within 90 days after the end of the initial 60-day period. At a minimum, all Written Appraisal Evidence of the fair market value of the Equity interest to be purchased pursuant to this section 4.3.13 will be based upon a determination of the fair market value of the Real Property and allocation of that fair market value to each Party on the basis of its respective Share, and all such Written Appraisal Evidence will be made in material conformity with, and subject to the requirements of, the Code and Standards. Each Party shall be solely responsible for all costs and expenses of its own initial Expert. If the valuations determined by the Parties' respective Experts differ, the Parties shall have a 20-day period, starting on the first business day after the date on which both Parties have delivered their Written Appraisal Evidence to one another, to work together in good faith to either (y) agree upon the fair market value of the Equity interest to be purchased based on the Written Appraisal Evidence submitted by both Parties, or (z) provide one another with a list of five additional Experts acceptable to the submitting Party and listed in order of the submitting Party's preference (the "**Experts List**"), from which a third Expert will be chosen for purposes of determining the fair market value of the Equity interest to be purchased (the "**Third Expert**"). The most highly ranked Expert to appear on both of the Parties' Experts List shall be jointly engaged by the Parties to serve as the Third Expert. If there is no Expert that appears on both of the Parties' Experts List, then the Parties shall, within 10 days, resubmit to one another their Experts List retaining each Party's initial listing of five Experts and adding five more Experts, also listed in order of preference, such that there is a total of ten Experts on each Party's Experts List. The Parties shall continue this process of resubmitting to one another their previous Experts List adding an additional five Experts every 10 days until an Expert appears on both Experts Lists, and is thereby chosen as the Third Expert. The Third Expert shall be jointly engaged by the Parties and provided with the Written Appraisal Evidence prepared by the Parties' respective Experts, and shall be entitled to interview the Parties' respective Experts concerning the Written Appraisal Evidence they prepared and the Written Appraisal Evidence prepared by the other Party's Expert. The Third Expert shall not independently appraise the Real Property; rather, the Third Expert shall be engaged to review the Written Appraisal Evidence submitted by both Parties and to determine whether the fair market value of the Real Property is more accurately reflected in the Written Appraisal Evidence submitted by the County or in the Written Appraisal Evidence submitted by the Council. The Parties shall jointly instruct the Third Expert to limit his or her conclusions to the fair market value of the Real Property determined by either the County's initial Expert or the Council's initial Expert, as reflected in the Written Appraisal Evidence, and to support his or her selection with a reasonably detailed explanation of the factors that influenced the Third Expert's decision. The Third Expert shall further be instructed to provide his or her valuation to both Parties within 60 days of being engaged. The Parties shall be bound by the Third Expert's valuation of the Equity

interest to be purchased. The Parties shall equally share all costs and expenses of the Third Expert.

4.3.14 Seismic-Related Damage and Injury.

4.3.14.1 Allocation of Liabilities, Responsibilities, and Obligations. Commencing on the Effective Date, the liabilities and obligations of the Parties (including indemnification obligations) with respect to any seismic-related damage and injury on and to the Real Property are as set forth in section 70324 of the Act, a copy of which is attached to this Agreement as **Exhibit "I"** and incorporated into this Agreement as though fully set forth herein. At all times that section 70324 of the Act applies in respect of the Real Property, the terms of section 70324 of the Act will prevail over any conflicting provisions of the Act, this Agreement, and the Transfer Documents. As provided in section 70324(d) of the Act, in no event will section 70324 of the Act be deemed to impose greater liability on the County for seismic-related damage to Third Parties than the County would have if the Transfer of Responsibility had not occurred. 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 County Liability and Obligations. Without limiting the generality of section 4.3.14.1 of this Agreement, the County acknowledges and agrees that its liability under section 70324(a) of the Act includes: (i) costs to repair the seismic-related damage to the Building in order to bring the portions of the Building damaged by the seismic-related event back to the condition in which they existed immediately prior to the seismic-related event; (ii) costs of any upgrades to the Building that are required by Law as a result of the repair of the seismic-related damage to the Building; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building is deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Building, or (b) the Parties agree that it will be more efficient for the County to make the repairs of the seismic-related damage to the Building if the Building is entirely or partially vacant.

4.3.15 Cooperation for Transfer of Title. The Parties acknowledge that the legal description of the Land as prepared by the County and attached as **Exhibit "A"** to this Agreement, and as an Exhibit to the County's Quitclaim Deed, which is **Exhibit "B"** to this Agreement, varies in certain respects from the legal description provided to the Council by the Council's title company, as set forth in the Council's Preliminary Title Report for the Land. Following the Effective Date, the County and the AOC shall work together, cooperatively and in good faith, to resolve any issues arising from the wording

of the legal description that are impeding the insurability of the Council's Title to the Real Property by the Council's title company. The Parties shall endeavor to resolve any such issues as promptly as possible, and shall endeavor to have full resolution of those issues by no later than one year following the Effective Date.

4.4 Specific Responsibility During the Interim Period. During the Interim Period, the County shall not: (1) transfer or agree to transfer any right, title, or interest in the Real Property to any Third Party except as provided for in section 4.3.13 of this Agreement or in the JOA; (2) enter into any agreement concerning the Real Property without the Council's prior written consent, except as provided for in the JOA; (3) do anything that would result in a change to the zoning or entitlements for use of the Real Property without the prior written consent of the Council, which consent will not be unreasonably withheld.

## 5. THE CLOSING

5.1 The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur upon the first day of the first calendar quarter that is at least 45 days following the Effective Date. The Responsibility Transfer Date will not be affected by the date of delivery of the signed Responsibility Transfer Documents.

5.1.1 Responsibility Transfer Documents. The Responsibility Transfer Documents are as follows:

(a) the JOA; and,

(b) the Memorandum of TA and JOA.

5.1.2 Time for Signature. The Parties shall sign the Responsibility Transfer Documents prior to or concurrently with the Effective Date, except that the County shall sign the Memorandum of TA and JOA within ten business days after the Effective Date.

5.1.3 Conditions for Transfer of Responsibility. Neither of the Parties will be obligated to consummate the Transfer of Responsibility unless the following conditions are satisfied or waived prior to the Responsibility Transfer Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the Council may only be waived by the Council.

5.1.3.1 Conditions for the Benefit of the Council. 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 Responsibility Transfer Date; the

County shall 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 Responsibility Transfer Date.

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

5.1.4 Delivery of Signed Agreement, Responsibility Transfer Documents, and County Authorizing Document. The County must deliver signed originals of this Agreement and the Responsibility Transfer Documents, as well as a copy of the County Authorizing Document, to the Council within 10 business days after the Effective Date.

5.1.5 Delivery of Possession. On the Responsibility Transfer Date, the County shall deliver to the Council custody and control over the Court Facility.

5.2 Transfer of Title; Title Transfer Date. The Title Transfer Date will occur upon the recordation of the Quitclaim Deed in the office of the Los Angeles County Recorder, which, under the terms of section 70325(b) of the Act, must not be later than the date that the Real Property is no longer subject to the lien of the Bonded Indebtedness Documents, and the Parties shall endeavor to complete the Transfer of Title as required by the Act. As of the Effective Date, the Bonded Indebtedness Documents provide for all of the County's obligations under the Bonded Indebtedness Documents to be satisfied on December 1, 2016. To facilitate the Council's ability to obtain timely PWB approval of the Transfer of Title, the County shall make a good faith effort to notify the AOC at least eight months prior to any date other than December 1, 2016 on which the County anticipates that all of its obligations under the Bonded Indebtedness Documents will be satisfied or that the Real Property will be otherwise released from the lien of the Bonded Indebtedness Documents. The Parties agree that the County's failure to provide such notice will not be a material breach of this Agreement. Upon payment in full of the Bonded Indebtedness, the County shall make a good faith effort to perform any County actions necessary to have the lien of the Bonded Indebtedness Documents released by the Trustee. By completing the Transfer of Title, the County does not waive, relinquish, limit, diminish, or convey to the State, to any extent whatsoever, the County's Equity interest in

the Real Property, which Equity interest of the County will be and remain the right and entitlement of the County, except only if the Council has purchased the County's Equity interest in the Real Property in exchange for fair market value consideration.

5.2.1 The Title Transfer Documents. The Title Transfer Documents are as follows:

(a) the Quitclaim Deed; and,

(b) the Datedown Certificate.

5.2.2 Execution and Delivery of Title Transfer Documents. The County shall execute and deliver the Title Transfer Documents to the Council within 30 days after the date those documents are requested in writing by the Council or the AOC, which date must not be earlier than 240 days prior to the anticipated date of final payment of the Bonded Indebtedness or other release of the Real Property from the encumbrance of the Bonded Indebtedness Documents. The Council and the AOC shall endeavor to present this Agreement, the signed Title Transfer Documents, and the County Authorizing Document to the PWB for approval of the Transfer of Title within sufficient time prior to the Title Transfer Date to enable the Parties to effect the Transfer of Title on the date the Bonded Indebtedness is satisfied. The Parties shall work together, in a good faith, cooperative manner, to effect the Transfer of Title.

5.2.3 Cooperation. The County shall provide reasonable cooperation to the Council in providing the information necessary to respond to any issues raised by the PWB concerning the Real Property that may prevent the PWB's approval of the Transfer of Title. The Parties mutually intend that no circumstance that may prevent or delay the Transfer of Title will in any way limit or delay the Transfer of Responsibility.

5.2.4 Delivery of Title. On the Title Transfer Date, the County shall deliver to the State title to the Real Property.

5.2.5 Conditions for Transfer of Title. Neither of the Parties shall be obligated to consummate the Transfer of Title unless the following conditions are satisfied or waived prior to the Title Transfer Date. The conditions for the benefit of the County may be waived only by the County, and the conditions for the benefit of the Council may be waived only by the Council.

5.2.5.1 Conditions for the Benefit of the Council. All of the County's representations and warranties in the Datedown Certificate must be accurate and complete in all material respects as though made on the Title Transfer Date; the

County shall 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 Title Transfer Date. In addition, the Council is not obligated to consummate the Transfer of Title unless on or before the Title Transfer Date: the PWB has approved the Transfer of Title as evidenced by the Council's receipt of the Acceptance Document; and a title insurance company acceptable to the State Parties is irrevocably committed to issue an owner's policy of title insurance to the State on the Title Transfer Date insuring the State's title to the Real Property, subject only to exceptions acceptable to the State Parties, in the reasonable exercise of their discretion.

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

## 6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment submitted to the DOF is $443,079 which amount is subject to adjustment as provided in the Act. The terms of Article 5 of the Act govern the County's payment of the County Facilities Payment to the Controller. All rights, obligations, and remedies of the Parties pertaining to the County Facilities Payment are governed solely by the Act, and neither Party has any other or additional rights, obligations, or remedies in respect of the County Facilities Payment under or by virtue of this Agreement.

## 7. REPRESENTATIONS AND WARRANTIES

The County, in its proprietary capacity as the owner of fee title to the Real Property, and the Council, by and through the AOC, hereby make the representations and warranties in this section 7 to one another effective on both the Effective Date and the Responsibility Transfer Date. Each Party shall 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 its own representations and warranties in this Agreement or any Responsibility Transfer Document incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the anticipated Responsibility

Transfer Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the Responsibility Transfer Date will be automatically delayed one month to allow the Party receiving that notice sufficient time to decide whether to proceed with the Transfer of Responsibility.

7.1 The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the County Chief Executive Officer's Manager for Asset Planning and Strategy, and the County represents that this is the person within the County most knowledgeable with respect to the matters described in the County's representations and warranties.

7.1.1 Authority. The County Authorized Signatory has been duly authorized and empowered by the County Board of Supervisors to execute this Agreement and the Responsibility Transfer 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 its obligations under this Agreement relating to the Transfer of Responsibility and the Responsibility Transfer Documents.

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

7.1.3 No Conflict. This Agreement and the Responsibility Transfer Documents do not violate any provision of any existing agreement, obligation, or court order (including, without limitation, the Bonded Indebtedness Documents) 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 which would prohibit, the County's execution, delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility or the Responsibility Transfer Documents.

7.1.4 Title to Real Property. Other than the Occupancy Agreements, the Bonded Indebtedness Documents, those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date, and those rights and interests that the County has disclosed to the Council in the Property Disclosure Documents: (1) to the best of the County's knowledge, no Third Party has any title or interest in or right to occupy or use the Real Property; and (2) the County has not granted, conveyed, or otherwise transferred to any Third Party any present or future right, title, or interest in or to the Real Property.

7.1.5 Title to Personal Property. To the best of the County's knowledge, as of the Effective Date, there is no Tangible Personal Property or Intangible Personal Property.

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

7.1.7 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 any violation of Law, whether or not appearing in public records, with respect to the Real 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.

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

7.1.9 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 Council or the AOC under this Agreement, the County has received no notice from a Third Party of: (i) the actual, threatened, or suspected presence of any Hazardous Substance, except for any Hazardous Substance used or held in conformity with Law, or (ii) any existing violations of Law, in, on, under, adjacent to, or affecting the Real Property.

7.1.10 Full and Accurate Disclosure. To the best of the County's knowledge, the County provided to the Council and the AOC all available Property Disclosure Documents requested by the AOC within the County's possession, custody, or control. The County maintains the Property Disclosure Documents in its ordinary course of business.

7.1.11 Shared Building Occupancy. The Exclusive-Use Areas and the Common Area of the Real Property are as shown on **Exhibits "C"** and **"D"** to this Agreement.

7.1.12 Special Circumstances. The County has not undertaken or commenced any Pending Projects in or on the Real Property, and the Building is not an "historical building" as defined in section 70301(f) of the Act. Subject to section 3.11.2

of the JOA, the County acknowledges that it has obligations under the Miles Court Order to perform the work necessary to make certain modifications to the Real Property, and subject to the Council's obligations under section 3.11.2 of the JOA, the County has completed or will complete all such work, at the County's sole cost, in accordance with the requirements of the Miles Court Order.

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

7.2.1 Good Standing. The Council is an entity established by the Constitution of the State, and the AOC is the staff agency to the Council. Both the Council and the AOC are validly existing under the Law of the State.

7.2.2 Authority. The AOC is authorized by Rule 10.183(d)(2), California Rules of Court, to act on behalf of the Council in respect of the approval of this Agreement as it relates to the Transfer of Responsibility under the Act.

7.2.3 Due Execution and Delivery. This Agreement and the Responsibility Transfer Documents executed by the AOC on behalf of the Council are legal, valid, and binding obligations of the Council and the AOC and are fully enforceable against the Council and the AOC.

7.2.4 No Conflict. This Agreement and the Responsibility Transfer Documents do not violate any provision of any agreement, obligation, or court order, to which the Council or the AOC is a party or by which the State Parties, or any of their respective assets, are subject or bound. No other action of any governmental agency or authority is required for, and the Council has no actual knowledge of any Law in effect which would prohibit, the Council's execution, delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility or the Responsibility Transfer Documents.

7.2.5 Sections 70326(b)(1) and (3). The Council has determined that, as of the Effective Date, the Real Property is not deficient under sections 70326(b)(1) and (3) of the Act.

7.3 Additional Representations and Warranties for Title Transfer; Datedown Certificate. Each Party shall execute the Datedown Certificate attached to this

Agreement as **Exhibit "H,"** making the representations and warranties set forth therein to the other Party to be effective only on the Title Transfer Date, subject only to the exceptions to the accuracy or completeness of that Party's representations and warranties, respectively, contained in the schedules attached thereto.

## 8. INDEMNITIES

8.1 The Council's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the Council indemnifies, defends, and holds harmless the County Parties against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") asserted against the County Parties, arising out of the following:

8.1.1 Obligations. Any breach by the Council or the AOC, or both, of its or their obligations set forth in this Agreement or the Transfer Documents;

8.1.2 Representations and Warranties. Any knowing and willful inaccuracy in any of the Council's representations and warranties contained in section 7.2 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to a matter that, if known to the County prior to the Responsibility Transfer Date or Title Transfer Date, as applicable, would have been material to the County's completion of the applicable Transfer under the Act; and

8.1.3 Council and AOC Responsibilities. Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the Council, the AOC, or both, on the one hand, and a Third Party, on the other hand, that is first asserted or commenced on or after the Responsibility Transfer Date, and the factual basis for which arises from events or occurrences that took place on or after the Responsibility Transfer Date, or from the State Parties' ownership, use, Operation, or management of, or responsibility for, the Real Property on or after the Responsibility Transfer Date.

8.2 The County's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the County indemnifies, defends, and holds harmless the State Parties, against all Indemnified Loss asserted against the State Parties, arising out of the following:

8.2.1 Obligations. Any breach by a County Party of its obligations set forth in this Agreement or the Transfer Documents;

8.2.2 Representations and Warranties. Any knowing and willful failure by the County to disclose to the Council or the AOC any document or information

concerning the Real Property that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act, and any knowing and willful inaccuracy in any of the County's representations and warranties contained in section 7.1 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to any matter that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act;

8.2.3 County Responsibilities. (a) Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the County and a Third Party that is pending or threatened prior to the Responsibility Transfer Date, or related to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date, and (b) any claim, demand, litigation, arbitration, or other dispute-resolution proceeding that is first asserted or commenced by a Third Party after the Responsibility Transfer Date, but the factual basis for which arises from events or occurrences that took place prior to the Responsibility Transfer Date, and pertain to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date; and

8.2.4 CERCLA. The County acknowledges that it has certain indemnification obligations in respect of the Court Facility under section 70393(d) of the Act.

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

## 9. RIGHT TO AUDIT

The County shall maintain all records relating to this Agreement, in compliance and consistent with applicable Law. The County shall 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 Transfer Documents can be resolved in accordance with the requirements of this Agreement and the Act for the period of time generally required by applicable Law. The AOC may audit or inspect those County records upon reasonable prior notice.

## 10. DEFAULT NOTICE AND CURE

Upon the occurrence of a breach or default by the Council or the County of any provision of this Agreement, the non-defaulting Party shall 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 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 shall be deemed to have committed an "**Event of Default,**" and the non-defaulting Party shall have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 12 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 12 of this Agreement before the end of the Cure Period.

## 11. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property (**"Condemnation Notice"**), that Party shall promptly deliver a copy of that notice to the other Party. In the event of an actual condemnation, or a transfer or conveyance of any part of the Real Property in lieu of condemnation, the Parties shall cooperate with one another in good faith to obtain the maximum award that may be obtained from the condemning authority, and the Parties shall allocate the award received on the basis of their respective Shares.

## 12. DISPUTE RESOLUTION

12.1 Unassisted Negotiation; Mediation. In the event of a dispute between the Parties relating to performance of the Parties' obligations under this Agreement, or any aspect of the Transfers contemplated in this Agreement, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties must be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents. 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 conclude their unassisted negotiation with respect to the dispute before either of the Parties may commence a dispute resolution proceeding before the CFDRC.

12.2 Referral to CFDRC. After compliance with the terms for unassisted negotiation provided in section 12.1 of this Agreement, any unresolved dispute involving any of the matters set forth in sections 70303(c)(1) through (5) of the Act will be referred to the CFDRC for hearing and recommendation to the Director of Finance, as contemplated in the Act and in accordance with the CFDRC regulations.

## 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 Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst for the
Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 an alleged breach or default by the Council or the AOC of this Agreement or a Transfer 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

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

This Agreement will survive and remain in full force and effect notwithstanding the Transfer of Responsibility. In the event of the termination of this Agreement prior to the Responsibility Transfer Date, all documents, other tangible objects, and information containing or representing confidential or proprietary information disclosed by one Party to the other, and all copies that are in the possession or under the control of the other Party will be and remain the property of the Party that disclosed the documents, objects, and information, and all those documents and other tangible objects will be promptly returned to the Party that disclosed them at that Party's written request.

## 15. MISCELLANEOUS

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

15.2 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by the Party making such waiver. 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 any other provision of this Agreement or a consent to any subsequent breach of the same or another 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 subsequent occasion or a consent or approval of any other action.

15.3 Force Majeure. Neither Party will be responsible for performance in accordance with the terms of 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.

15.4 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.

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

15.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this Agreement and the Transfer Documents for the benefit of the Council.

15.7 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.

15.8 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. The word "or" when used in this Agreement, is inclusive, and can mean both. This Agreement and the Transfer Documents will not be construed against either Party as the principal draftsperson. 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.

15.9 Integration. This Agreement and the Transfer 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.

15.10 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.

15.11 Severability. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

15.12 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 Agreement, the Transfer Documents, and the Act, and (ii) consummate the transactions contemplated herein, and shall 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 Transfer Documents, and the Act.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this Agreement as of the Effective Date.

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

By: Rachel Dragolovich
Name: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai
Executive Officer, Board of Supervisors

By: _____
Deputy

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: Yvonne B. Burke
YVONNE B. BURKE
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
CITY OF LOS ANGELES

# 11 JUL 29 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Downey TA
Court Facility #19-AM-01
County LACO #D600
Owned/Shared, w/BI (TOR/DTOT)
July 10, 2008
1101425.7



76644

## EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deed

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plan of Building Interior

Exhibit "E" – Categories of Property Disclosure Documents

Exhibit "F" – Memorandum of Transfer and Joint Occupancy Agreements

Exhibit "G" – List of Bonded Indebtedness Documents

Exhibit "H" – Datedown Certificate

Exhibit "I" – Copy of Section 70324 of the Act

## EXHIBIT "A"

## LEGAL DESCRIPTION OF LAND

Lot 2, Tract No. 45367, as shown on map filed in Book 1136, pages 54 to 60, inclusive, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, excepting that portion lying northwesterly of that certain course and its southwesterly prolongation, said certain course having a bearing and distance of N. 30°55'15" E. 287.54 feet in the generally northwesterly boundary of said Lot 2.

# EXHIBIT "B"

# COPY OF QUITCLAIM DEED

**[See attached.]**

WHEN RECORDED
MAIL THIS DOCUMENT TO:

Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3660

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Number:
6245-016-915

# QUITCLAIM DEED

For a valuable consideration, receipt of which is hereby acknowledged, the COUNTY OF LOS ANGELES, a body corporate and politic, does hereby remise, release, and forever quitclaim to the STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA and THE ADMINISTRATIVE OFFICE OF THE COURTS, all of the County's right, title, and interest in and to the real property in the City of Downey, County of Los Angeles, State of California, described in Exhibit A attached hereto and by this reference made a part hereof (hereinafter the "Property").

Subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Deputy

**DOWNEY COURTHOUSE**
(File: Rancho Los Amigos (1) )
I.M. 084-237
S.D. 4

MV

**NOTE: Acknowledgement certificate on reverse side.**

**ACKNOWLEDGEMENT CERTIFICATE**

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

# EXHIBIT A

**DOWNEY COURTHOUSE**
File with: Rancho Los Amigos (1)
A.I.N. 6245-016-915
T.G. 705-G7, H7
I.M. 084-237
Fourth District

## LEGAL DESCRIPTION

Lot 2, Tract No. 45367, as shown on map filed in Book 1136, pages 54 to 60, inclusive, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, excepting that portion lying northwesterly of that certain course and its southwesterly prolongation, said certain course having a bearing and distance of N. 30°55'15" E. 287.54 feet in the generally northwesterly boundary of said Lot 2.

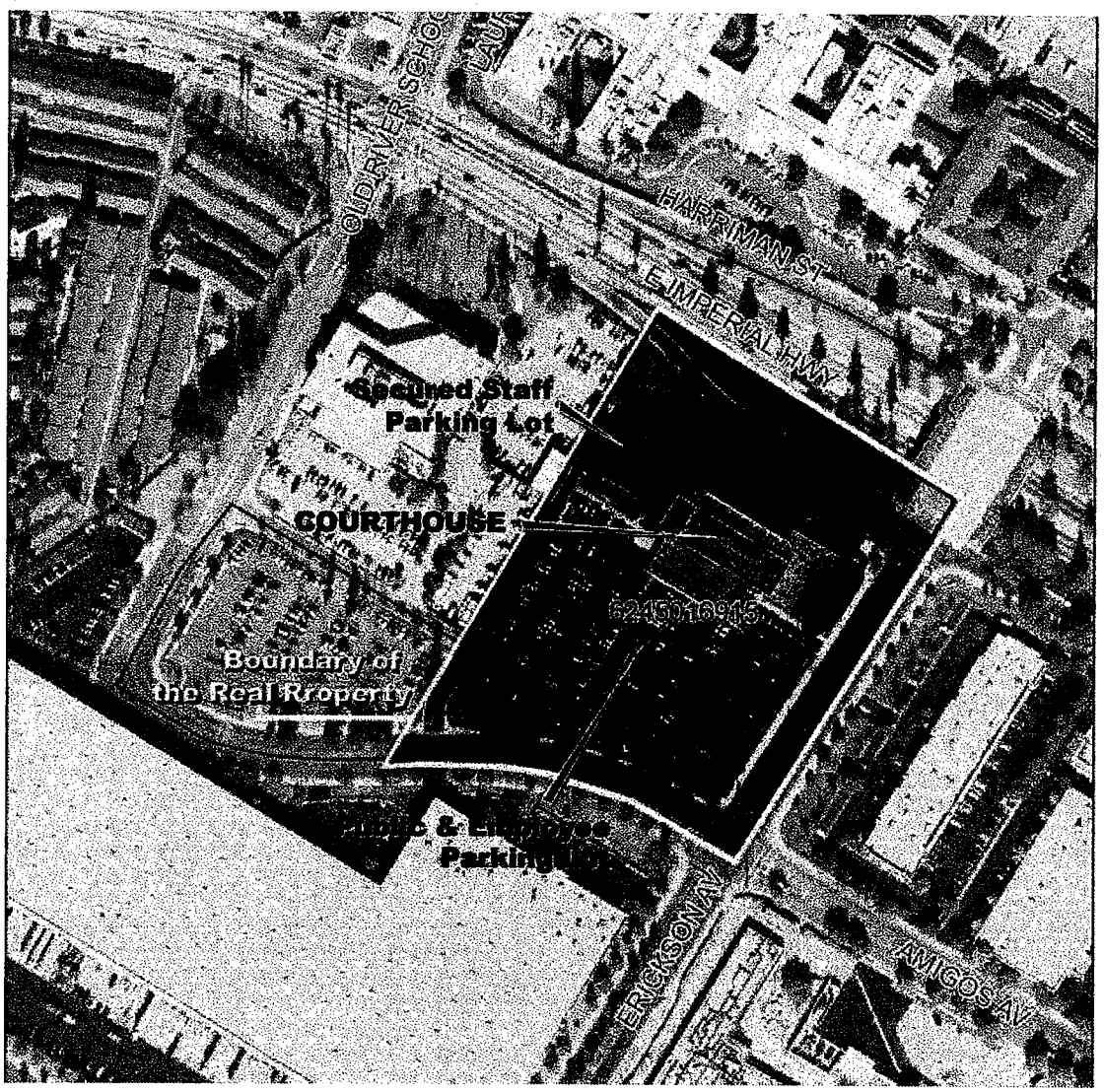
APPROVED AS TO DESCRIPTION
May 1, 2008
COUNTY OF LOS ANGELES
By _____
SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

*This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.*

HC, C:\MyFiles\LegalDescription\CountyCourthouses\DowneyCourthouseA.doc

**EXHIBIT "C"**

**SITE PLAN OF REAL PROPERTY**



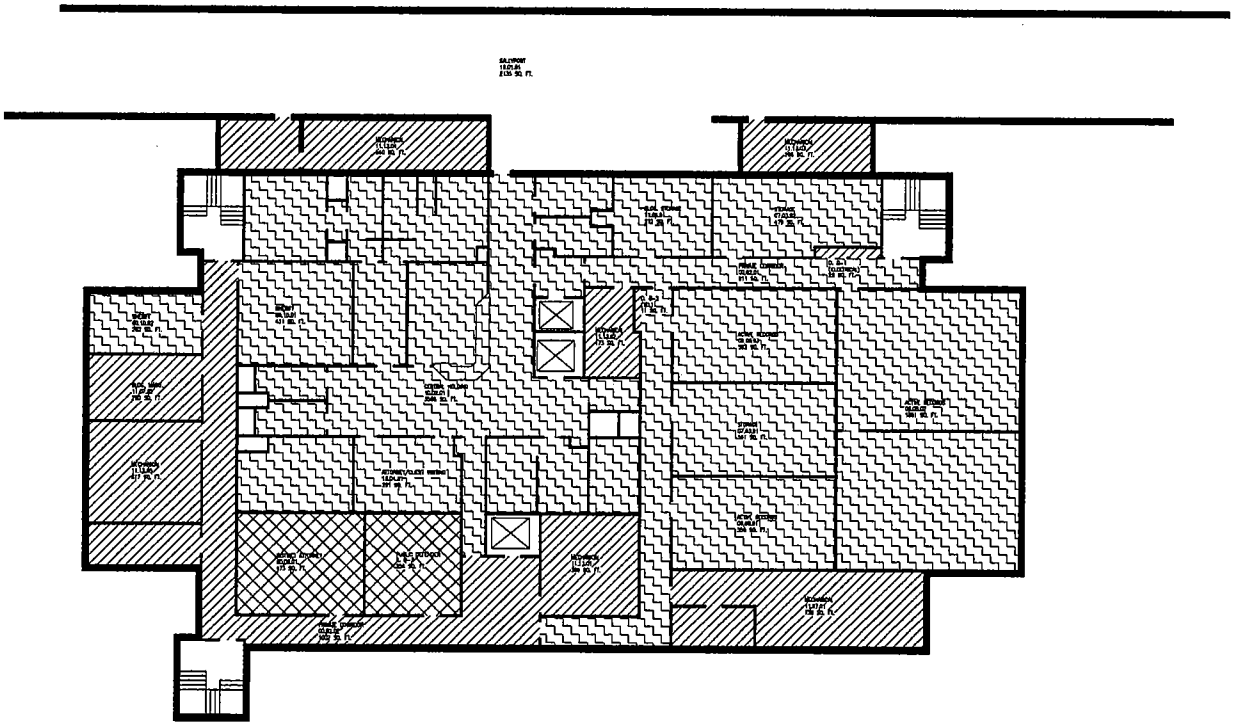



Downey TA
AOC Court Facility # 19-AM-01
County LACO #D600
Owned-Shared
July 3, 2008
1102709.4

# EXHIBIT "D"

## FLOOR PLAN OF BUILDING INTERIOR

[See attached.]



BASEMENT PLAN
SCALE: 1/8"=1'-0"

## LEGEND

- COURT
- COMMON
- COUNTY

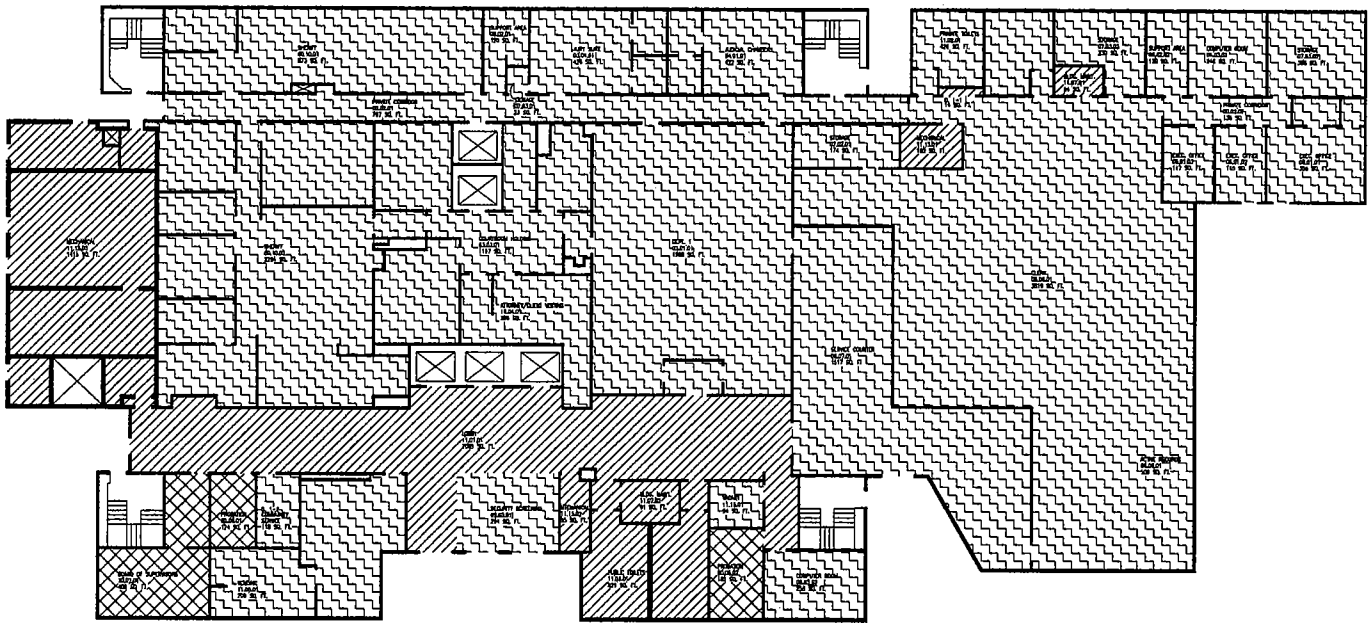
| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

| | |
|---|---|
| NAME | DOWNEY COURTHOUSE |
| ADDRESS | 7500 EAST IMPERIAL HIGHWAY |
| | DOWNEY STATE: CA |

| | |
|---|---|
| DESCRIPTION | LOS ANGELES DOWNEY COURTHOUSE |
| NUMBER | #1W21108 |

| | |
|---|---|
| TITLE | BASEMENT PLAN |
| TYPE | SPACE PLANNING |
| TYPE / SERIES / SEQUENCE | |
| DRAWN BY: | PNS |
| CKD BY: | |
| DATE: | April 21, 2008 |
| A-E CONSTRUCTION | |
| SCALE: N.T.S. | |
| COUNTY CODE: | 19 |
| SITE CODE: | AM |
| BUILDING NO. | 1 |
| FLOOR NO. | B |
| | A101 |



FIRST FLOOR PLAN

LEGEND

COURT

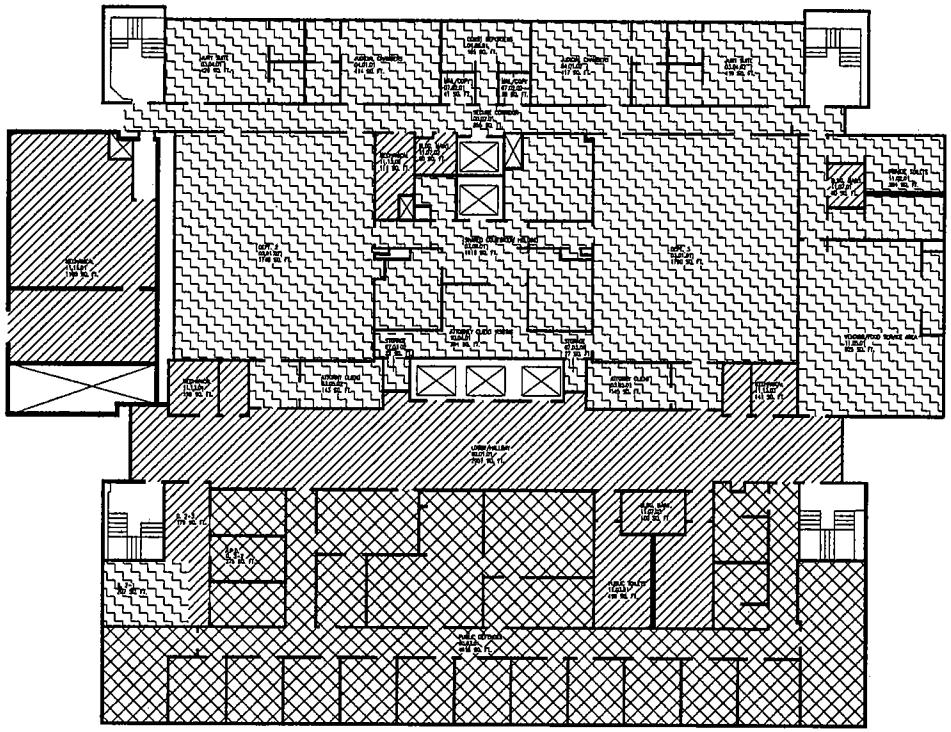
COMMON

COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

| | |
|---|---|
| NAME | DOWNEY COURTHOUSE |
| ADDRESS | 7500 EAST IMPERIAL HIGHWAY |
| | DOWNEY STATE: CA |
| DESCRIPTION | LOS ANGELES DOWNEY COURTHOUSE |
| NUMBER | A1923108 |
| TITLE | FIRST FLOOR PLAN |
| TYPE | SPACE PLANNING |
| DRAWN BY | PWS |
| CKD BY | |
| DATE | April 21, 2008 |
| A-E | |
| CONSTRUCTION | |
| SCALE: N.T.S | |
| COUNTY CODE: | 19 |
| SITE CODE: | AM |
| BUILDING NO. | 1 |
| FLOOR NO. | 1 |
| | A102 |



SECOND FLOOR PLAN
SCALE: 1/8"=1'-0"

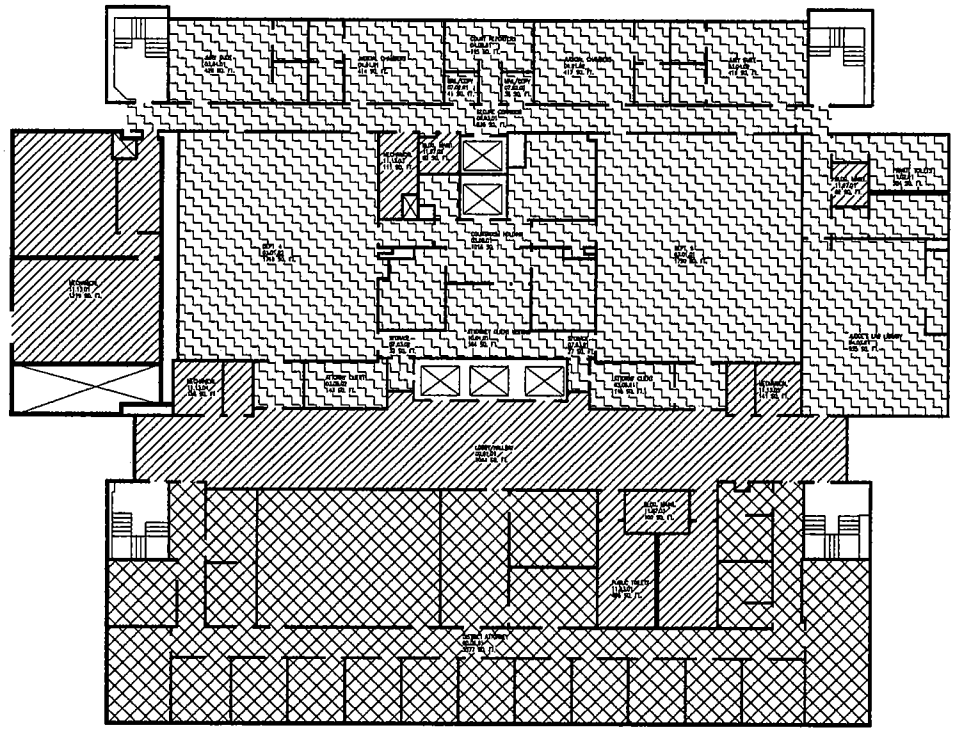
## LEGEND

- COURT
- COMMON
- COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

| | |
|---|---|
| BUILDING NAME | DOWNEY COURTHOUSE |
| ADDRESS | 7500 EAST IMPERIAL HIGHWAY |
| | DOWNEY STATE: CA |
| PROJECT DESCRIPTION | LOS ANGELES DOWNEY COURTHOUSE |
| PROJECT NUMBER | R1073106 |
| DRAWING TITLE | SECOND FLOOR PLAN |
| DRAWING TYPE | SPACE PLANNING |
| TYPE / SERIES / SEQUENCE | |
| DRAWN BY: | PWS |
| CKD BY: | |
| DATE: | April 21, 2008 |
| A-E CONSTRUCTION | |
| SCALE: N.T.S | |
| COUNTY CODE: | 19 |
| SITE CODE: | AK |
| BUILDING NO. | 1 |
| FLOOR NO. | 2 |
| | A103 |



THIRD FLOOR PLAN

LEGEND

COURT

COMMON

COUNTY

| | | |
|---|---|---|
| NO. | REVISION | DATE |

JACOBS FACILITIES INC.

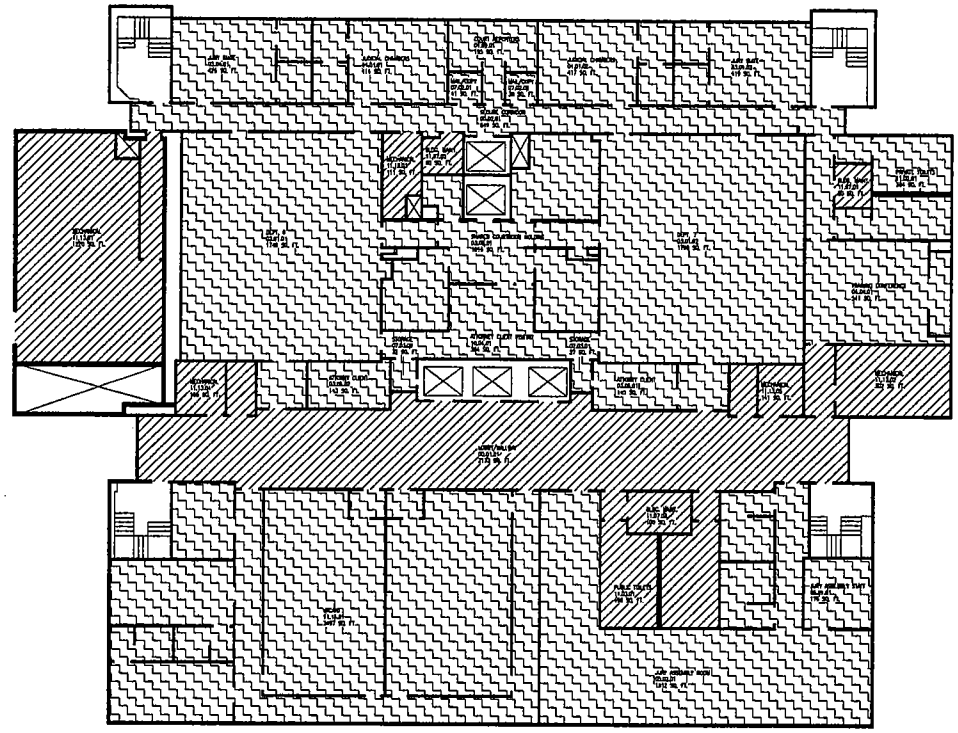
| | |
|---|---|
| NAME | DOWNEY COURTHOUSE |
| ADDRESS | 7500 EAST IMPERIAL HIGHWAY |
| | DOWNEY STATE: CA |

| | |
|---|---|
| DESCRIPTION | LOS ANGELES DOWNEY COURTHOUSE |
| NUMBER | R1923106 |

| | | | |
|---|---|---|---|
| TITLE | THIRD FLOOR PLAN | | |
| TYPE | SPACE PLANNING | | |
| | TYPE | SERIES | SEQUENCE |
| DRAWN BY: | PMS | CKD BY: | DATE: April 21, 2008 |

| | |
|---|---|
| A-E | |
| CONSTRUCTION | |
| SCALE: N.T.S. | |

| | |
|---|---|
| COUNTY CODE: | 19 |
| SITE CODE: | AM |
| BUILDING NO. | 1 |
| FLOOR NO. | 3 |
| | A104 |



FOURTH FLOOR PLAN
SCALE: 1/8"=1'-0"

## LEGEND

- COURT
- COMMON
- COUNTY

| NO. | REVISION | DATE |
|---|---|---|
| | | |

JACOBS FACILITIES INC.

| | |
|---|---|
| BUILDING NAME | DOWNEY COURTHOUSE |
| BUILDING ADDRESS | 7500 EAST IMPERIAL HIGHWAY |
| | DOWNEY STATE: CA |
| PROJECT DESCRIPTION | LOS ANGELES DOWNEY COURTHOUSE |
| PROJECT NUMBER | R1#23106 |
| DRAWING TITLE | FOURTH FLOOR PLAN |
| DRAWING TYPE | SPACE PLANNING |
| DRAWN BY: PMS | CKD BY: |
| TYPE / SERIES / SEQUENCE | DATE: April 21, 2008 |
| A-E CONSTRUCTION | |
| SCALE: N.T.S | |
| COUNTY CODE: | 19 |
| SITE CODE: | AM |
| BUILDING NO. | 1 |
| FLOOR NO. | 4 |
| | A105 |

## EXHIBIT "E"

## CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

### 1 - Material Agreements

Contracts related to title, use, occupancy or condition of court facility requiring more than 30 days prior notice to terminate and annual payment from or to the County of more than $25,000

### 2 - Structural/Physical Condition

(a) Plans and specifications for the original planning, design and construction of the buildings or for later additions or structural modifications, site plans, building plans, floor plans, flood maps
(b) "As-built" construction documents, including architectural, structural, mechanical, plumbing, and engineering plans and/or specifications
(c) Structural or engineering assessments, reports or notices
(d) Current floor plans for each floor (including basements)
(e) Inspection reports
(i) Documents describing repairs or maintenance made or required
(j) Documents reflecting the age and condition of the building roofs and the systems and equipment installed in or affixed to each court facility including HVAC, security systems, intercom or other internal communications systems, fire life safety systems, elevators and escalators;
(k) Seismic studies, seismic retrofitting or upgrades recommended or completed
(l) Fire/Life/Safety Compliance Documents

### 3 – Environmental

(a) Phase I or Phase II environmental site assessments
(b) Asbestos and mold reports
(c) Radon, methane gas or other air quality studies
(d) Environmental Impact Reports
(e) Endangered species investigations
(f) Biological assessments

(g) Negative declarations
(h) Remedial action plans
(i) Notices from and correspondence with any governmental body relating to compliance with environmental laws
(j) No further action (NFA) letters
(k) Environmental covenants and restrictions
(l) Closure reports
(n) Permits or licenses related to environmental compliance
(o) Documents and inspection reports related to underground or above-ground storage tanks
(p) County's written disclosures to/from third parties regarding environmental conditions

**4 - Title**

(a) County's current title policy or title report, if any
(b) New title report and recorded title exception documents
(c) ALTA survey and any maps, plats, plans, specifications or other drawings/depictions of each court facility
(d) Descriptions of unrecorded/unwritten liens and encumbrances
(f) Covenants, conditions and restrictions
(g) Reciprocal easement agreements

**5 - Compliance**

(a) Certificates of occupancy
(b) Inspection certificates for elevators, escalators, fire safety equipment and other building systems
(c) Assessments, reports or analyses relating to ADA compliance
(d) Permits and approvals for capital improvements, repair or maintenance projects
(e) Licenses for software and other proprietary materials to be transferred
(f) Notices and correspondence concerning actual or claimed violations of law related to real property or building
(g) Licenses and permits required for any business operated on the property (other than the courts)

**6 - Occupancy**

(a) Leases, subleases and rental agreements
(b) Licenses for use of land, building or personal property
(c) Occupancy or use arrangements (verbal or written)
(d) Notices and material correspondence related to any lease, sublease, rental agreement, license or other occupancy or use arrangements

**7 - Intangible Rights and Obligations**

(a) Written/verbal contract rights and commitments (e.g., leases for equipment, signage or other personal property, vending machine rental or purchase agreements, service or maintenance contracts, vendor agreements, contracts for or related to the development, design, construction, ownership, repair, maintenance, operation, upkeep and/or inspection of all or any part of the real or personal property to be transferred)
(b) Software license agreements or arrangements to be transferred
(c) Warranties, permits, licenses, certificates, guaranties and suretyship agreements and arrangements, indemnification rights, and any unresolved claims or demands made on any such warranties, indemnification rights, guaranties and/or suretyship agreements
(d) Commitments, deposits and rights for utilities
(e) Engineering, accounting, legal and other technical or business data concerning the real or personal property to be transferred, and title documents and information concerning any tangible personal property to be transferred
(f) Deposits, deposit accounts and escrow accounts arising from or related to any transactions related to the land, building or intangible personal property, and rights to receive refunds or rebates of impact fees, assessments or charges, premiums
(g) Rights to oil, gas and other hydrocarbons and minerals produced from or allocated to the land and the proceeds thereof
(h) Reversionary rights and interests held by the County or other third party in the land, any adjacent land or any other land previously comprising a part of the court property
(j) Amendments, addenda, exhibits, appendices, attachments, schedules, riders, modifications, renewals, extensions and other changes or additions of every kind to any of (a) through (i) above

**8 - Insurance Coverage, Damage or Loss, Claims**

(a) Proceeds arising from any damage to or loss of all or any part of the court facility, including any commercial tort claims arising from or related to any such damage or loss

(b) Documentation of and written materials relating to any self-insurance programs covering all or any of the real or personal property to be transferred

**9 - Condemnation**

(a) Claims, demands for mediation, arbitration or other dispute resolution procedure, causes of action or complaints received in connection with any actual or proposed condemnation or eminent domain proceeding affecting the court facility

(b) Proceeds to which the County is or may be entitled related to the taking of any part of the land or building by condemnation, eminent domain or transfer in lieu of condemnation or eminent domain, for public or quasi-public use under any law

**10 - Litigation**

Brief written description of each pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation or other dispute resolution proceeding involving, related to or affecting the court facility

**11 - Excluded Documents**

If there are materials that are responsive to the AOC's document and information requests , but which the County believes it may not disclose to the AOC for reasons of attorney-client privilege, attorney work product privilege or confidentiality obligations, the AOC requests that the County provide the AOC with a written list setting forth the title and general subject matter of each such document.

## SPECIAL CONSIDERATIONS

### A - Historical Buildings

Historic Building Designation Documents

### B - Bonded Indebtedness

(a) Written evidence that County's interest in the land and building is subject to bonded indebtedness (as defined in Section 70301(a) of the Act)
(b) Legal documents evidencing and/or securing the bonded indebtedness and any material notices or correspondence related thereto
(c) Identification of all revenue sources that are and/or will be used to pay the bonded indebtedness

### C - Pending Projects (see §§770326(d) and 70331 of SB 1732)

(a) Written approval by the County's Board of Supervisors for the pending project
(b) Resolutions or ordinances approved by the County allocating, approving, appropriating or committing funds for the applicable phases of a pending project
(c) Contracts or agreements entered into, or under negotiation, by the County for a pending project
(d) Written description of the source and amount of all County funds allocated, approved, appropriated or committed for a pending project and the terms and conditions applicable to the County's use of such funds
(e) Draft/final plans, specifications, energy or structural calculations, drawings, maps and surveys depicting or related to a pending project
(f) Permits and approvals given by any governmental body for a pending project, and/or completed applications for required permits or approvals for a pending project, including CEQA documents
(g) Bids, estimates, proposals, responses to requests for proposals or other documents reflecting proposed pricing for labor and/or materials for any one or more of the pending projects
(h) Materials related to the approval, permitting, funding, planning, implementation, performance and/or completion of the pending project

# EXHIBIT "F"

# MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS

[See attached.]

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

STATE OF CALIFORNIA
c/o Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Managing Attorney,
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: Portion only of 6245-016-915

## MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS

THIS MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS ("**Memorandum of TA and JOA**") is made and entered into the _____ day of _____, 2008 by and between the County of Los Angeles ("**County**"), whose present address is 754 Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, Attention: Manager, Asset Planning and Strategy, Chief Executive Office, and the Judicial Council of California ("**Council**"), 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 Downey, County of Los Angeles, State of California, having a street address of 7500 East Imperial Highway, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the court facility commonly known as the Downey Courthouse, and all other buildings, structures, parking lots and improvements located on and/or affixed to the Land (together with the Land, the "**Real Property**");

B. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the Downey Courthouse dated as of _____, 2008 ("**TA**"). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Downey Courthouse, 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;

C. The TA provides, among other things, for transfer of title to the Real Property from the County to the State upon release of the lien of the bonded indebtedness to which the Real Property is subject;

D. The TA further provides, among other things, that the County's equity interest in the Real Property will be compensated, should the Council replace the courthouse for all or part of the court facility or otherwise sell or release title to the Real Property after transfer of title;

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

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

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: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: William T Fujioka
Title: Chief Executive Officer

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) SS.
COUNTY OF _____)

On _____, before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person 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 of Notary Public

## COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

## ATTACHMENT 1 TO EXHIBIT "F"

## LEGAL DESCRIPTION OF THE PROPERTY

Lot 2, Tract No. 45367, as shown on map filed in Book 1136, pages 54 to 60, inclusive, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, excepting that portion lying northwesterly of that certain course and its southwesterly prolongation, said certain course having a bearing and distance of N. 30°55'15" E. 287.54 feet in the generally northwesterly boundary of said Lot 2.

## EXHIBIT "G"

## LIST OF KEY BONDED INDEBTEDNESS DOCUMENTS

1. Site and Facility Lease, dated as of December 1, 1992, by and between County of Los Angeles and Los Angeles County Capital Asset Leasing Corporation.

2. Sublease and Option to Purchase, dated as of December 1, 1992, by and between Los Angeles County Capital Asset Leasing Corporation and County of Los Angeles.

3. Amendment to Sublease and Option to Purchase, dated as of December 1, 2002, by and between Los Angeles County Capital Asset Leasing Corporation and County of Los Angeles.

4. Indenture of Trust, dated as of December 1, 1992, by and between Los Angeles County Capital Asset Leasing Corporation and State Street Bank and Trust Company of California, N.A., Trustee, Relating to the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Bonds (1992 Master Refunding Project).

5. First Supplemental Indenture between the Los Angeles County Capital Asset Leasing Corporation and State Street Bank and Trust Company of California, N.A., as Trustee, dated as of December 1, 2002.

# EXHIBIT "H"

# DATEDOWN CERTIFICATE

[See attached.]

## DATEDOWN CERTIFICATE

A. The Judicial Council of California ("**Council**"), and the County of Los Angeles ("**County**"), have entered into that certain Transfer Agreement for the Transfer of Responsibility for portions of, and Title to the Downey Courthouse dated as of _____, 2008 ("**Agreement**"). Capitalized terms used in this Datedown Certificate have the meanings ascribed to them in the Agreement.

B. Under the Agreement, the Council has requested from the County the Title Transfer Documents in preparation for the Transfer of Title.

C. This Certificate is given by the County and the Council to one another to update and confirm their representations and warranties given in the Agreement.

THEREFORE, the County, in its proprietary capacity as the owner of fee title to the Real Property, and the Council, by and through the AOC, hereby make the representations and warranties to one another effective on both the date of this Certificate and the Title Transfer Date. Each Party will give written notice to the other within ten business days of its discovery of any facts or circumstances that would render any information contained in its own representations and warranties in this Certificate incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the anticipated Title Transfer Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the Title Transfer Date will be automatically delayed one month to allow the Party receiving that notice sufficient time to decide whether to proceed with the Transfer of Title.

1. The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the County Chief Executive Officer's Manager for Asset Planning and Strategy, and the County represents that this is the person within the County most knowledgeable with respect to the matters described in the County's representations and warranties.

1.1. Authority. The County Authorized Signatory has been duly authorized and empowered by the County Board of Supervisors to execute the

Title Transfer 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 its obligations under the Agreement relating to the Transfer of Title and the Title Transfer Documents.

1.2. Due Execution and Delivery. The Agreement and the Title Transfer Documents are legal, valid, and binding obligations of the County and are fully enforceable against the County.

1.3. No Conflict. The Agreement and the Title Transfer Documents do not violate any provision of any existing agreement, obligation, or court order (including, without limitation, the Bonded Indebtedness Documents) to which the County is a party or by which the County or any of its assets is subject or bound. Other than the actions necessary to retire the Bonded Indebtedness, no other action of any governmental agency or authority is required for, and the County has no actual knowledge of any Law in effect which would prohibit, the County's execution, delivery, or performance of its obligations under the Agreement relating to the Transfer of Title or the Title Transfer Documents.

1.4. Title to Real Property. Other than the Occupancy Agreements, the Bonded Indebtedness Documents, those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date of the Agreement, and those rights and interests that the County has disclosed to the Council in the Property Disclosure Documents: (1) to the best of County's knowledge, no Third Party has any title or interest in or right to occupy or use the Real Property, excepting any Third Parties that may be occupying or using the Real Property with the consent, written or implied, of the State Parties; and (2) the County has not granted, conveyed, or otherwise transferred to any Third Party any present or future right, title, or interest in or to the Real Property.

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

1.6. 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, any violation of Law, whether or not appearing in public records, with respect to the Real 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.

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

1.8. 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 Council or the AOC under the Agreement, the County has received no notice from a Third Party of the actual, threatened, or suspected presence of any Hazardous Substance, or of any existing violations of Law, in, on, under, adjacent to, or affecting the Real Property, except for any Hazardous Substance used or held in conformity with Law.

1.9. Exceptions. All of the above representations and warranties are true, correct, and complete in all respects, except as specifically set forth on **Schedule 1** attached to and made a part of this Certificate.

1.10. Conditions to Transfer of Title. All of the conditions for the benefit of the County to the Transfer of Title set forth in section 5.2.5.2 of the Agreement have been satisfied or waived.

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

2.1. Good Standing. The Council is an entity established by the Constitution of the State, and the AOC is the staff agency to the Council. Both the Council and the AOC are validly existing under the Law of the State.

2.2. Authority. The AOC is authorized by Rule 10.183(d)(2), California Rules of Court, to act on behalf of the Council in respect of the Transfer of Title, and for approving the Agreement for the Transfer of Title under the Act.

2.3. Due Execution and Delivery. The Agreement and the Title Transfer Documents executed by the AOC on behalf of the Council are legal, valid, and binding obligations of the Council and the AOC and fully enforceable against the Council and the AOC.

2.4. No Conflict. The Agreement and the Title Transfer Documents do not violate any provision of any agreement, obligation, or court order, to which the Council or the AOC is a party or by which any of the State Parties, or any of their respective assets, are 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 Council has no actual knowledge of any Law in effect which would prohibit, the Council's execution, delivery, or performance of its obligations under the Agreement relating to the Transfer of Title or the Title Transfer Documents.

2.5. Exceptions. All of the above representations and warranties are true, correct, and complete in all respects, except as specifically set forth on **Schedule 2** attached to and made a part of this Certificate.

2.6. Conditions to Transfer of Title. All of the conditions for the benefit of the Council to the Transfer of Title set forth in section 5.2.5.1 of the Agreement have been satisfied or waived.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the _____ day of _____, 20__.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
County Counsel

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: _____
Title: Chief Executive Officer

**Schedule "1" to Datedown Certificate**

To be completed, if necessary, when Datedown Certificate is executed.

**Schedule "2" to Datedown Certificate**

To be completed, if necessary, when Datedown Certificate is executed.

## EXHIBIT "I"

## 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.

AOC Facility # 19-AM-01
County LACO # D600
Downey Courthouse JOA
7500 East Imperial Highway, Downey, California 90242

# JOINT OCCUPANCY AGREEMENT

# BETWEEN

# THE JUDICIAL COUNCIL OF CALIFORNIA,

# BY AND THROUGH

# THE ADMINISTRATIVE OFFICE OF THE COURTS,

# AND

# THE COUNTY OF LOS ANGELES

# FOR THE DOWNEY COURTHOUSE

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# JOINT OCCUPANCY AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Agreement as of JUL 29, 2008 (the "**Effective Date**"), and set forth the terms and conditions for the Parties' shared possession, occupancy, and use of the Real Property.

## 2. DEFINITIONS

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

"**Additional Court Area Services**" has the meaning ascribed to it in section 3.2.1.3 of this JOA.

"**Bonded Indebtedness**" means the "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 existing as of the Effective Date of this JOA, which are listed on Exhibit "G" to the Transfer Agreement, and any agreements evidencing or securing any refunding of the Bonded Indebtedness as permitted by sections 70323(a) and 70325(b) of the Act.

"**Building**" means the building commonly known as the Downey Courthouse, located at 7500 East Imperial Highway, Downey, California, 90242, on the Land in which the Court Facility (as defined in the Transfer Agreement) is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use Area. The Building Equipment does not include the equipment and systems that exclusively serve the Exclusive-Use Area of only one Party.

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"**Building Software**" means any software used in connection with the Building Equipment.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on **Exhibit "D"** attached to the Transfer Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Contractors**" means all Third-Party contractors, vendors, service providers, and all levels of subcontractors, and their respective employees, consultants, and representatives, that provide goods, services, or supplies to the Real Property with respect to (i) the Operation of the Real Property, or (ii) the performance of alterations and additions to the Real Property under sections 3.2.1.3 and 3.2.2.3 of this JOA.

"**Contributing Party**" means the County, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Council Claim**" means any demand, complaint, cause of action, or claim related to the period on and after the Responsibility Transfer Date, alleging or arising from acts, errors, omissions, or negligence of the Superior Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a Third Party against a Superior Court employee).

"**Council Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**Council Share**" means 83.70 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the Superior Court.

"**County Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**County Exclusive-Use Area**" means the 12,553 square feet of the Building that are exclusively occupied and used by the County, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.30 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the State Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means: (i) five parking spaces in the Secured Parking Lot; and (ii) 16 parking spaces in the employee parking area and 29 parking spaces in the public parking area of the Public and Employee Parking Lot, all as shown on **Exhibit "C"** to the Transfer Agreement.

"**County Parties**" means the County and its officers, agents, and employees.

"**County Share**" means 16.30 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

"**Court Exclusive-Use Area**" means the 64,450 square feet of the Building that are exclusively occupied and used by the Superior Court, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.70 percent of the Total Exclusive-Use Area.

"**Defect**" means any condition of, damage to, or defect in the Common Area that: (1) threatens the life, health, or safety of persons occupying or visiting the Real Property; (2) unreasonably interferes with, disrupts, or prevents either Party's or the Superior Court'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 or the Superior Court; (4) threatens to diminish the value of the Real Property, or threatens to damage or destroy the personal property of a Party or the Superior Court; (5) threatens the preservation of a Party's or the Superior Court's files, records, and documents located in the Building; or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Real Property.

"**Emergency**" means a sudden, unexpected event or circumstance, on or affecting the Real Property, that (i) results in a Defect, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Real Property, or (c) to the preservation of a Party's or the Superior Court's files, records, and documents located in the Building.

"**Equipment Permits**" means all governmental permits, certificates, and approvals required for the lawful operation of any of the Building Equipment.

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

"**Estimated Shared Costs of Operation**" means the Managing Party's reasonable, itemized estimate of the Shared Costs for a fiscal year, exclusive of Utility Costs.

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**First Year**" means the time period, if any, commencing on the Responsibility Transfer Date and ending on June 30, 2008.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means this Joint Occupancy Agreement.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 7.2 acres as described on **Exhibit "A"** to the Transfer Agreement, including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any.

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Liability Claim**" means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of a Third Party (excluding any employees of State Parties or County Parties acting within the scope of their employment as such) in, on, or about the Real Property, or (2) damage to or destruction of personal property of a Third

Party (other than personal property of a County Party or a State Party) in, on, or about the Real Property.

"**Major Defect**" means any Defect: (i) that cannot, with reasonable diligence, be corrected within ten days, or (ii) as to which the estimated cost to correct is reasonably expected to exceed $10,000.

"**Managing Party**" means the Council, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use any part of the Real Property.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property, whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property (such as a Party's Exclusive-Use Area or the Common Area), and does not include additions or alterations covered by sections 3.2.1.3 or 3.2.2.3 of this JOA. For clarification, custodial services are not governed by this JOA.

"**Owner**" means the Party that owns fee title to the Real Property, which is the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either the Council or the County, and "**Parties**" means the Council and the County.

"**Property Claim**" means any claim or demand submitted by a Party under its Property Insurance Policy arising from, or related to, the physical loss or damage to the Real Property.

"**Property Insurance Costs**" means those premiums required to provide or maintain any Property Insurance Policies obtained by a Party.

"**Property Insurance Policies**" means any policies of property insurance, self-insurance, or other forms of coverage obtained by a Party to insure against Property Losses, including all property insurance coverage the County is required to maintain for the Real Property under the Bonded Indebtedness Documents.

"**Property Loss**" means any physical loss or damage to, or destruction of, the Real Property that arises from a cause other than the gross negligence or willful misconduct of a County Party or a State Party.

"**Public and Employee Parking Lot**" means the surface parking lot located on the Land adjacent to the Building to the south, containing 72 parking spaces restricted to employees, 11 parking spaces for vehicle inspections, and 202 parking spaces available to the public.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the date on which the Transfer of Responsibility takes place pursuant to the Transfer Agreement.

"**Second Year**" means the time period commencing on the later of July 1, 2008 or the Responsibility Transfer Date, and ending on June 30, 2009.

"**Secured Parking Lot**" means the secured, surface parking lot located on the Land adjacent to the Building to the west, containing 15 parking spaces.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells, sallyports, and secured elevators, staircases, and corridors.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Service Standards**" means those standards for the Operation of the Real Property set forth in **Attachment "3"** to this JOA.

"**Share**" means the Council Share or the County Share, as determined by the context in which the term is used.

"**Shared Costs**" means: (i) the cost of owned or rented capital replacement items, improvements, Building Equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area; (iii) the cost of obtaining and maintaining Equipment Permits, subject to section 3.2.4 below (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party's negligent failure to timely pay the cost or keep the Equipment Permits in effect); (iv) the Utility Costs for the Common Area; and (v) the Utility Costs for the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party's Exclusive-Use Area and can be differentiated as such; (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 an Emergency; (c) any Property Insurance Costs unless the Parties enter into the separate, written agreement described in section 6.1 of this JOA; or (d) 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.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Area Services**" means the Operation of the Court Exclusive-Use Area for which the County will be responsible pursuant to section 3.2.1.2 of this JOA.

"**Superior Court Parking**" means: (i) 10 parking spaces in the Secured Parking Lot; and (ii) 56 parking spaces in the employee area, 11 parking spaces in the vehicle inspection area, and 173 parking spaces in the public area of the Public and Employee Parking Lot, all as shown on Exhibit "C" to the Transfer Agreement.

"**Term**" means the term of this JOA, which commences on the Responsibility Transfer Date and continues indefinitely until the Parties enter into a Termination Agreement.

"**Termination Agreement**" means the document titled Termination of Joint Occupancy Agreement in the form and content substantially similar to **Attachment "1"** to this JOA.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed (as defined in the Transfer Agreement) is recorded in the office of the County Recorder.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer Agreement**" means that certain Transfer Agreement Between the Judicial Council of California By and Through the Administrative Office of the Courts and the County of Los Angeles for the Transfer of Responsibility for and Title to the Downey Courthouse, of even date herewith.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or by Third Parties.

"**Utility Costs**" means the actual cost of providing Utilities.

## 3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Transfer Agreement, and this JOA, during the Term, the County has the right to exclusively occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area, and the State Parties have the right to exclusively occupy and use the Court Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area. Each Party's non-exclusive right to use the Common Area must: (i) not interfere with the other Party's use of its Exclusive-Use Area or the Common Area; (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 Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

3.2.1 Exclusive-Use Areas.

3.2.1.1 Responsibility. During the Term, each Party is responsible for the Operation of its Exclusive-Use Area at its sole cost and expense. Each Party may

make alterations and additions to its Exclusive-Use Area, as long as those alterations and additions do not unreasonably interfere with the other Party's use of, or ingress to and egress from, its Exclusive-Use Area or the Common Area.

3.2.1.2 Superior Court Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date, and continuing thereafter for so long as the Parties agree consistent with the terms of this JOA (the "**Superior Court Area Delegation Period**"), the Council exclusively delegates its responsibility for the Operation of the Court Exclusive-Use Area (the "**Superior Court Area Delegation**") to the County, and the County accepts the Superior Court Area Delegation and agrees to be responsible for the Operation of the Court Exclusive-Use Area, and to keep and maintain the Court Exclusive-Use Area in good order and condition in accordance with Law and the Service Standards (the "**Superior Court Area Services**"). The Parties agree that the County does not have an obligation to inspect the Court Exclusive-Use Area, and is only required to provide the Superior Court Area Services to the extent the County becomes, or is made, aware of any condition or circumstance in the Court Exclusive-Use Area requiring the Superior Court Area Services. Without foreclosing any other channels of informal communication between the Parties, the Council Designated Representative and the County Designated Representative may discuss any matter related to the Superior Court Area Services. The Council shall reimburse the County for the cost and expense of the Superior Court Area Services in accordance with section 4 of this JOA. At the Council's request, the County shall provide reasonably detailed information regarding the Superior Court Area Services that have been or will be provided by the County, such as a service call log, including the list of services completed and status of pending work. The Council may withdraw and terminate the Superior Court Area Delegation either (i) for any reason and at any time during the Superior Court Area Delegation Period upon no less than 180 days prior written notice to the County, provided that the Superior Court Area Delegation Period shall last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services in accordance with this section 3.2.1.2, or (b) perform the duties delegated to the County under section 3.2.2.2 of this JOA in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination.

3.2.1.3 Alterations. The Council may request that the County provide alterations and additions to the Court Exclusive-Use Area that are not otherwise required of the County as part of the Superior Court Area Services (the "**Additional Court Area Services**"). If the County consents to any such request, the Council and the County shall work together diligently and in good faith to prepare a service request (the

"**Service Request**") describing the scope of services and a detailed estimate of the time and cost for completing the Additional Court Area Services. The County Designated Representative, or his or her designee, and the Council Designated Representative, or his or her designee, shall approve the Service Request in writing prior to the County incurring any costs or expenses under the Service Request. The County shall diligently pursue the completion of the Additional Court Area Services in accordance with the Service Request, and the Council shall be responsible to pay the costs and expenses set forth thereunder within 30 days following the completion (or, to the extent provided in the Service Request, the partial completion) of the Additional Court Area Services and the receipt of an invoice from the County, and reasonable documentation therefor, in respect of the Service Request. The Council shall not be responsible for any cost or expense not set forth in the Service Request, and the County must obtain the written consent of the Council Designated Representative, or his or her designee, to any change to the Service Request prior to incurring any such additional costs or expenses. Prior to undertaking any services in the Court Exclusive-Use Area, the County is responsible to determine whether such services are, in whole or in part, Superior Court Area Services or Additional Court Area Services, and to the extent the County incurs any cost or expense in connection with any Additional Court Area Services prior to obtaining the Council Designated Representative's, or his or her designee's, written approval of a Service Request, such services shall be deemed to be Superior Court Area Services provided by the County pursuant to section 3.2.1.2 of this JOA. For clarification, nothing in this section 3.2.1.3 limits or prevents the Council from obtaining services included as Additional Court Area Services from any Third Party.

3.2.2 Common Area.

3.2.2.1 Responsibility; Notice of Concerns. During the Term, the Managing Party is responsible for the Operation of the Common Area under this JOA, and the Contributing Party is responsible for paying its Share of the Shared Costs pursuant to section 4 of this JOA. During the Common Area Delegation Period (defined below), the County shall undertake the Operation of the Common Area in accordance with the Service Standards. Notwithstanding the foregoing, at any time during the Term, the Party that is then responsible to perform the duties of the Contributing Party shall have the right to notify the Party that is then responsible to perform the duties of the Managing Party of specific questions or concerns that the Contributing Party has pertaining to any specific practices or protocols being used by the Managing Party in the Operation of the Common Area. Any such question or concern of the then Contributing Party will be communicated to the then Managing Party in writing and will set forth, in reasonable detail, the specific operating practice or protocol about which the then Contributing Party has questions or concerns (each a "**Notice of Concerns**"). The Party

that receives a Notice of Concerns in its role as the Managing Party shall notify the then Contributing Party, in writing, within 15 days after the Managing Party's receipt of a Notice of Concerns, whether the Managing Party agrees to discontinue or modify the practice or protocol identified in the Notice of Concerns. If the Managing Party does not so agree, it shall state, in reasonable detail in its written response to the Contributing Party, the Managing Party's reasons for disagreement, which reasons may include, among other things, the impact that any change proposed by the Contributing Party would have on Shared Costs, the structural integrity of the Building, or the overall risk profile of the Real Property. Following the Managing Party's written response to any Notice of Concerns, either Party may, within 10 days, request a meeting, in person or by telephone, to attempt to resolve any remaining disagreement concerning the issues noted in the Notice of Concerns. If the Parties are not able to agree on a resolution to the issues identified in any Notice of Concerns prior to or during such meeting, then the Parties shall seek to resolve any remaining disagreement through the dispute resolution process set forth in section 11 of this JOA. For clarification, nothing in this section 3.2.2.1 modifies, limits, or diminishes the Council's right to terminate the Common Area Delegation, as provided in section 3.2.2.2, below.

3.2.2.2 Common Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date and continuing for as long as the Parties agree thereafter consistent with the terms of this JOA (the "**Common Area Delegation Period**"), the Council exclusively delegates all of its rights and duties as Managing Party to the County (the "**Common Area Delegation**"), and the County accepts the Common Area Delegation and agrees to act in its delegated role as the Managing Party on behalf of the Council. During the Common Area Delegation Period, the County shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Managing Party in this JOA, and the Council shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Contributing Party in this JOA. The Council may withdraw and terminate the Common Area Delegation either (i) for any reason and at any time during the Common Area Delegation Period upon no less than 180 days prior written notice to the County; provided that the Common Area Delegation Period will last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services as required by section 3.2.1.2 of this JOA, or (b) perform the duties of the Managing Party in a commercially reasonable manner and in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination. Any termination of the Common Area Delegation by the Council pursuant to the foregoing sentence will take effect on the first day of a fiscal quarter, unless otherwise agreed in writing by the Parties. During the 180 days

prior to the termination of the Common Area Delegation, the Parties shall work together diligently and in good faith to effect a smooth transition of the Managing Party responsibilities from the County to the Council, including, to the extent applicable, the transfer or assignment of vendor and service agreements, equipment manuals and instructions, outstanding service requests and service request histories, warranties and guarantees for the Building and Building Equipment, documentation for Shared Costs, and other similar items. For clarification, nothing in this section 3.2.2.2 limits either Party's exclusive right to occupy and use its Exclusive-Use Area and its non-exclusive right to occupy and use the Common Area under sections 3.1 and 3.3 of this JOA.

3.2.2.3 Alterations. At either Party's request, and with the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, the Managing Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost. If the Contributing Party neither consents, nor provides the Managing Party with 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 actually incurred by the Managing Party in making the Common Area alterations or additions up to the amount described in the Managing Party's request for consent.

3.2.3 Utilities. The Managing Party will be responsible to maintain all Utility accounts in its name and cause all Utilities to be provided to the Real Property. Each Party will be responsible for its Share of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date pursuant to section 4 of this JOA. Following the termination of the Common Area Delegation Period, the Parties shall work together diligently, and in good faith, to cause the County's accounts with the providers of Utilities to be closed and new Utilities accounts to be opened in the name of the Council or its designee.

3.2.4 Equipment Permits. The Managing Party is responsible for obtaining and maintaining the Equipment Permits, the cost of which will be a Shared Cost. Notwithstanding the foregoing, if, as of the Responsibility Transfer Date, any of the Equipment Permits are expired or otherwise not in full force or effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs and expenses associated with initially obtaining or renewing such expired Equipment Permits.

3.2.5 Building Software. The County shall continue to maintain the Building Software and the County's hardware that operates the Building Software for the benefit of both Parties. The Council and the County shall work together, reasonably and in good faith, to determine if any licenses or other rights to use to the Building Software exist separate and apart from the Building Equipment, and which Party should be the licensee or rights holder thereunder. If agreed to by the Parties, the Parties shall then take the steps necessary to transfer control of such Building Software from the County to the Council, the AOC, or the Superior Court.

3.2.6 Correction of Defects.

3.2.6.1 Defect. Upon the Managing Party's discovery of a Defect, the Managing Party shall either (i) correct the Defect within 10 calendar days, or (ii) if the Defect is reasonably expected to be a Major Defect, send a written notice to the Contributing Party, within three business days, describing the Defect (the "**Major Defect Notice**"). If the Managing Party does not provide an estimate of the time and cost to correct the Defect as part of its initial Major Defect Notice, the Managing Party shall keep the Contributing Party reasonably apprised of the status of the obtaining such an estimate, and shall provide such estimate to the Contributing Party promptly following its completion. After delivery of any Major Defect Notice, the Managing Party shall make available to the Contributing Party, upon the Contributing Party's request, any information that the Managing Party has in its possession that would assist the Contributing Party in its evaluation of the nature and extent of the Major Defect, including any written reports, photographs, Incident reports (pursuant to section 6.5.2 of this JOA), and information that was, or is being, used to develop an estimate for the time and cost to correct the Defect.

3.2.6.2 Contributing Party's Right to Correct. If the Managing Party neither corrects the Defect nor sends a Major Defect Notice within the time periods provided in section 3.2.6.1 above, and if the Managing Party's discovery of the Defect in section 3.2.6.1 was by written notice received from the Contributing Party, then the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct any Defect in any reasonable manner under the circumstances, provided that for any Major Defect, the Contributing Party must first prepare a Correction Plan pursuant to section 3.2.6.3 of this JOA.

3.2.6.3 Major Defect Correction Plan. For any Major Defect, within 15 days following the Contributing Party's receipt of a Major Defect Notice or the Contributing Party's notification to the Managing Party, the Parties shall meet and confer, in good faith, in person or by telephone, to determine a plan ("**Correction Plan**") for the correction of the Major Defect, including the method, estimated cost, and time period for

the correction. If the Managing Party does not thereafter diligently pursue completion of the Major Defect in accordance with the Correction Plan, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct the Major Defect in a manner consistent with the Correction Plan. If the Party that actually performs the correction of the Defect (the "**Correcting Party**") at any time determines that the time or cost for correcting the Defect may exceed the time or cost set forth in the Correction Plan by more than 10 percent, the Correcting Party shall so inform the other Party, and promptly thereafter the Parties shall meet and confer, in good faith, to determine how best to amend or revise the Correction Plan to correct the Defect within a mutually acceptable timeframe and at a mutually acceptable cost.

3.2.6.4 Not Applicable to Emergencies. This section 3.2.6 does not apply to any Defect that arises from an Emergency, which Defects will be governed by section 3.2.7 of this JOA.

3.2.7 Emergencies. If any Emergency occurs, the Parties shall immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances, and the Managing Party shall promptly take steps to correct any Defect that arises from the Emergency. If the Managing Party does not promptly correct any such Defect arising from an Emergency, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct that Defect without making any further demand on the Managing Party, and shall notify the Managing Party of the steps taken to correct the Defect as soon as reasonably possible. The Party that corrects a Defect arising from an Emergency under this section 3.2.7 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 3.2.8 of this JOA.

3.2.8 Correcting Party; Reimbursement. The Correcting Party shall be responsible for diligently pursuing the correction of any Defect pursuant to sections 3.2.6 or 3.2.7 of this JOA, and the non-Correcting Party shall reimburse the Correcting Party for the non-Correcting Party's Share of the actual costs that the Correcting Party incurs in correcting any Defect. If the Correcting Party is the Managing Party, the Correcting Party shall be reimbursed in accordance with section 4 of this JOA, and if the Correcting Party is the Contributing Party, the Managing Party shall reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Defect 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 Defect. Notwithstanding the foregoing, the Correcting Party shall not be entitled to

reimbursement for amounts greater than 110 percent of the costs set forth in the Correction Plan (including any amendments or revisions thereto) approved by the non-Correcting Party pursuant to section 3.2.6.3 of this JOA. 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 Defect against any amounts that the Correcting Party owes to the non-Correcting Party under this JOA or any other agreement.

3.3 Right To Enter. Commencing on the Effective Date, the Parties agree that each Party has the right to enter all areas of the Real Property for purposes of performing any inspections or testing related to its occupancy or use of the Real Property or necessary for the Non-Owning Party's completion of the Transfer of Title, as defined in and governed by the Transfer Agreement. Each Party shall exercise its rights of ingress, egress, and access to, and use of, the Real Property under this section 3.3 in a reasonable, good faith manner, and shall make diligent efforts to minimize interference with the other Party's occupancy and Operation of its Exclusive-Use Area and its use of the Common Area, and the Managing Party's Operation of the Common Area. Neither Party shall perform, or direct any Third Party to perform, any destructive or invasive work on the Real Property without at least five business days' prior, written notice to the other Party stating the date and time when, and the location at which, the destructive or invasive work will be performed by or on behalf of the Party that is conducting the work ("**Testing Party**"), and generally describing the nature, scope, and duration of that work. The non-Testing Party is entitled, but not obligated, to have its employees or consultants observe the Testing Party's performance of any destructive or invasive work on the Real Property and to take split samples of any soil, ground water, or other substance or material that the Testing Party removes from the Real Property for laboratory analysis, all at the non-Testing Party's sole expense. The Testing Party shall make reasonable efforts to accommodate the scheduling needs of the non-Testing Party in scheduling any inspections or testing of the Real Property. All work performed by, or at the request of, the Testing Party, including all costs and expenses incurred in connection with that work, will be the sole liability and responsibility of the Testing Party, and the Testing Party must, at its sole expense, promptly repair any damage caused to the Real Property as a result of the work performed, such that the Real Property is returned to substantially the same condition it was in before the destructive or invasive work was performed. The Testing Party shall comply with the terms of section 6.6 of this JOA in connection with any inspections or testing of the Real Property performed by Contractors.

3.4 Parking. The Managing Party is responsible for the Operation of the Parking Area, which is included in Common Area; provided, however, that the Council shall be solely entitled to all revenues arising from the Operation, leasing, or licensing of

the Parking Area. The County Parking may be used by the County Parties, and their Contractors, invitees, licensees, and patrons, and the Superior Court Parking may be used by the State Parties, and their judges, jurors, Contractors, invitees, licensees, and patrons, on a first-come, first-served basis. Up to three of the parking spaces allocated to the County Parking in the Secured Parking Lot, and up to ten of the parking spaces allocated to the Superior Court Parking in the Secured Parking Lot, may be designated or reserved. Otherwise, all of the County Parking and the Superior Court Parking will be undesignated parking spaces. Except for any parking spaces that may be reserved or designated under this JOA, the County Parking and the Superior Court Parking may be used by the staff or Contractors of the Managing Party, as needed, for the purpose of carrying out the duties of the Managing Party under this JOA. Commencing on the Effective Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in the Transfer Agreement and this JOA. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

3.5 Cooperation. The Parties shall cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner shall cooperate in good faith with the Non-Owning Party, 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 shall allow the other Party to enter its Exclusive-Use Area 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, subject to the exclusive delegations set forth in sections 3.2.1.2 and 3.2.2.2 of this JOA, but no delegation will relieve the delegating Party from its obligations under this JOA.

3.6 Security-Related Areas. In accordance with the Security Services MOU, the County shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, in, and through the Security-Related Areas, and shall have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.

3.7 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Area, in each case without contribution from the other Party, and the Managing Party is responsible for all Occupancy Agreements affecting the Common Area. The Party that is responsible for each Occupancy

Agreement is entitled to all revenues arising from it and the Parties shall share in any revenues received by the Managing Party arising from Occupancy Agreements affecting the Common Area in accordance with their respective Shares.

3.8 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas (collectively, the "**County Telecommunication Equipment**"), all of which shall remain the sole personal property of the County notwithstanding the Transfer of Responsibility and the Transfer of Title (as such terms are defined in the Transfer Agreement).

3.8.1 Cooperation; Interference With or Damage To County Telecommunication Equipment. The Council agrees to cooperate fully with the County to ensure that the County has ingress, egress, and access to each and every area of the Real Property, including the Court Exclusive-Use Area, in which any of the County Telecommunication Equipment, or any component thereof or connection thereto, is located, for the purpose of the County's continued operation, use, maintenance, repair, replacement, and expansion of its telecommunication system. The Council shall endeavor to ensure that no action of the State Parties, including facility alterations or upgrades, or other activities that may affect the electrical power or the controlled environment for various components of the telecommunication system, causes damage to any of the County Telecommunication Equipment, or interferes with the telecommunication services provided by the County. If any of the State Parties cause damage to any of the County Telecommunication Equipment or interference with the telecommunication services provided by the County, the County may make the necessary repairs or replacements and the Council shall be responsible for all costs incurred by the County associated with such repair or replacement.

3.8.2 Council's Right to Provide Alternate Telecommunications System. The Parties agree that the Council may at any time provide a telecommunication system that replaces all or part of the County-provided telecommunication service, and at the County's sole discretion, existing wiring or other components may be used by the Superior Court or the Council for the replacement system. The fact that the Council may replace County systems in no way limits the Council's responsibility to ensure that the County continues to have access to the County Telecommunication Equipment located in or on the Real Property.

3.9 Criminal Background Screening. The Managing Party shall provide for the screening and approval of all County employees and County Contractors before they provide services in, or make deliveries to, any area of the Real Property. The screening must be conducted by 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 "2"** to this JOA sets forth the criteria for approval of a County employee or County Contractor 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 of County employees or County Contractors that have access to the Real Property, and, in such event, the Managing Party agrees to cooperate with the Contributing Party with respect to the screening of County employees or County Contractors that access the Real Property. Unless an exemption applies under section 3.9.2 of this JOA, only those County employees and County Contractors that have been screened and approved ("**Approved Persons**") may have unescorted access to the Real Property. Unscreened County employees and County Contractors may access the Real Property if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Superior Court if the Superior Court's Executive Officer, or his or her designee, consents to a Superior Court employee escorting and monitoring the unscreened person. The Managing Party shall ensure that the Operation of the Real Property is at all times consistent with this section 3.9, and for all Security-Related Areas, the Security Services MOU.

3.9.1 Approved Persons. The County shall issue an identification badge to each Approved Person bearing the Approved Person's name and picture, or affix a sticker or other marking on the existing badges of those Approved Persons, to indicate their right to access the Real Property. The Parties shall work together in a cooperative manner to ensure that Approved Persons enter only those portions of the Real Property where work is to be accomplished, and enter the Security-Related Areas only in accordance with the Security Services MOU. Approved Persons must wear their identification badges in a readily visible manner whenever they are on the Real Property.

3.9.2 Exemptions. The following County employees and County Contractors are exempt from the requirements of this section 3.9: (i) County employees who are already engaged in providing services or materials to the Real Property on the Responsibility Transfer Date; and (ii) unscreened persons only when responding to and correcting a Defect arising from an Emergency under section 3.2.7 of this JOA.

3.9.3 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the County 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 County employee or County Contractor who has physical access to any portion of the Court Exclusive-Use 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**"). If requested by either the Superior Court or the AOC, the County must provide to either the Superior Court or the AOC suitable documentation evidencing the County's 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.

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

3.11 Miles Court Order. Notwithstanding any other provision of this JOA, but subject to the terms of this section 3.11, the County is responsible, at its sole cost and expense, for all of the County's obligations under the Miles Court Order with respect to the Real Property in its interior and exterior layout and configuration on the Responsibility Transfer Date, and upon reasonable notice to the Superior Court, and subject to any reasonable restrictions by the Council or the Superior Court, the County shall be allowed to enter the Court Exclusive-Use Area for all purposes related thereto. The Parties agree as follows with respect to performance of the obligations set forth in the Miles Court Order:

3.11.1 Maintaining Compliance. The County shall perform, at the County's sole cost, the work necessary for initial compliance with each of the County's obligations under the Miles Court Order, and the Parties shall thereafter share the costs and expenses of maintaining the Real Property in a condition that complies with the requirements of the Miles Court Order in accordance with the terms of this JOA. As such, the County shall be solely responsible to maintain the County Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the County's sole cost; the Council shall be solely responsible to maintain the Court Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the Council's sole cost; and the Managing Party shall be responsible to maintain the Common Area in compliance with the requirements of the Miles Court Order in accordance with the terms of this JOA, and the costs of such compliance in respect of the Common Area will be Shared Costs pursuant to section 4 of this JOA.

3.11.2 Obligations Triggered by Refurbishment or Repair Work. If alteration or repair work in or on the Real Property triggers additional obligations for compliance with the Miles Court Order, then the County will be solely responsible for the costs of such compliance in the County Exclusive-Use Area, the Council will be solely responsible for the costs of such compliance in the Court Exclusive-Use Area, and costs of such compliance in the Common Area will be Shared Costs pursuant to section 4 of this JOA.

## 4. SHARED COSTS

4.1 Estimate of Shared Costs of Operations. The Managing Party shall make timely, direct payment of all Shared Costs owed to Third Parties, and the Contributing Party shall reimburse the Managing Party for its Share of all Shared Costs under this section 4. At least 120 days before the first day of each fiscal year after the Responsibility Transfer Date, the Managing Party shall deliver to the Contributing Party a statement (the "**Estimate Statement**") itemizing the Estimated Shared Costs of Operation, together with copies of reasonable documentation supporting the Estimated Shared Costs of Operation and, to the extent not already provided, copies of invoices, bills, and other similar supporting documentation for Utility Costs. The Contributing Party shall either comment on or approve the Estimate Statement within 30 days, and if the Contributing Party disapproves any of the Estimated Shared Costs of Operation in the Estimate Statement, the Parties shall promptly meet and discuss the reason for the disapproval. When the Parties reach agreement with respect to all Estimated Shared Costs of Operation, the Managing Party shall, if necessary, revise the Estimate Statement, which both Parties shall approve. Until the Contributing Party approves the Estimate Statement, the Contributing Party shall pay its Share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each calendar month, the Managing Party shall deliver to the Contributing Party a statement (the "**Monthly Invoice**") itemizing the actual Shared Costs incurred during the previous calendar month ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party shall also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Monthly Invoice. The Contributing Party shall pay its Share of the Actual Shared Costs to the Managing Party within 30 days after its receipt of the Monthly Invoice, up to the Contributing Party's Share of 110 percent of the Estimated Shared Costs of Operation and Utility Costs for that fiscal year. If the Actual Shared Costs exceed the sum of Estimated Shared Costs of Operation plus Utility Costs ("**Excess Costs**") by more than 10 percent, or if the Managing Party has failed to provide the Contributing Party with

adequate documentation supporting the Actual Shared Costs within 10 days following request by the Contributing Party, or if the Contributing Party reasonably believes that the amount of Actual Shared Costs may be in error, the Contributing Party will not be obligated to pay such Excess Costs until the Parties meet and reach agreement regarding the amount of the Excess Costs.

4.2.1 Agreement for Quarterly Invoicing and Payment. The Managing Party may, upon 30 days prior written notice to the Contributing Party, elect to deliver invoices itemizing Actual Shared Costs on a quarterly basis rather than on a monthly basis, in which event, the Contributing Party shall pay all invoices itemizing Actual Shared Costs on a quarterly basis, and all references to "calendar month" in section 4.2 of this JOA will be automatically amended to refer to "fiscal quarter" and the defined term "Monthly Invoice" in this JOA will be automatically amended to "Quarterly Invoice".

4.3 Council as Managing Party. If the Council is responsible for the obligations of the Managing Party under this JOA, then notwithstanding the provisions of sections 4.1 and 4.2 of this JOA to the contrary: (a) following its approval of the annual Estimate Statement, the Contributing Party shall pay its Share of (i) the Estimated Shared Costs of Operation based on the approved Estimate Statement, and (ii) the estimated Utility Costs, 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 Statement, in equal quarterly installments in advance on the first day of each fiscal quarter; (b) if the Actual Shared Costs are less than the Estimated Shared Cost of Operation plus Utility Costs for a particular fiscal quarter, the Managing Party shall refund the amount overpaid to the Contributing Party within 30 days after the Managing Party's delivery of the 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; and (c) the Contributing Party shall pay any Excess Costs to the Managing Party within 30 days after its receipt of the Quarterly Invoice, except that (i) if the Excess Costs are more than 10 percent of the sum of Estimated Shared Costs of Operation and Utility Costs for any fiscal quarter, or (ii) 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 shall continue to make payment of its Share of the Shared Costs based on the Estimate Statement, but may defer payment of the Excess Costs (or, in the case of (ii) 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.

4.4 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in an Excess Cost in an amount

greater than 10 percent of the Estimated Shared Costs of Operation shown on the Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for such Excess Costs, except that no notice need be given to the Contributing Party under this section 4.4 if the Excess Costs arise from the correction of a Major Defect under section 3.2.6.3 of this JOA. 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 calendar 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 shall 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.

4.5 Records Retention; Audit Rights. The Parties shall maintain all records relating to this JOA, in compliance and consistent with applicable law. The Managing Party shall also maintain an accounting system, supporting fiscal records, and agreements related to the Real Property, adequate to ensure that all claims and disputes arising under this JOA can be resolved in accordance with the requirements of this JOA and the Act, for the period of time generally required by applicable Law. 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 costs incurred related to the Actual Shared Costs for up to 18 calendar months prior to the date of the Contributing Party's inspection. The Parties shall cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference by either Party. If the Contributing Party disputes any Actual Shared Costs for any of the immediately preceding 18 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 year, the Parties shall make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit and receipt of the final audit document by both Parties. 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 4.5.

4.6 Limitation on Actual Shared Costs.

4.6.1 First and Second Year Costs. Notwithstanding any provision of this JOA to the contrary, during the First Year and the Second Year, the Parties agree that the Council, in its delegated role as the Contributing Party, shall pay the County, in its delegated role as the Managing Party, the following amounts in lieu of paying (a) the Contributing Party's Share of the Actual Shared Costs incurred during the applicable time period, and (b) any cost or expense associated with the County's provision of the Superior Court Area Services under section 3.2.1.2:

4.6.1.1 First Year Costs. In respect of the First Year, the Council shall pay the County an amount equal to the sum of (i) $183,458 (the "**First Year Basic Costs**"), as prorated by the number of months of the Term, out of 12, that fall within the First Year, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA; and;

4.6.1.2 Second Year Costs. In respect of the Second Year, the Council shall pay the County an amount determined as follows: (a) if the Responsibility Transfer Date occurs prior to July 1, 2008, then for the Second Year, the Council shall pay an amount equal to the sum of (i) the First Year Basic Costs multiplied by the DOF Inflator (defined below), plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA. As used in this section 4.6.1.2, the term "**DOF Inflator**" means the fraction in which the denominator is the final value of the DOF Inflation Index (defined below) for February 2007, and the numerator is the DOF Inflation Index for February 2008. The term "**DOF Inflation Index**" means the final value of the inflation index described in section 70355 of the Act that is published on a monthly basis by the State Department of Finance; or (b) if the Responsibility Transfer Date occurs on or after July 1, 2008, then during the Second Year, the Council shall pay an amount equal to the sum of (i) $183,458, as prorated by the number of months of the Term, out of 12, that fall within the Second Year, as adjusted by the change in the DOF Inflation Index as compared with the forecasted inflation index actually used by the County in calculating the County Facilities Payment set forth in section 6 of the Transfer Agreement, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA. Whichever of the amounts described in (a)(i) and (b)(i) of this section 4.6.1.2 applies will be the **"Second Year Basic Costs"** for purposes of this JOA.

4.6.1.3 Time for Payment; Applicability. Acting as the Contributing Party, in respect of the First Year, the Council shall pay the First Year Basic Costs, and in respect of the Second Year, the Council shall pay the Second Year Basic Costs, or the prorations thereof as defined in sections 4.6.1.1 and 4.6.1.2 above, in equal monthly installments within 30 days following the Contributing Party's receipt of a Monthly Invoice setting forth the Utility Costs for the applicable calendar month. For clarification, (i) the amounts of First Year Basic Costs and Second Year Basic Costs will not be affected by the amounts of Actual Shared Costs or the actual cost of the Superior Court Area Services incurred by the County during the First Year or the Second Year, respectively, and (ii) the First Year Basic Costs and the Second Year Basic Costs do not include the costs associated with Utilities, custodial services, alterations or additions (described in sections 3.2.1.3 or 3.2.2.3 above) made or provided to the Real Property, or any Property Insurance Costs. The terms of this section 4.6.1 will no longer be applicable following the earlier of (i) the end of the Second Year, or (ii) the date that the Common Area Delegation is terminated.

4.6.2 Costs After Expiration of Second Year.

4.6.2.1 Common Area Costs. If the Common Area Delegation Period continues after the end of the Second Year, then the Council, in its delegated role as the Contributing Party, shall thereafter pay the County, in its delegated role as the Managing Party, an amount equal to the Council's Share of the Actual Shared Costs incurred during the applicable time period in respect of the Operation of the Common Area, as provided in section 4.1 through 4.5 of this JOA.

4.6.2.2 Superior Court Area Costs. If the Superior Court Area Delegation Period continues after the end of the Second Year, then the Council shall thereafter pay the County the actual cost and expense associated with the County's performance of the Superior Court Area Services until the Superior Court Area Delegation is terminated.

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

### 5.1 Right of First Refusal and Increase of Space In Building

5.1.1 Right of First Refusal for Excess Area. At least 30 days before either Party leases, licenses, or transfers to any Third Party, or allows a Third Party to use, all or any portion of its Exclusive-Use Area that is not needed in connection with its operations ("**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**"). 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 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 shall 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. Neither Party is required to comply with the provisions of this section 5.1.1 prior to leasing, licensing, transferring, or otherwise allowing any Occupant to occupy or use a portion of its Exclusive-Use Area to the extent that such Occupant's use or occupancy is consistent with, or complementary to, its existing operations in the Building.

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 shall 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 for the Additional Area), subject to section 5.1.4 of this JOA, or the Parties may agree to amend this JOA to adjust the Parties' respective Shares for purposes of allocating responsibility for payment of Shared Costs, and/or to include a reasonable rent for the Additional Area.

5.1.3 No Adjustment to Shares. If a Party rents or licenses any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental or licensing transaction will not result in a change to the Parties' Shares. Rather, the rent or license fee paid by the Party renting or licensing the Excess Area or the Additional Area will be deemed to include the Shared Costs applicable to the Excess Area or the Additional Area, as applicable. The Parties' Shares for purposes of determining the Parties' Equity in the Real Property will be adjusted only if one Party at any time buys the other Party's rights to occupancy and use of the Real Property for fair market value under section 4.3.13 of the Transfer Agreement, or as otherwise agreed to by the Parties in writing.

5.1.4 Terms of this JOA Not Affected. Any leasing or license 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 written agreement, or an amendment to this JOA, entered into by the Parties for the Excess Area or the Additional Area.

5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party shall use, and shall require that any Occupant use, its Exclusive-Use Area in a manner that is compatible with the Parties' use of the Building on the Responsibility Transfer Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Area or the Common Area effectively. The Party responsible for each Occupant that occupies any of the Common Area must ensure that that Occupant uses its space in a manner compatible with the Parties' use of the Building.

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

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Responsibility Transfer Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act (which section of the Act generally permits a Party occupying 80 percent or more of the Building to require the other Party to vacate the Real Property), 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 shall repair, at its sole cost, any damage it causes to any part of the Real Property 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 or the fair market value of the Vacating Party's relocation costs, the Parties shall use the valuation methodology described in section 4.3.13 of the Transfer Agreement to determine such values. The Parties shall enter into a written agreement to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties shall enter into a Termination Agreement, substantially similar to **Attachment "1"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Termination of JOA. If the Parties agree to terminate this JOA as authorized by this JOA or the Act, the Parties shall enter into a Termination Agreement.

## 6. PROPERTY LOSSES; INSURANCE

6.1 Property Insurance. The Owner may, without obligation and at the Owner's sole cost, obtain one or more Property Insurance Policies to insure against Property Losses, and the Owner will be solely entitled to all proceeds from such Property Insurance Policies. The Owner may, in its sole discretion, agree in writing to make the Non-Owning Party an additional insured or a joint loss payee in respect of Owner's Property Insurance Policies, provided that the Non-Owning Party agrees to pay its Share of the Property Insurance Costs arising from such Property Insurance Policies. The Parties agree to enter into a separate written agreement by no later than the date on which the Owner adds the Non-Owning Party as an additional insured or joint loss payee under the Property Insurance Policies, which agreement will provide for the allocation of the proceeds from the Property Insurance Policies following a Property Loss. Whether or not the Non-Owning Party becomes an additional insured or joint loss payee under the terms of any Property Insurance Policy obtained by the Owner, the Owner shall waive and require the provider of the Property Insurance Policy to waive any right of recovery it may have against the Non-Owning Party.

6.1.1 Compliance with Requirements of Property Insurance Policies. If a Party obtains any Property Insurance Policies (the "**Insuring Party**"), the non-Insuring Party shall comply in all material respects with the reasonable requirements for use of the Real Property set forth in such Property Insurance Policies; provided that (i) the Insuring Party has provided reasonable notice of such requirements to the non-Insuring Party, and (ii) such requirements are consistent with, and do not materially limit, the non-Insuring Party's use of the Real Property.

6.1.2 Property Insurance During Interim Period. Notwithstanding anything to the contrary in this JOA, 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.

6.2 Relocation Costs. Either Party may, without obligation and at its own sole cost, obtain one or more Property Insurance Policies to insure against the cost of relocation to and occupancy of alternative space necessitated by a Property Loss for which it is responsible pursuant to section 7.1 of this JOA, and the Party obtaining such Property Insurance Policies shall be solely entitled to all proceeds from such Property Insurance Policies.

6.3 Allocation of Risk for Property Claims. Subject to section 7 below, each Party shall be solely responsible for, and bear all of the risk arising from, Property Losses in the following manner:

6.3.1 First and Second Year Property Losses. During the First Year and the Second Year, the County shall be solely responsible for, and shall pay all costs arising from, any Property Loss; provided, however, that the provisions of this section 6.3.1 will have no force or effect if the Common Area Delegation is terminated prior to the expiration of the Second Year.

6.3.2 Post-Second Year Property Losses. Following the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation, the Parties shall be responsible for Property Losses, as follows:

6.3.2.1 Areas For Which County is Solely Responsible. For a Property Loss that originates in a portion of the Real Property for which the County is, on the date of the Property Loss, solely responsible for maintenance and repair services, the County shall be solely responsible for, and shall pay all costs arising from, any such Property Loss that both (i) exceeds $10,000, and (ii) arises from a cause set forth in **Attachment "4"** of this JOA. For clarification, the Parties shall be responsible for all Property Losses not meeting the requirements of both (i) and (ii) above in this section in accordance with section 6.3.2.2, below.

6.3.2.2 Areas For Which County Is Not Solely Responsible. For a Property Loss that either (i) originates in a portion of the Real Property for which the County is not, on the date of the Property Loss, solely responsible for maintenance and repair services, or (ii) does not meet the requirements of both (i) and (ii) of section 6.3.2.1 of this JOA, each Party shall be solely responsible for, and shall bear all of the risk arising from, Property Losses that affect its Exclusive-Use Area, and the Parties shall be jointly responsible for all Property Losses that affect the Common Area in accordance with their Shares.

6.3.2.3 State Parties' Right to Buy Property Insurance. For a Property Loss that is not the responsibility of the County pursuant to sections 6.3.2.1 and 6.3.2.2 of this JOA, the State Parties may, without obligation and at the State Parties' sole cost, obtain one or more Property Insurance Policies to insure against Property Loss, and the State Parties will be solely entitled to all proceeds from any such Property Insurance Policies. If any State Party purchases a Property Insurance Policy, it shall ensure by specific endorsement to the Property Insurance Policy, that the Property Insurance Policy will not impair the County's right to recover under the terms of any Property Insurance Policy that the County obtains under section 6.1 of this JOA, and the State Parties shall

waive and shall require the provider of its Property Insurance Policy to waive any right of recovery it may have against the County.

6.4 Full Cost of Repairs. The Parties agree that the Parties' obligations under sections 6.3.1 and 6.3.2 of this JOA include the responsibility for the full cost and expense of restoring or replacing the damaged portions of the Real Property arising from the Property Loss ("**Damaged Property**") to the condition immediately preceding the Property Loss in compliance with the applicable Law, including the demolition and replacement of the undamaged components of the Real Property, but only to the extent necessary to restore or replace the Damaged Property, and the upgrade or alteration of components or systems of the Real Property, but only to the extent required by applicable Law, and subject to the limitations set forth in section 7 of this JOA. However, the Parties shall be responsible for the cost and expense of alterations, improvements, or upgrades to the Damaged Property that are above and beyond the restoration or replacement of the Damaged Property in accordance with their Shares.

6.5 Reporting and Processing Claims.

6.5.1 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 Loss, Property Claim, or Liability Claim (each, a "**Claim**", and together, "**Claims**"), or if a Party otherwise becomes aware that an Incident has occurred, that Party shall make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties shall 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 JOA. If the Parties are not able to so agree, then they shall proceed as set forth in section 11 of this JOA.

6.5.2 Incident Reports. The Managing Party shall 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 shall provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

6.6 Third-Party Contractor Insurance. Each Party must require each of its Contractors to (i) obtain and maintain insurance of the type and with coverage amounts that are usual and customary to the type of business or exposures related to the work being performed on the Real Property, (ii) name both Parties as additional insureds by specific endorsement to their general liability policies, (iii) provide a waiver of subrogation in favor of both Parties with respect to all property insurance policies, and

(iv) provide to the Parties a 30-day notice of cancellation or material change in any insurance coverage required hereunder. Unless the Parties otherwise agree, all Contractors must indemnify, defend, and hold harmless the County Parties and the State Parties from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses arising from the performance by the Contractors under their contracts, and neither Party waives any right of recovery or subrogation against the other in respect of their contractual arrangements with the Contractors.

6.7 Workers' Compensation Coverage. Each Party shall maintain its own workers' compensation insurance covering its own employees, and neither Party shall have any liability or responsibility for any claims which could be covered by workers' compensation for employees of the other Party.

## 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction Event. If, due to a Property Loss, the Real Property cannot be occupied by one or both Parties, each Party shall be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, but in no event later than 180 days after a Property Loss, each Party shall notify the other in writing ("**Restoration Election Notice**") whether it wishes to restore or replace the Damaged Property.

7.2 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties shall cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the portion of the costs to restore or replace the Damaged Property for which it is responsible in accordance with sections 6.3 or 6.4 (as applicable) of this JOA; provided that if, pursuant to section 6.3.2.2 of this JOA, the Parties are responsible for the Property Loss in accordance with their Shares, and the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares, the Parties shall each pay the costs and expenses to restore or replace the Damaged Property according to their newly determined Shares.

7.3 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 shall meet and confer in good faith to determine how to proceed with respect to: (i) the Damaged Property, and (ii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they shall proceed as set forth in section 11 of this JOA.

7.4 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, and any of the Non-Owning Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss, then the Parties shall meet and confer in good faith to determine how to proceed with respect to (a) the Damaged Property; and (b) compensation for the Equity rights of either Party in the Real Property, if applicable. Following such meeting, the Owner shall compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area, determined in the manner described in section 4.3.13 of the Transfer Agreement, and the Parties shall amend this JOA to reflect the changes in the Parties' Equity rights, which amendment will become effective when the Non-Owning Party has been compensated. Unless the Parties have otherwise agreed in writing under section 6.1 of this JOA, and except as otherwise provided in section 6.3.2.3 of this JOA, if applicable, the Non-Owning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Owning Party will no longer occupy all or any part of the Building due to Property Loss that neither Party elects to restore or replace, then the Parties shall either (i) amend this JOA to reflect any change in the Parties' respective Shares if the Non-Owning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in the Building and the Non-Owning Party has been fully compensated for its Equity rights, by signing a Termination Agreement.

## 8. INDEMNIFICATION

8.1 Indemnification Obligation of Council. The Council will and does indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County, from and against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") arising from (i) all Council Claims, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the State Parties, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the Council.

8.2 Indemnification Obligation of County. The County will and does indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the AOC, from and against all Indemnified Loss arising from (i) the willful misconduct or negligence of any of the County Parties in the provision of the Superior Court Area Services or the Additional Court Area Services, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the County Parties, including, without limitation, the willful or negligent failure by any of the County Parties to provide building maintenance in the

Building and grounds maintenance on the Land to the extent required in accordance with the terms of this JOA, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the County.

8.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Claims for which it is responsible under sections 8.1 or 8.2, as applicable (the "**Indemnified Claims**"). 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 Indemnified 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 an Indemnified Claim, the indemnifying Party shall cooperate with the indemnified Party, and the attorney retained by the indemnified Party, and the indemnified Party and its attorney shall cooperate with the indemnifying 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, including, without limitation, with respect to the Common Area Delegation under this JOA. The indemnifying Party shall have no right of set-off in respect of payment of any Indemnified Loss to the indemnified Party under this JOA.

## 9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property ("**Condemnation Notice**"), that Party shall immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties shall 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

10.1 Event of Default. Upon the occurrence of a breach or default by the Council or the County of any provision of this JOA, the non-defaulting Party shall provide written notice to the defaulting Party of the breach or default ("**Default Notice**"). Upon receipt of the Default Notice, the defaulting Party shall 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 so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("**Cure Period**"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "**Event of Default,**" and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 11 of this JOA. The Parties may mutually agree to commence the dispute resolution procedures in section 11 of this JOA before the end of the Cure Period.

10.2 Insufficient Funds. Notwithstanding anything in this JOA or the Transfer Agreement to the contrary, no default or breach will be deemed to have occurred if the Council is unable to pay any amounts due and owing under this JOA as a result of either (i) the State of California's failure to timely approve and adopt a State budget, or (ii) the State Controller's determination that the Council has insufficient funds to pay such amounts. In such an event, the Council shall promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget or the State Controller's determination that the Council has sufficient funds to make such payments.

## 11. DISPUTE RESOLUTION

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties shall be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents.

## 12. NOTICES

Any notice or communication required to be sent to a Party pursuant to this JOA related, or delivered pursuant, to (i) the termination of the Superior Court Area Delegation or the Common Area Delegation under sections 3.2.1.2 and 3.2.2.2 of this JOA, respectively, or (ii) sections 5, 6, 7, 8, 9, 10, 11, and 14 of this JOA, 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 in this section 12 below, and to the Parties' Designated Representatives pursuant to section 13 of this JOA. Routine exchange of information may be conducted via telephone, facsimile, or electronic means, including e-mail. All other notices or communications, including notices related to estimates, invoices, Emergencies, Defects, Correction Plans, and audits, shall be delivered to the Parties' Designated Representatives pursuant to section 13 of this JOA.

If to the Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst,
Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 JOA or an alleged breach or default by the Council or the AOC of this JOA 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

A Party may change its address for notice under this JOA by giving written notice to the other Party in the manner provided in this section 12. Any notice or communication sent under this section 12 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.

## 13. DESIGNATED REPRESENTATIVES

The Parties shall each identify and appoint an individual who shall have authority to bind it to all matters and approvals related to Operations undertaken with respect to the Real Property under this JOA. Each Party may change its Designated Representative by written notice to the other. Each Party hereby acknowledges and agrees that its Designated Representatives shall bear primary responsibility for the giving and receipt of notices, and for the coordination of its administrative obligations, under this JOA, but neither Party's Designated Representative has any authority to alter, amend, or modify the rights or obligations of such Party under this JOA. The contact information for the initial Council Designated Representative is:

Kenneth S. Kachold
Regional Manager of Facility Operations, Southern Region
Office of Court Construction and Management
Judicial Council of California - Administrative Office of the Courts
2255 North Ontario Street, Suite 200
Burbank, CA 91504
Phone: 818-558-3079
Fax: 818-558-3112
Email: kenneth.kachold@jud.ca.gov

The contact information for the initial County Designated Representative is:

Tim Braden, General Manager
Facilities Operations Service
Internal Services Department
1100 N. Eastern Avenue
Los Angeles, CA 90063
Phone: 323-267-2107
Fax: 323-881-0290
Email: tbraden@isd.lacounty.gov

## 14. MISCELLANEOUS

14.1 Amendment. This JOA may be amended only by written agreement signed by both of the Parties.

14.2 Waivers. No waiver of any provision of this JOA will be valid unless it is in writing and signed by the Party making such waiver. Waiver by either Party at any time of any breach of this JOA cannot be deemed a waiver of or consent to a breach of any other provision of this JOA or a consent to any subsequent breach of the same or another provision of this JOA. 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 subsequent occasion or a consent or approval of any other action.

14.3 Force Majeure. Neither Party is responsible for performance in accordance with the terms of 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.

14.4 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.

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

14.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this JOA for the benefit of the Council.

14.7 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. The word "or" when used in this JOA is inclusive and can mean both. This JOA will not be construed against either Party as the principal draftsperson. 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 JOA and not otherwise defined herein will have the meanings given to them in the Transfer Agreement.

14.8 Integration. This JOA and the Transfer 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.

14.9 Incorporation By Reference. The Attachments attached to this JOA are all incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments will be deemed to include the entirety of this JOA.

14.10 Severability. If any term of this JOA is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

14.11 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 shall 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.

14.12 Conflicts Between JOA and Transfer Agreement. The Transfer Agreement supersedes and controls to the extent of any conflicts between the terms of the Transfer Agreement and this JOA.

14.13 Signature Authority. The Council and the County each certify that the individual signing this JOA on its behalf is duly authorized and empowered to do so.

14.14 Independent Contractors. The relationship of the Parties to each other hereunder will be that of independent contractors, and nothing herein shall be construed to create a partnership, joint venture, employer-employee, or agency relationship between or among any of the County Parties or the State Parties.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this JOA as of the Effective Date.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: Rachel Dragolovich
Name: Rachel Dragolovich, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: Yvonne B. Burke
YVONNE B. BURKE
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Principal Deputy County Counsel

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

# 11 JUL 29 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76645



Downey JOA
AOC Court Facility # 19-AM-01
County LACO # D600
July 10, 2008
1102263.6

## LIST OF ATTACHMENTS


| | |
|---|---|
| Attachment "1" | Form of Termination of Joint Occupancy Agreement |
| Attachment "2" | Criteria for Approving County Employees and County Contractors with Respect to Background Checks |
| Attachment "3" | Service Standards |
| Attachment "4" | Causes of Loss |

## ATTACHMENT "1" TO JOA

## FORM OF 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, ("**Council**") acting by and through the Administrative Office of the Courts, staff agency to the Council ("**AOC**"), and the County of Los Angeles ("**County**"). The Council and the County each constitute a "**Party**" and collectively constitute the "**Parties**" to this Termination.

RECITALS

A. On _____, 2008, the County and the Council entered into a Transfer Agreement (the "**Transfer Agreement**") for the Transfer of Responsibility for portions of, and a future Transfer of Title to, the Downey Courthouse, which is located in a building on certain real property in the City of Downey, County of Los Angeles, State of California and having a street address of 7500 East Imperial Highway (along with appurtenant parking, and as more completely described in the Transfer Agreement, the "**Real Property**"), with the legal description of the Real Property set forth on **Exhibit "A"** of the Transfer Agreement.

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

C. The County and the Council now desire to terminate the JOA.

NOW, THEREFORE, County and Council do hereby agree that the JOA is terminated, and is no longer of any force or effect.

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: _____

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: _____
Title: _____
Administrative Office of the Courts

ATTEST:
_____, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
County Counsel

By _____
Deputy County Counsel

## ATTACHMENT "2" TO JOA

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

No County employee or County Contractor may access or work unescorted in any 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 "2"**).

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 County 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 County shall not include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS shall notify the County 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 superior or federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT "2"

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 "3" TO JOA

# SERVICE STANDARDS

[See Attached]

## Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Hardware and Locks*** | | | | | | | | |
| Building hardware (e.g. door handles, closers, etc.) | X | | | | X | X | X | |
| Replacement of keys (other than furniture keys) and card access devices. | | | | | | | X | |
| ***Carpentry*** | | | | | | | | |
| Wood, Formica and wooden structural members | | X | X | | | | | |
| Ceiling tiles | | | | | | | X | |
| Building-related signage (but not customer signage) | | | | | | X | X | |
| ***Electrical Systems*** | | | | | | | | |
| All electrical systems | X | | X | | | X | X | X |
| Electrical panels | X | | | X | | X | X | |
| Motor controllers | X | | | X | | X | X | |
| Connections/terminals | | | | X | X | X | X | |
| Controls/other accessories | X | | | X | X | X | X | |
| Electrical motor service | X | | | | X | X | X | |
| Lighting (bulbs, ballasts, fixtures and diffusers) including exterior lighting | | X | | | | X | X | |
| Cleaning of light fixtures -- as needed | X | | | | | | | |
| Emergency power systems | X | | X | | X | X | X | X |
| BEAS equipment: data gathering panels; space sensors; equipment control points | X | | | | X | X | X | |
| ***Fire Extinguishing/Fire Alarm Systems*** | | | | | | | | |
| Automatic fire extinguishing systems, including stand pipes | X | | X | X | | X | X | X |
| Manual fire extinguishings devices/systems | X | | X | X | | | X | |
| Fire detection and alarm systems | X | | X | X | | X | | X |
| ***Plumbing*** | | | | | | | | |
| Plumbing fixtures (e.g. toilets, sinks, urinals, faucets) | | | | | | X | X | |
| Internal drains (sanitary and free of debris) | X | | X | X | | X | X | |
| Piping, tanks and liquid enclosures | X | | X | X | | X | X | |
| Backflow devices | X | | X | X | X | X | X | X |

## Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Heating/Ventilation/Air Conditioning (HVAC) Equipment*** | | | | | | | | |
| Air conditioning systems | X | | X | | X | X | X | X |
| Control air systems (compressor units, filters, regulators, safety devices) | X | | | X | X | X | | X |
| Fan systems | X | | | | X | X | | |
| Cleaning of HVAC ducts -- as needed | X | | | | | | | |
| Boilers | X | | | | X | X | | |
| Water treatment | | | | | X | | | X |
| ***Elevators, Escalators and Lifts*** | | | | | | | | |
| Elevators | X | | X | X | X | X | X | X |
| Escalators | X | | X | X | X | X | X | X |
| Dumbwaiters | X | | X | X | X | X | X | X |
| ***Roofing*** | | | | | | | | |
| Maintain leak free environment | X | | | X | | X | | X |
| Roof drains free of debris and free flowing | X | | | X | | | | |
| Roof decks | | | | | | X | X | |
| ***Sheetmetal*** | | | | | | | | |
| HVAC ducts | X | | | | | X | | |
| Door/window frames except those included under Carpentry | X | | | | | X | X | |
| Toilet partitions/doors | X | | | | | X | X | |
| Metal/glass doors | X | | | | | X | X | |
| Flagpoles and halyards | X | | | | | X | X | |
| Fences/gates | X | | | | | X | | |
| Roll-up doors | X | | | | | X | | |
| Gutters/spouts/flashings | X | | | | | X | X | |
| ***Hazardous Materials*** | | | | | | | | |
| Handling/storage/disposal of FOS-generated materials | | | X | | | | | |

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***Equipment Rooms and Electrical Closets***

- To be accessed only by maintenance and/or custodial service providers designated by the Managing Party.
- Shall not be used for customer storage.
- All equipment will be properly identified.
- Shall be kept clean of debris.
- Materials shall be arranged/stored in an orderly manner on a weekly basis.

***Timing of Maintenance***

- Advanced notification/coordination shall be made with court administrator when equipment must be shut down for maintenance/repairs/replacement or alterations.
- Every effort will be made to avoid disruption of building operations.
- Tasks requested by the AOC or Superior Court that cannot be done during normal working hours may require additional funding.

***Response Times During Normal Working Hours***

****** ISD will advise customers, as quickly as possible, in those instances where the timeframes stated below cannot be adhered to ******

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. persons trapped in elevator).

**Within 4 Hours**

- Calls from the Superior Court regarding significant discomfort to or disruption of building occupants' operations (e.g. air conditioning).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555.
- County Operator will contact the appropriate ISD representative.

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform services shall be safe and used in accordance with manufacturer's instructions.
- Work is warranted for 90 days, with longer periods negotiable.
- ISD will make every effort not to void manufacturers' warranties on equipment.
- Where applicable, ISD will administer contracts with third parties to fulfill the scope of services requirements.

***Exceptions requiring additional Service Fees to be negotiated***

- Repainting or treatment of wood paneling.
- Customer provided/owned Furnishings/Fixtures/Equipment - **FFE** (e.g. refrigerators, window A/C units, modular furniture, intrusion/panic alarms, access control devices, furniture and keys to that furniture).
- Carpet/Floor covering not covered in Superior Court areas or common areas.
- Maintenance of live plants.
- Cafeterias, snack bars or related equipment (responsibility of cafeteria operator).
- Custodial items such as removing mineral deposits from restroom fixtures and hardware, pest control and exclusion, removal of washable graffiti, cleaning of ceiling vents, window washing.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

***Additional Customer Information***

- The Managing Party is responsible for maintaining all applicable permits and causing payment of related fees.
- If ISD determines that a piece of equipment, or part of the infrastructure is beyond reasonable repair, ISD will issue a notice to the AOC to that effect. In those cases, repair of said equipment/infrastructure component is outside of this scope of services.
- ISD will provide the AOC with updated listings of building equipment that has exceeded useful life expectancies.
- ISD and FOS mean Internal Services Department and its Facilities Operations Service.
- Services related to vandalism and certain other causes are covered herein in accordance with Section 6.3 of the Joint Occupancy Agreement.
- Items listed under "Sheetmetal" are covered regardless of construction.
- Note: for Secured Areas (e.g., holding cells), the Sheriff may substitute for ISD in completing the work shown above.

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Lawns*** | | | | | | | | | | |
| Mow lawns | | X | | | | | | | | |
| Weeding | | | | | | | | | | X |
| Edging | | X | | | | | | | | |
| Mechanical Edging | | | X | | | | | | | |
| Chemical Edging/Detailing (April through September) | | | | | X | | | | | |
| Chemical Edging/Detailing (October through March) | | | | | | X | | | | |
| Litter Control | | X | | | | | | | | |
| Raking | | X | | | | | | | | |
| ***Trees, Hedges, Ground Cover*** | | | | | | | | | | |
| Trim Trees | | | | | | X | | | | X |
| Thin Trees | | | | | | | | | | X |
| Damaged Trees - Staked/Tied (Within 24 Hours) | | | | | | | | | | X |
| Missing/Damaged Stakes (Within 5 Days) | | | | | | | | | | X |
| Pruning | | | | | | | | | | X |
| Hedging | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| Damage to Shrubs, Trees, Turf or Ground Cover (Within 5 Working Days) | | | | | | | | | | X |
| Pruning plant materials for vehicular and pedestrian visibility | | | | | | X | | | | |
| Flower Beds - Thinning | | | | | | | | | | X |
| Litter Control | | X | | | | | | | | |
| ***Watering*** | | | | | | | | | | |
| Irrigation in General - Depending upon individual requirements of the location | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| ***Aeration*** | | | | | | | | | | |
| General | | | | | | | | | X | |
| Areas around office buildings | | | | | | | | X | | |
| ***Fertilization*** | | | | | | | | | | |
| Turf areas | | | | | | | | X | | |
| ***Irrigation Systems Maintenance*** | | | | | | | | | | |
| Unplug clogged drains | | | | | | | X | | | |
| Flush lines | | | | | | | X | | | |

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Concrete Areas/Hard Courts/Parking Lots*** | | | | | | | | | | |
| Sweeping/washing, except parking lots | | X | | | | | | | | |
| Maintenance of parking lot surfaces | | | | | | | | | | X |
| ***Vermin/Pest/Disease Control*** | | | | | | | | | | |
| Areas maintained free of rodents and insects | | | | | | | | | | X |
| Landscaped areas free of disease that could damage plant materials | | | | | | | | | | X |
| ***Cultivation (Retaining/Maintaining Original Conditions)*** | | | | | | | | | | |
| Beds | | | | | | | | | | X |
| Planter areas | | | | | | | | | | X |
| Turf Reseeding/Restoration of Bare Areas | | | | | | | | | | X |
| ***Trash Removal*** | | | | | | | | | | |
| Collect and remove all clippings (when work performed) | | | | | | | | | | X |
| Contractors may not use County trash bins | | | | | | | | | | |

***Response Times During Normal Working Hours***

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 4 Hours**

- Calls from AOC regarding significant discomfort to or disruption of building occupants' operations.

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

**ISD will advise the customer in those instances where the above stated timeframes cannot be met as quickly as possible.**

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555
- County Operator will contact the appropriate ISD representative

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|

## Scope of Services Statement - GROUNDS MAINTENANCE

***Regular Pest Control***

- Regular pest control services are outside of the scope of services, but are available upon submittal of a service request.

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform grounds maintenance services shall be safe and used in accordance with manufacturers' instructions.
- Where applicable, ISD will administer grounds maintenance contracts with third parties to fulfill the scope of services requirements.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

## ATTACHMENT "4" TO JOA

## CAUSES OF LOSS

Causes of Loss means the following:

1. Fire.

2. Lightning.

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by: (a) rupture, bursting, or operation of pressure relief devices; or (b) rupture or bursting due to expansion or swelling of the contents of the Building, caused by or resulting from water.

4. Windstorm or Hail, but not including: (a) frost or cold weather; (b) ice (other than hail), snow, or sleet, whether driven by wind or not; or (c) loss or damage to the interior of the Building, or the property inside the Building, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Building first sustains wind or hail damage to its roof or walls through which the rain, snow, sand, or dust enters.

5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

6. Aircraft or Vehicles, meaning only physical contact with the Real Property of (i) an aircraft, (ii) a spacecraft, (iii) a self-propelled missile, (iv) a vehicle, or (v) an object thrown up by a vehicle. This cause of loss includes loss or damage by objects falling from aircraft, but does not include loss or damage caused by or resulting from vehicles owned or operated by the State Parties in the course of their business.

7. Riot or Civil Commotion, including: (a) acts of striking employees (except employees of the State Parties) while occupying the described premises; and (b) looting occurring at the time and place of a riot or civil commotion.

8. Vandalism, meaning willful and malicious damage to, or destruction of, the Real Property, but not theft, except for damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System (defined below), including collapse of a tank that is part of the system. If the Building contains an Automatic Sprinkler System, causes of loss also includes the cost to: (a) repair or replace damaged parts of the Automatic Sprinkler System if the damage: (1) results in sprinkler leakage; or (2) is directly caused by freezing; and (b) tear out and replace any part of the Building to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

   Automatic Sprinkler System means: (1) any automatic fire protective or extinguishing system, including connected: (a) sprinklers and discharge nozzles; (b) ducts, pipes, valves, and fittings; (c) tanks, their component parts, and supports; and (d) pumps and private fire protection mains; and (2) when supplied from an automatic fire protective system: (a) any non-automatic fire protective systems; and (b) hydrants, standpipes, and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include: (a) the cost of filling sinkholes; or (b) sinking or collapse of land into man-made underground cavities.

11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by: (a) airborne volcanic blast or airborne shock waves; (b) ash, dust or particulate matter; or (c) lava flow. All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. This cause of loss does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the described property.

12. Falling Objects, but not: (b) personal property in the open; or (b) the interior of the Building, or property inside the Building, unless the roof or an outside wall of the Building is first damaged by a falling object.

13. Weight of snow, ice, or sleet, but not loss or damage to personal property outside of the Building.

14. Water Damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning, or other system or appliance, that is located on the described premises and contains water or steam. However, Water Damage does not include:

a. Discharge or leakage from: (i) An Automatic Sprinkler System; (2) a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water; or (3) roof drains, gutters, downspouts, or similar fixtures or equipment.

b. The cost to repair any defect that caused the loss or damage;

c. Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more; or

d. Loss or damage caused by or resulting from freezing, unless: (a) the State Parties do their best to maintain heat in the Building; or (b) the State Parties drain the equipment and shut off the water supply if the heat is not maintained.

Water Damage, as defined in this section 14, also includes the cost to tear out and replace any part of the Building to repair damage to the system or appliance from which the water or steam escapes, but not the cost to repair any defect that caused the loss or damage.

AOC Facility #19-H-01
County LACO #4104
Glendale Courthouse TA
600 East Broadway, Glendale, California 91205

# TRANSFER AGREEMENT

# BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA,

**by and through**

# THE ADMINISTRATIVE OFFICE OF THE COURTS,

# AND THE COUNTY OF LOS ANGELES

# FOR THE TRANSFER OF RESPONSIBILITY FOR AND TITLE TO

# THE GLENDALE COURTHOUSE

76646

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# TRANSFER AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, the staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Transfer Agreement, as of JUL 29, 2008 (the "**Effective Date**"), and set forth the terms and conditions for the Transfer of Responsibility for funding and operation of the Court Facility commonly known as the Glendale Courthouse and for conveyance to the State of California on behalf of the Council of the County's title to the Real Property.

## 2. BACKGROUND

The Lockyer-Isenberg Trial Court Funding Act of 1997 (Chapter 850, Statutes of 1997) 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 Council. The Parties enter into this Agreement to implement the provisions of the Act as it exists on the Effective Date.

## 3. DEFINITIONS

"**Acceptance Document**" means a certificate of acceptance or certified resolution evidencing the PWB's approval of the Transfer of Title.

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

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

"**Building**" means the building commonly known as the Glendale Courthouse, located at 600 East Broadway, Glendale, California, 91205, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in

the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use Area. The Building Equipment does not include the equipment and systems that serve only the Exclusive-Use Area of one Party.

"**Building Software**" means any software used in connection with the Building Equipment.

"**Closing**" means the performance of all acts required to complete the Transfers under this Agreement, the Transfer Documents, and the Act.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on **Exhibit "D,"** including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Council Authorized Signatory**" means the AOC's Senior Manager, Business Services, Grant Walker.

"**County Authorized Signatory**" means the person or persons authorized by the County Board of Supervisors to execute this Agreement and the Transfer Documents as designated in the County Authorizing Document.

"**County Authorizing Document**" means a copy of a certified order by the County Board of Supervisors 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 Transfer Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Transfer Documents.

"**County Board of Supervisors**" means the governing body of the County.

"**County Exclusive-Use Area**" means the 3,323 square feet of the Building interior that are exclusively occupied and used by the County, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 9.46 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means 26 parking spaces in the Courthouse Parking Lot, as shown on **Exhibit "C"** to this Agreement.

"**County Parties**" means the County, and its officers, agents, and employees.

"**Court Exclusive-Use Area**" means the 31,795 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on **Exhibit "D"** to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 90.54 percent of the Total Exclusive-Use Area.

"**Court Facility**" means the Court Exclusive-Use Area, the Superior Court Parking, the Superior Court's non-exclusive right to occupy and use the Common Area, and the Superior Court's exclusive and non-exclusive rights to occupy and use the other spaces, fixtures, and appurtenances described in section 70301(d) of the Act, as allocated in this Agreement. A copy of a site plan showing the location of the Building and the Parking Area on the Land, and a set of floor plans showing the layout of the Court Facility in the interior of the Building, are attached as **Exhibits "C"** and **"D"** to this Agreement.

"**Courthouse Parking Lot**" means the surface parking lot located on the Land to the south of the Building containing 152 parking spaces.

"**Dispute**" means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding, between the County and any Third Party, related to the Real Property.

"**DOF**" means the State Department of Finance.

"**Equipment Permits**" means any governmental permits, certificates, and approvals required for lawful operation of any of the Building Equipment.

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

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

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

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means the document titled Joint Occupancy Agreement which will be signed by the Parties concurrently with their execution of this Agreement.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 2.3 acres as described on **Exhibit "A,"** including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any.

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Managing Party**" means the Council, which is the Managing Party under the JOA, subject to the Council's delegation to the County of the Managing Party's rights and duties under the JOA.

"**Material Agreements**" means any and all agreements, contracts, or understandings (whether written or unwritten) between the County and any Third Party relating to the Property (1) for which termination requires advance notice by a period of or 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 of TA and JOA**" means the document titled Memorandum of Transfer and Joint Occupancy Agreements in the form and content attached to this Agreement as **Exhibit "F"**.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use the Real Property for a period that continues after the Responsibility Transfer Date, and that cannot be terminated on fewer than 30 days notice.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property.

"**Owner**" means the Party that owns fee title to the Real Property, which shall be the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either of the Council or the County, and "**Parties**" means the Council and the County together.

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

"**Property Disclosure Documents**" means all documents, including Material Agreements, that provide material information relative to the title, ownership, use, occupancy, or condition of the Real Property or any rights, benefits, liabilities, obligations, or risks associated with the Real Property. A list of the categories of Property Disclosure Documents is attached as **Exhibit "E"**.

"**PWB**" means the State Public Works Board.

"**Quitclaim Deed**" means the document entitled Quitclaim Deed that is similar in form and content to the document attached to this Agreement as **Exhibit "B"** and by which the County shall convey to the State title to the Real Property when accepted by the PWB and recorded by the County Recorder.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the first day of the first calendar quarter that is at least 45 days following the Effective Date, which is the date on which the Transfer of Responsibility will take place.

"**Responsibility Transfer Documents**" means the documents listed in section 5.1.1 of this Agreement.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells and secured elevators, staircases, and hallways.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Shares**" has the meaning given to it in the JOA.

"**State**" means the State of California.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Parking**" means 126 parking spaces in the Courthouse Parking Lot, as shown on **Exhibit "C"** to this Agreement.

"**Tangible Personal Property**" means any unaffixed item that is, on the Responsibility Transfer Date, located on or in, or used in and is necessary to the Operation of, the Real Property, except that it does not include any tangible personal property of the County necessary to provide telecommunications services.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed is recorded in the office of the County Recorder.

"**Title Transfer Document**" means the document listed in section 5.2.1 of this Agreement.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer**" means either one, and "**Transfers**" means both, of the Transfer of Responsibility and the Transfer of Title.

"**Transfer Documents**" means the Responsibility Transfer Documents and the Title Transfer Document, together.

"**Transfer of Responsibility**" means the County's full and final grant, transfer, absolute assignment, and conveyance to the Council, and the Council's 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 Court Facility, in accordance with this Agreement, except that the Transfer of Responsibility will not include those duties and liabilities expressly retained by the County under this Agreement and the Act, or any responsibility for Disputes arising from or related to facts or circumstances occurring prior to the Responsibility Transfer Date.

"**Transfer of Title**" means the County's conveyance to the State of any and all right, title, and interest the County has, or may have, in and to the Real Property.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or any Third Party.

## 4. RESPONSIBILITIES AFTER TRANSFER.

4.1 Transfer of Responsibility; Transfer of Title. On the Responsibility Transfer Date, the Transfer of Responsibility for the Court Facility from the County to the Council will occur under this Agreement and the Responsibility Transfer Documents. On the Title Transfer Date, the Transfer of Title will occur under this Agreement and the Title Transfer Document. Prior to the Title Transfer Date, the AOC shall notify the County, in accordance with section 13 of this Agreement, that the PWB has accepted the Title Transfer Document required for the Transfer of Title and issued the Acceptance Document.

4.2 General Responsibilities After Transfer of Responsibility. Upon the Transfer of Responsibility, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Court Facility, except as may be expressly delegated by the Parties in this Agreement and the Responsibility Transfer Documents.

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

4.3.1 Utilities. The County shall be responsible to pay all charges and fees for the Utilities provided to the Court Facility during all periods prior to the Responsibility Transfer Date, and the Parties shall be responsible for payment of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date on the basis of their respective Shares, as provided in the JOA.

4.3.2 Property Insurance. Subject to the Parties' respective obligations under section 6 of the JOA, neither Party shall have any obligation to provide insurance coverage obtained from a Third Party for the Real Property. The State Parties shall continue to be solely liable for all personal property owned or leased by a State Party located on or in the Real Property. The County shall continue to be solely liable for all County owned or leased personal property located on or in the Real Property, including any such personal property that is required to provide telecommunications services to the Superior Court. However, this liability will not limit the County from including costs related to repair, upgrade, or replacement of such County owned or leased personal property necessary for telecommunications services in its charges to the Superior Court for those services.

4.3.3 Building Equipment. As of the Responsibility Transfer Date, the Managing Party is responsible for further permitting of any Building Equipment that requires an Equipment Permit for lawful Operation, once the County has delivered to the

AOC the most recent copies of all required Equipment Permits, whether current or expired, as of the Responsibility Transfer Date; provided, however, that if any of the Equipment Permits are expired or are otherwise not in full force and effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs associated with the first instance of obtaining or renewing, as applicable, those Equipment Permits after the Responsibility Transfer Date.

4.3.4 Security-Related Areas. The County Sheriff's Department shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, through, and in the Security-Related Areas of the Court Facility, including but not limited to the holding cells, secured elevators and staircases, and secured corridors, pursuant to the Security Services MOU. The County shall remain solely liable and responsible for all violations that, as of the Responsibility Transfer Date, have been identified by the State Board of Corrections, as to any Security-Related Areas of the Real Property. This Agreement does not supersede, replace, or modify the Security Services MOU or any other agreement between the County and the Superior Court with respect to security staffing for the Court Facility.

4.3.5 Disputes. The County shall promptly notify the Council in writing of any Dispute that arises after the Responsibility Transfer Date that concerns or alleges: (1) acts or omissions of the County committed at any time prior to the Responsibility Transfer Date related to the Real 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 shall manage and be responsible to resolve those Disputes, but the Council may elect, but is not required, to retain its own attorney, at the Council's sole expense, to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for those Disputes. If the Council elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute-resolution procedures for a Dispute, the County shall cooperate with the participation by the Council and its attorney, and the Council and its attorney shall cooperate with the County in respect of such participation.

4.3.6 Personal Property. If either of the Parties determines that there exists any Tangible Personal Property or Intangible Personal Property not previously transferred or assigned to the State Parties, that Party shall promptly provide to the other Party a notice that includes a reasonably detailed, written description of that property, and how it is necessary to the Operation of the Real Property. At the Council's request, the County and the Council shall promptly meet and confer to determine the proper

disposition of the Tangible Personal Property or Intangible Personal Property described in that notice.

4.3.7 Adjustments. The Parties shall make the appropriate adjustments for prorations or computations required by this Agreement or the Transfer Documents as promptly as possible once accurate information becomes available evidencing that either Party is entitled to an adjustment. Adjustments will be made on a basis mutually acceptable to the Parties. The Party entitled to the adjustment shall make written demand on the other Party for the adjustment within one year after the applicable Transfer Date and shall provide a reasonably detailed explanation of the basis for the demand and all supporting documentation. The Parties shall promptly pay each other any corrected proration or adjustment amounts.

4.3.8 Occupancy Agreements.

4.3.8.1 Allocation of Responsibility and Rights to Revenue. Notwithstanding the Transfer of Responsibility, the County will continue to be responsible for, and will be entitled to all revenue arising from, all Occupancy Agreements under which space in the County Exclusive-Use Area is occupied or used by any Occupant. On and after the Effective Date, the Parties will work with First Class Vending, Inc. to ensure the transfer or replacement of the vending facilities located in the Building under County Concession Agreement #73939, and the continuity of the vending services in the Building. The County shall promptly pay to the AOC all payments or prepayments it receives from an Occupant for use or occupancy of the Court Exclusive-Use Area on or after the Responsibility Transfer Date, and the Council and the AOC shall promptly pay to the County all payments or prepayments they receive from an Occupant for use or occupancy of the County Exclusive-Use Area on or after the Responsibility Transfer Date. The Council shall be responsible for, and shall be entitled to all revenue arising from, all Occupancy Agreements under which space in the Court Exclusive-Use Area is occupied or used by any Occupant on and after the Responsibility Transfer Date, and payments or prepayments received by either Party from an Occupant for use or occupancy of the Common Area will be shared by the Parties under the terms of the JOA.

4.3.8.2 Unassigned Occupancy Agreements. The Parties acknowledge that none of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will be assigned to the Council (the **"Unassigned Occupancy Agreements"**). The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreements, as follows:

(a) Jewel City Bowl uses space in the Parking Area on evenings and weekends under County Lease #36718, dated June 6, 1980, by and between Jewel City Bowl and the County. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its lease agreement with the County will terminate on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to cease its use of the Parking Area or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC; and

(b) The Volunteer Center of Los Angeles: The Assistance League of Southern California is the Occupant of space on the first floor of the Building under County License #COL-526. Prior to the Responsibility Transfer Date, the County shall give this Occupant 30 days written notice that its license agreement with the County will terminate in respect of the Building on the Responsibility Transfer Date. By the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Building or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC.

4.3.8.3 Council's Responsibility for Occupants of the Court Exclusive-Use Area. Commencing on the Responsibility Transfer Date, the Council and the AOC shall be responsible and liable for all Occupants that occupy or use the Court Exclusive-Use Area, whether under an Unassigned Occupancy Agreement, an Occupancy Agreement that is assigned to the Council, or without any written Occupancy Agreement. The Council's responsibility and liability with respect to such Occupants of the Court Exclusive-Use Area will include payment of any County costs and performance of any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, as well as responsibility and liability for all space in the Court Exclusive-Use Area that is occupied or used by such Occupants. The Council and the AOC shall also be entitled to any rights and benefits accruing to the County in respect of such Occupants of the Court Exclusive-Use Area, including to the extent applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants in respect of their respective rights to occupy and use space in the Court Exclusive-Use Area. The County, the Council, and the AOC shall cooperate with one another to ensure that the Council and the AOC are able to perform their duties and exercise their rights with respect to any such Occupants under this section 4.3.8.

4.3.8.4 Revenue Enhancement Services Contract. Pursuant to Government Code section 26220 and Penal Code section 1205, the County and the Superior Court have entered into a revenue enhancement services contract to provide collections services for unpaid court-ordered fees and fines. Notwithstanding

section 4.3.8.1 or any other term of this Agreement or the JOA, all space in the Building that is occupied by a revenue enhancement services contractor will be within the Court Exclusive-Use Area for purposes of this Agreement and the JOA. Notwithstanding the Transfers, the County and the Superior Court shall otherwise remain responsible and liable for the performance of their respective duties and obligations under any revenue enhancement services contract, and shall remain entitled to all rights and benefits accruing to them thereunder. The Parties specifically agree that (i) all revenues, indemnity payments, insurance proceeds, damages and liquidated damages, and other payments of every kind received by any County Party or State Party from a revenue enhancement services contractor under any revenue enhancement services contract will be allocated and distributed as provided in the revenue enhancement services contract, and (ii) all payments due to or alleged to be due to a revenue enhancement services contractor under any revenue enhancement services contract will be paid, contested, or otherwise addressed by, and the responsibility of, the County or the Superior Court, as provided in the revenue enhancement services contract. For clarification, the revenue enhancement services contract that is in effect on the Effective Date is designated County Contract Number 75680 and is dated May 30, 2006, among the County, the Superior Court, and GC Services Limited Partnership.

4.3.9 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas, all of which will remain the sole personal property of the County notwithstanding the Transfers.

4.3.10 Parking. The Transfer of Responsibility will include the Superior Court Parking, and commencing on the Effective Date, the Council will be responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in this Agreement and the JOA. The Superior Court Parking is available to Superior Court judges, staff, employees, jurors, and visitors, on a first-come, first-served basis. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

4.3.11 Seismic-Related Damage and Injury.

4.3.11.1 Allocation of Liabilities, Responsibilities, and Obligations. Commencing on the Effective Date, the liabilities and obligations of the Parties (including indemnification obligations) with respect to any seismic-related damage and injury on and to the Real Property are as set forth in section 70324 of the Act, a copy of which is attached to this Agreement as **Exhibit "G"** and incorporated into this Agreement as though fully set forth herein. At all times that section 70324 of the Act applies in respect of the Real Property, the terms of section 70324 of the Act will prevail over any conflicting provisions of the Act, this Agreement, and the Transfer Documents. As provided in section 70324(d) of the Act, in no event will section 70324 of the Act be deemed to impose greater liability on the County for seismic-related damage to Third Parties than the County would have if the Transfer of Responsibility had not occurred. 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.

4.3.11.2 County Liability and Obligations. Without limiting the generality of section 4.3.11.1 of this Agreement, the County acknowledges and agrees that its liability under section 70324(a) of the Act includes: (i) costs to repair the seismic-related damage to the Building in order to bring the portions of the Building damaged by the seismic-related event back to the condition in which they existed immediately prior to the seismic-related event; (ii) costs of any upgrades to the Building that are required by Law as a result of the repair of the seismic-related damage to the Building; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building is deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Building, or (b) the Parties agree that it will be more efficient for the County to make the repairs of the seismic-related damage to the Building if the Building is entirely or partially vacant.

4.3.12 Relief from Section 70311 Obligations. Effective upon the Responsibility Transfer Date, the Council confirms and agrees that the County shall be, and is, relieved of any responsibility under section 70311 of the Act for providing to the Superior Court those necessary and suitable court facilities currently located in the Building and the Superior Court Parking on the Effective Date, except as specifically provided in this Agreement and the Act.

4.3.13 Equity in the Building. Unless the terms of section 70344(b) of the Act apply, neither Party shall have the right to purchase the other Party's Equity interest in the Real Property without the prior, written approval of the other Party.

4.3.13.1 Parties' Rights Upon Sale of Real Property. If the Owner sells the Real Property to a Third Party in an arms-length market transaction, the Parties shall allocate the purchase price paid by the Third Party buyer in respect of the sale on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Building under section 4.3.13.3, below, and net of any costs paid by the Owner in connection with the sale of the Real Property for real estate brokerage commissions, title insurance premiums, escrow fees and charges, recording fees, city and County documentary transfer taxes, and prorations of any assessments affecting the Real Property; provided that any amounts due from or paid by any Occupants of the Real Property will be prorated in accordance with section 3.7 of the JOA.

4.3.13.2 Parties' Rights Upon One Party's Purchase of the Other Party's Equity Interest. If one Party purchases the other Party's Equity interest in the Real Property without any sale of the Real Property to a Third Party, or if conveyance of the Real Property to a Third Party is not pursuant to an arms-length market transaction, the Parties shall determine the fair market value of the Real Property, and allocate the fair market value on the basis of their respective Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property under section 4.3.13.3, below.

4.3.13.3 Mechanisms for Compensating Parties. If the Owner sells, leases, replaces, or otherwise disposes of the Real Property in a manner other than those expressly permitted by the terms of section 5.1 of the JOA, the Parties agree to work together in good faith to determine the best mechanism for compensating the Non-Owning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Owning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Owning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Owning Party's Equity interest in the Real Property. Notwithstanding any modification or amendment that the Parties may make to their respective Shares under the JOA for the purpose of allocating responsibility for payment of "Shared Costs" (as defined in the JOA), any such modification or amendment will not affect, or be deemed to affect, the Parties' respective Equity interests in the Real Property unless the modification or amendment to the JOA expressly provides for a change to the Parties' respective Equity interests in the Real Property.

4.3.13.4 Valuation Methodology. Upon (i) a Party's exercise of its rights under section 70344(b) of the Act, or (ii) the Parties' written agreement that one Party will purchase the Equity interest of the other Party in the Real Property, the Parties

will have a 60-day period to work together in good faith to either (a) determine the fair market value of the Equity interest to be purchased, or (b) if the Parties cannot agree on the fair market value of such Equity interest, then to jointly select and engage a mutually acceptable expert with adequate experience in appraising or providing opinions of value for real properties that are owned by governmental entities and similar to the Real Property ("**Expert**") to determine the fair market value of the Equity interest to be purchased, based on a valuation methodology agreed upon by the Parties and consistent with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, or any successor entity, then in effect (the "**Code and Standards**"). Such valuation methodology and the Parties' instructions to the Expert shall be jointly communicated to the Expert by the Parties. The Parties shall equally share in the payment of all costs and expenses of any jointly engaged Expert. If the Parties cannot agree on an Expert, or the valuation methodology and instructions to be given to the Expert during that initial 60-day period, then each Party shall select its own Expert to determine the fair market value of the applicable Equity interest, and each Party shall submit the report prepared by its Expert (the "**Written Appraisal Evidence**") to the other Party within 90 days after the end of the initial 60-day period. At a minimum, all Written Appraisal Evidence of the fair market value of the Equity interest to be purchased pursuant to this section 4.3.13 will be based upon a determination of the fair market value of the Real Property and allocation of that fair market value to each Party on the basis of its respective Share, and all such Written Appraisal Evidence will be made in material conformity with, and subject to the requirements of, the Code and Standards. Each Party shall be solely responsible for all costs and expenses of its own initial Expert. If the valuations determined by the Parties' respective Experts differ, the Parties shall have a 20-day period, starting on the first business day after the date on which both Parties have delivered their Written Appraisal Evidence to one another, to work together in good faith to either (y) agree upon the fair market value of the Equity interest to be purchased based on the Written Appraisal Evidence submitted by both Parties, or (z) provide one another with a list of five additional Experts acceptable to the submitting Party and listed in order of the submitting Party's preference (the "**Experts List**"), from which a third Expert will be chosen for purposes of determining the fair market value of the Equity interest to be purchased (the "**Third Expert**"). The most highly ranked Expert to appear on both of the Parties' Experts List shall be jointly engaged by the Parties to serve as the Third Expert. If there is no Expert that appears on both of the Parties' Experts List, then the Parties shall, within 10 days, resubmit to one another their Experts List retaining each Party's initial listing of five Experts and adding five more Experts, also listed in order of preference, such that there is a total of ten Experts on each Party's Experts List. The Parties shall continue this process of resubmitting to one another their previous Experts List adding an additional five Experts every 10 days until an Expert appears on both Experts Lists, and is thereby chosen as the Third Expert. The Third Expert shall be jointly

engaged by the Parties and provided with the Written Appraisal Evidence prepared by the Parties' respective Experts, and shall be entitled to interview the Parties' respective Experts concerning the Written Appraisal Evidence they prepared and the Written Appraisal Evidence prepared by the other Party's Expert. The Third Expert shall not independently appraise the Real Property; rather, the Third Expert shall be engaged to review the Written Appraisal Evidence submitted by both Parties and to determine whether the fair market value of the Real Property is more accurately reflected in the Written Appraisal Evidence submitted by the County or in the Written Appraisal Evidence submitted by the Council. The Parties shall jointly instruct the Third Expert to limit his or her conclusions to the fair market value of the Real Property determined by either the County's initial Expert or the Council's initial Expert, as reflected in the Written Appraisal Evidence, and to support his or her selection with a reasonably detailed explanation of the factors that influenced the Third Expert's decision. The Third Expert shall further be instructed to provide his or her valuation to both Parties within 60 days of being engaged. The Parties shall be bound by the Third Expert's valuation of the Equity interest to be purchased. The Parties shall equally share all costs and expenses of the Third Expert.

4.3.14 Cooperation for Transfer of Title. The Parties acknowledge that the legal description of the Land as prepared by the County and attached as **Exhibit "A"** to this Agreement, and as an Exhibit to the County's Quitclaim Deed, which is **Exhibit "B"** to this Agreement, varies in certain respects from the legal description provided to the Council by the Council's title company, as set forth in the Council's Preliminary Title Report for the Land. Following the Effective Date, the County and the AOC shall work together, cooperatively and in good faith, to resolve any issues arising from the wording of the legal description that are impeding the insurability of the Council's Title to the Real Property by the Council's title company. The Parties shall endeavor to resolve any such issues as promptly as possible, and shall endeavor to have full resolution of those issues by no later than one year following the Effective Date.

4.4 Specific Responsibility During the Interim Period. During the Interim Period, the County shall not: (1) transfer or agree to transfer any right, title, or interest in the Real Property to any Third Party except as provided for in section 4.3.13 of this Agreement or in the JOA; (2) enter into any agreement concerning the Real Property without the Council's prior written consent, except as provided for in the JOA; (3) do anything that would result in a change to the zoning or entitlements for use of the Real Property without the prior written consent of the Council, which consent will not be unreasonably withheld.

## 5. THE CLOSING

5.1 The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur upon the first day of the first calendar quarter that is at least 45 days following the Effective Date. The Responsibility Transfer Date will not be affected by the date of delivery of the signed Responsibility Transfer Documents.

5.1.1 Responsibility Transfer Documents. The Responsibility Transfer Documents are as follows:

(a) the JOA; and,

(b) the Memorandum of TA and JOA.

5.1.2 Time for Signature. The Parties shall sign the Responsibility Transfer Documents prior to or concurrently with the Effective Date, except that the County shall sign the Memorandum of TA and JOA within 10 business days after the Effective Date.

5.1.3 Conditions for Transfer of Responsibility. Neither of the Parties will be obligated to consummate the Transfer of Responsibility unless the following conditions are satisfied or waived prior to the Responsibility Transfer Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the Council may only be waived by the Council.

5.1.3.1 Conditions for the Benefit of the Council. 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 Responsibility Transfer Date; the County shall 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 Responsibility Transfer Date.

5.1.3.2 Conditions for the Benefit of the County. All of the Council's representations and warranties in this Agreement must be accurate and complete in all material respects as though made on the Responsibility Transfer Date; the Council shall not have breached any of the Council's representations, warranties, or covenants in this Agreement; and there must be no Event of Default by the Council or the AOC under this Agreement nor any circumstance which, but for the passage of time or

the giving of notice or both, would constitute an Event of Default by the Council or the AOC as of the Responsibility Transfer Date.

5.1.4 Delivery of Signed Agreement, Responsibility Transfer Documents, and County Authorizing Document. The County must deliver signed originals of this Agreement and the Responsibility Transfer Documents, as well as a copy of the County Authorizing Document, to the Council within 10 business days after the Effective Date.

5.1.5 Delivery of Possession. On the Responsibility Transfer Date, the County shall deliver to the Council custody and control over the Court Facility.

5.2 Transfer of Title; Title Transfer Date. The Title Transfer Date will occur upon the recordation of the Quitclaim Deed in the office of the Los Angeles County Recorder. By completing the Transfer of Title, the County does not waive, relinquish, limit, diminish, or convey to the State, to any extent whatsoever, the County's Equity interest in the Real Property, which Equity interest of the County will be and remain the right and entitlement of the County, except only if the Council has purchased the County's Equity interest in the Real Property in exchange for fair market value consideration.

5.2.1 The Title Transfer Document. The Title Transfer Document is as follows:

(a) the Quitclaim Deed.

5.2.2 Execution and Delivery of Title Transfer Document. The County shall execute and deliver the Title Transfer Document to the Council within 10 business days after the date on which the Parties have resolved any issues arising from the wording of the County's legal description of the Land under section 4.3.14 of this Agreement. The Council and the AOC shall endeavor to present this Agreement, the signed Title Transfer Document, and the County Authorizing Document to the PWB for approval of the Transfer of Title as promptly as possible after the Responsibility Transfer Date, and shall endeavor to obtain the Acceptance Document by no later than one year after the Effective Date. The Parties shall work together, in a good faith, cooperative manner, to effect the Transfer of Title.

5.2.3 Cooperation. The County shall provide reasonable cooperation to the Council in providing the information necessary to respond to any issues raised by the PWB concerning the Real Property that may prevent the PWB's approval of the Transfer of Title. The Parties mutually intend that no circumstance that may prevent or delay the Transfer of Title will in any way limit or delay the Transfer of Responsibility.

5.2.4 Delivery of Title. On the Title Transfer Date, the County shall deliver to the State title to the Real Property.

5.2.5 Conditions for Transfer of Title. Neither of the Parties shall be obligated to consummate the Transfer of Title unless the following conditions are satisfied or waived prior to the Title Transfer Date. The conditions for the benefit of the County may be waived only by the County, and the conditions for the benefit of the Council may be waived only by the Council.

5.2.5.1 Conditions for the Benefit of the Council. 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 Title Transfer Date; the County shall 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 Title Transfer Date. In addition, the Council is not obligated to consummate the Transfer of Title unless on or before the Title Transfer Date: the PWB has approved the Transfer of Title as evidenced by the Council's receipt of the Acceptance Document; and a title insurance company acceptable to the State Parties is irrevocably committed to issue an owner's policy of title insurance to the State on the Title Transfer Date insuring the State's title to the Real Property, subject only to exceptions acceptable to the State Parties, in the reasonable exercise of their discretion.

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

## 6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment submitted to the DOF is $393,560, which amount is subject to adjustment as provided in the Act. The terms of Article 5 of the Act govern the County's payment of the County Facilities Payment to the Controller. All rights, obligations, and remedies of the Parties pertaining to the County Facilities Payment are governed solely by the Act, and neither Party has any other or additional

rights, obligations, or remedies in respect of the County Facilities Payment under or by virtue of this Agreement.

## 7. REPRESENTATIONS AND WARRANTIES

The County, in its proprietary capacity as the owner of fee title to the Real Property, and the Council, by and through the AOC, hereby make the representations and warranties in this section 7 to one another effective on the Effective Date, the Responsibility Transfer Date, and the Title Transfer Date. Each Party shall 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 its own representations and warranties in this Agreement or any Transfer Document incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to an anticipated Transfer Date, then that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the applicable Transfer Date will be automatically delayed one month to allow the Party receiving that notice sufficient time to decide whether to proceed with the applicable Transfer.

7.1 The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the County Chief Executive Officer's Manager for Asset Planning and Strategy, and the County represents that this is the person within the County most knowledgeable with respect to the matters described in the County's representations and warranties.

7.1.1 Authority. The County Authorized Signatory has been duly authorized and empowered by the County Board of Supervisors to execute this Agreement and the Transfer 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 its obligations under this Agreement relating to the Transfer of Responsibility, the Transfer of Title, and the Transfer Documents.

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

7.1.3 No Conflict. This Agreement and the Transfer Documents do not violate any provision of any existing 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 which would prohibit, the County's execution,

delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility, the Transfer of Title, or the Transfer Documents.

7.1.4 Title to Real Property. Other than the Occupancy Agreements, those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date, and those rights and interests that the County has disclosed to the Council in the Property Disclosure Documents: (1) to the best of the County's knowledge, no Third Party has any title or interest in or right to occupy or use the Real Property; and (2) the County has not granted, conveyed, or otherwise transferred to any Third Party any present or future right, title, or interest in or to the Real Property.

7.1.5 Title to Personal Property. To the best of the County's knowledge, as of the Effective Date, there is no Tangible Personal Property or Intangible Personal Property.

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

7.1.7 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 any violation of Law, whether or not appearing in public records, with respect to the Real 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.

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

7.1.9 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 Council or the AOC under this Agreement, the County has received no notice from a Third Party of: (i) the actual, threatened, or suspected presence of any Hazardous Substance, except for any Hazardous Substance used or held in conformity with Law, or (ii) any existing violations of Law, in, on, under, adjacent to, or affecting the Real Property.

7.1.10 Full and Accurate Disclosure. To the best of the County's knowledge, the County provided to the Council and the AOC all available Property

Disclosure Documents requested by the AOC within the County's possession, custody, or control. The County maintains the Property Disclosure Documents in its ordinary course of business.

7.1.11 Shared Building Occupancy. The Exclusive-Use Areas and the Common Area of the Real Property are as shown on **Exhibits "C"** and **"D"** to this Agreement.

7.1.12 Special Circumstances. The County has not undertaken or commenced any Pending Projects in or on the Real Property. The Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) of the Act, and the Building is not an "historical building" as defined in section 70301(f) of the Act. Subject to section 3.11.2 of the JOA, the County acknowledges that it has obligations under the Miles Court Order to perform the work necessary to make certain modifications to the Real Property, and subject to the Council's obligations under section 3.11.2 of the JOA, the County has completed or will complete all such work, at the County's sole cost, in accordance with the requirements of the Miles Court Order.

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

7.2.1 Good Standing. The Council is an entity established by the Constitution of the State, and the AOC is the staff agency to the Council. Both the Council and the AOC are validly existing under the Law of the State.

7.2.2 Authority. The AOC is authorized by Rule 10.183(d)(2), California Rules of Court, to act on behalf of the Council in respect of the approval of this Agreement as it relates to the Transfer of Responsibility and Transfer of Title under the Act.

7.2.3 Due Execution and Delivery. This Agreement and the Transfer Documents executed by the AOC on behalf of the Council are legal, valid, and binding obligations of the Council and the AOC and are fully enforceable against the Council and the AOC.

7.2.4 No Conflict. This Agreement and the Transfer Documents do not violate any provision of any agreement, obligation, or court order, to which the Council

or the AOC is a party or by which the State Parties, or any of their respective assets, are subject or bound. No other action of any governmental agency or authority is required for, and the Council has no actual knowledge of any Law in effect which would prohibit, the Council's execution, delivery, or performance of its obligations under this Agreement relating to the Transfer of Responsibility, the Transfer of Title, or the Transfer Documents.

7.2.5 Sections 70326(b)(1) and (3). The Council has determined that, as of the Effective Date, the Real Property is not deficient under sections 70326(b)(1) and (3) of the Act.

## 8. INDEMNITIES

8.1 The Council's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the Council indemnifies, defends, and holds harmless the County Parties against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") asserted against the County Parties, arising out of the following:

8.1.1 Obligations. Any breach by the Council or the AOC, or both, of its or their obligations set forth in this Agreement or the Transfer Documents;

8.1.2 Representations and Warranties. Any knowing and willful inaccuracy in any of the Council's representations and warranties contained in section 7.2 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to a matter that, if known to the County prior to the Responsibility Transfer Date or Title Transfer Date, as applicable, would have been material to the County's completion of the applicable Transfer under the Act; and

8.1.3 Council and AOC Responsibilities. Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the Council, the AOC, or both, on the one hand, and a Third Party, on the other hand, that is first asserted or commenced on or after the Responsibility Transfer Date, and the factual basis for which arises from events or occurrences that took place on or after the Responsibility Transfer Date, or from the State Parties' ownership, use, Operation, or management of, or responsibility for, the Real Property on or after the Responsibility Transfer Date.

8.2 The County's Indemnities. Except as provided in section 8.3, below, to the fullest extent permitted by Law, the County indemnifies, defends, and holds harmless the State Parties, against all Indemnified Loss asserted against the State Parties, arising out of the following:

8.2.1 Obligations. Any breach by a County Party of its obligations set forth in this Agreement or the Transfer Documents;

8.2.2 Representations and Warranties. Any knowing and willful failure by the County to disclose to the Council or the AOC any document or information concerning the Real Property that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act, and any knowing and willful inaccuracy in any of the County's representations and warranties contained in section 7.1 of this Agreement or in the Transfer Documents, where and to the extent that such knowing and willful inaccuracy relates to any matter that, if known to the Council or the AOC prior to the Responsibility Transfer Date or the Title Transfer Date, would have been material to the Council's acceptance of the applicable Transfer under the Act;

8.2.3 County Responsibilities. (a) Any claim, demand, litigation, arbitration, or other dispute-resolution proceeding between the County and a Third Party that is pending or threatened prior to the Responsibility Transfer Date, or related to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date, and (b) any claim, demand, litigation, arbitration, or other dispute-resolution proceeding that is first asserted or commenced by a Third Party after the Responsibility Transfer Date, but the factual basis for which arises from events or occurrences that took place prior to the Responsibility Transfer Date, and pertain to the County's ownership, use, Operation, management of, or responsibility for, the Real Property prior to the Responsibility Transfer Date; and

8.2.4 CERCLA. The County acknowledges that it has certain indemnification obligations in respect of the Court Facility under section 70393(d) of the Act.

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

## 9. RIGHT TO AUDIT

The County shall maintain all records relating to this Agreement, in compliance and consistent with applicable Law. The County shall 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 Transfer Documents can be resolved in accordance with the requirements of this Agreement and the Act for the period of time generally required by applicable Law. The AOC may audit or inspect those County records upon reasonable prior notice.

## 10. DEFAULT NOTICE AND CURE

Upon the occurrence of a breach or default by the Council or the County of any provision of this Agreement, the non-defaulting Party shall 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 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 shall be deemed to have committed an "**Event of Default,**" and the non-defaulting Party shall have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 12 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 12 of this Agreement before the end of the Cure Period.

## 11. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property (**"Condemnation Notice"**), that Party shall promptly deliver a copy of that notice to the other Party. In the event of an actual condemnation, or a transfer or conveyance of any part of the Real Property in lieu of condemnation, the Parties shall cooperate with one another in good faith to obtain the maximum award that

may be obtained from the condemning authority, and the Parties shall allocate the award received on the basis of their respective Shares.

## 12. DISPUTE RESOLUTION

12.1 Unassisted Negotiation; Mediation. In the event of a dispute between the Parties relating to performance of the Parties' obligations under this Agreement, or any aspect of the Transfers contemplated in this Agreement, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties must be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents. 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 conclude their unassisted negotiation with respect to the dispute before either of the Parties may commence a dispute resolution proceeding before the CFDRC.

12.2 Referral to CFDRC. After compliance with the terms for unassisted negotiation provided in section 12.1 of this Agreement, any unresolved dispute involving any of the matters set forth in sections 70303(c)(1) through (5) of the Act will be referred to the CFDRC for hearing and recommendation to the Director of Finance, as contemplated in the Act and in accordance with the CFDRC regulations.

## 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 Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst for the
Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 an alleged breach or default by the Council or the AOC of this Agreement or a Transfer 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

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

This Agreement will survive and remain in full force and effect notwithstanding the Transfer of Responsibility. In the event of the termination of this Agreement prior to the Responsibility Transfer Date, all documents, other tangible objects, and information containing or representing confidential or proprietary information disclosed by one Party to the other, and all copies that are in the possession or under the control of the other Party will be and remain the property of the Party that disclosed the documents, objects, and information, and all those documents and other tangible objects will be promptly returned to the Party that disclosed them at that Party's written request.

## 15. MISCELLANEOUS

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

15.2 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by the Party making such waiver. 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 any other provision of this Agreement or a consent to any subsequent breach of the same or another 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 subsequent occasion or a consent or approval of any other action.

15.3 Force Majeure. Neither Party will be responsible for performance in accordance with the terms of 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.

15.4 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.

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

15.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this Agreement and the Transfer Documents for the benefit of the Council.

15.7 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.

15.8 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. The word "or" when used in this Agreement, is inclusive, and can mean both. This Agreement and the Transfer Documents will not be construed against either Party as the principal draftsperson. 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.

15.9 Integration. This Agreement and the Transfer 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.

15.10 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.

15.11 Severability. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

15.12 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 Agreement, the Transfer Documents, and the Act, and (ii) consummate the transactions contemplated herein, and shall 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 Transfer Documents, and the Act.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this Agreement as of the Effective Date.

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

By: _____
Name: Dianne Barry, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai
Executive Officer, Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
YVONNE B. BURKE
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
CITY OF LOS ANGELES

# 11 JUL 29 2008

SACHI A. HAMAI
EXECUTIVE OFFICER

Glendale TA
Court Facility #19-H-01
County LACO #4104
Owned/Shared (TOR/DTOT)
July 10, 2008
1111171.12



76646

## EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deed

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plan of Building Interior

Exhibit "E" – Categories of Property Disclosure Documents

Exhibit "F" – Memorandum of Transfer and Joint Occupancy Agreements

Exhibit "G" – Section 70324 of the Act

## EXHIBIT "A"

## LEGAL DESCRIPTION OF LAND

Lots 1, 2, 3, and 4, Watson's Re-Plat, as shown on map recorded in Book 9, page 69, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and Lots 2, 4 through 12, 26, and portion of Lot 14, Block 21, portion of the Town of Glendale, as shown on map recorded in Book 21, page 96, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with the portions of those Alleys, in said Block 21, within the following described boundaries:

Beginning at the northeasterly corner of said Lot 1 of Watson's Re-Plat; thence southerly along the easterly lines of said Lot 1 and Lots 5, 7, 9, and 11, said Block 21 to the southeasterly corner of said Lot 11; thence westerly along the southerly line of said Lot 11 and the westerly prolongation of said southerly line to the northerly prolongation of the easterly line of Lot 14 of said Block 21; thence southerly along said northerly prolongation and said easterly line to the southerly terminus of that certain 20.00-foot radius curve described in deed to said County, recorded on January 23, 1957, as Document No. 923, in Book 53450, page 192, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence northerly, northwesterly, and westerly along said curve to the southerly line of said Lot 12; thence westerly along said southerly line of Lot 12 to the southwesterly corner of said Lot 12; thence northerly along the westerly lines of said Lot 12 and Lots 10, 8, and 6, said Block 21 to the northwesterly corner of Lot 6 of said Block 21; thence easterly along the northerly lines of said Lot 6, and Lots 4 and 2, Block 21 to the northeasterly corner of said Lot 2 of Block 21; thence continuing easterly, in a direct line, to the point of beginning.

Excepting therefrom the easterly 2 feet of said Lots 5, 7, and 9.

APN: 5642-008-901

# EXHIBIT "B"

# FORM OF QUITCLAIM DEED

[see attached]

WHEN RECORDED
MAIL THIS DOCUMENT TO:

Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102-3660

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE.

Assessor's Identification Number:
5642-008-901

# QUITCLAIM DEED

For a valuable consideration, receipt of which is hereby acknowledged, the COUNTY OF LOS ANGELES, a body corporate and politic, does hereby remise, release, and forever quitclaim to the STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA and THE ADMINISTRATIVE OFFICE OF THE COURTS, all of the County's right, title, and interest in and to the real property in the City of Glendale, County of Los Angeles, State of California, described in Exhibit A attached hereto and by this reference made a part hereof.

Subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way of record, if any.

COUNTY OF LOS ANGELES,
a body corporate and politic

By _____
WILLIAM T FUJIOKA
Chief Executive Officer

**GLENDALE COURTHOUSE**
(File: Glendale County Courts Building Site (1) )
I.M. 159-197
S.D. 5

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Deputy

MV

**NOTE: Acknowledgement certificate on reverse side.**

**ACKNOWLEDGEMENT CERTIFICATE**

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

# EXHIBIT A

**GLENDALE SUPERIOR COURTHOUSE**
File with: Glendale County Courts Building Site (1)
A.I.N. 5642-008-901
T.G. 564 (F5)
I.M. 159-197
Fifth District

## LEGAL DESCRIPTION

Lots 1, 2, 3, and 4, Watson's Re-Plat, as shown on map recorded in Book 9, page 69, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and Lots 2, 4 through 12, 26, and portion of Lot 14, Block 21, portion of the Town of Glendale, as shown on map recorded in Book 21, page 96, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with the portions of those Alleys, in said Block 21, within the following described boundaries:

Beginning at the northeasterly corner of said Lot 1 of Watson's Re-Plat; thence southerly along the easterly lines of said Lot 1 and Lots 5, 7, 9, and 11, said Block 21 to the southeasterly corner of said Lot 11; thence westerly along the southerly line of said Lot 11 and the westerly prolongation of said southerly line to the northerly prolongation of the easterly line of Lot 14 of said Block 21; thence southerly along said northerly prolongation and said easterly line to the southerly terminus of that certain 20.00-foot radius curve described in deed to said County, recorded on January 23, 1957, as Document No. 923, in Book 53450, page 192, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence northerly, northwesterly, and westerly along said curve to the southerly line of said Lot 12; thence westerly along said southerly line of Lot 12 to the southwesterly corner of said Lot 12; thence northerly along the westerly lines of said Lot 12 and Lots 10, 8, and 6, said Block 21 to the northwesterly corner of Lot 6 of said Block 21; thence easterly along the northerly lines of said Lot 6, and Lots 4 and 2, Block 21 to the northeasterly corner of said Lot 2 of Block 21; thence continuing easterly, in a direct line, to the point of beginning.

Excepting therefrom the easterly 2 feet of said Lots 5, 7, and 9.

APPROVED AS TO DESCRIPTION
June 9, 2008
COUNTY OF LOS ANGELES
By
SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

*This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.*

HC C:\MyFiles\LegalDescription\CountyCourthouses\GlendaleSuperiorCourthouseA.doc

# EXHIBIT "C"

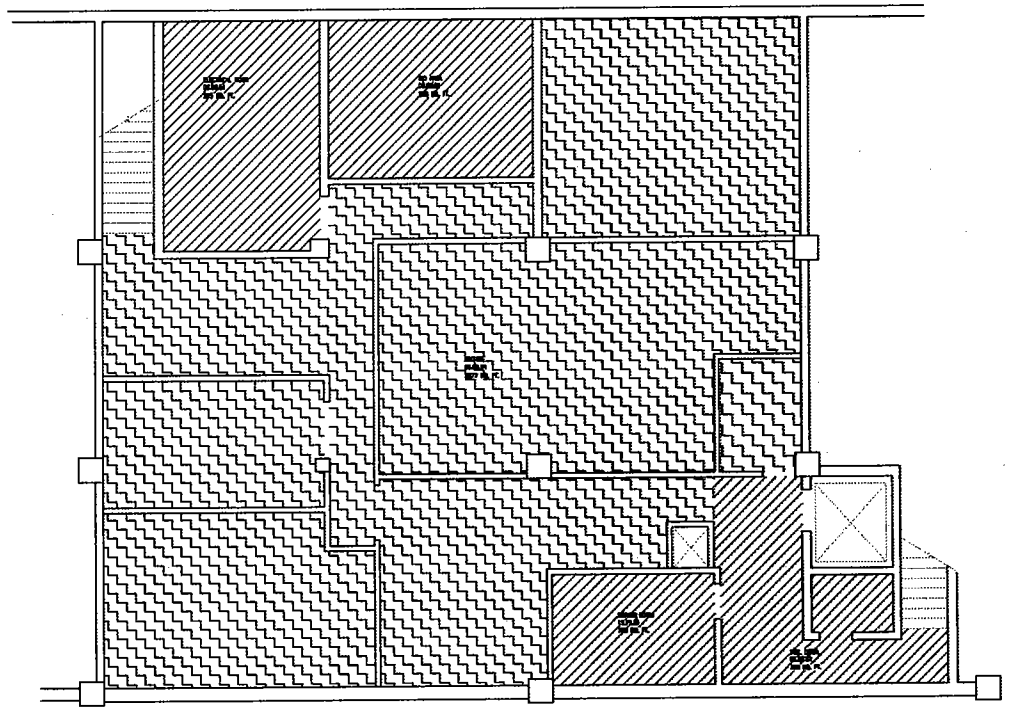
## SITE PLAN OF REAL PROPERTY

Glendale Courthouse
AOC Court Facility # 19-H-01
County LACO #4104
TA Exhs. Owned-Shared (TOR/DTOT)
July 10, 2008
1119266.4

# EXHIBIT "D"

# FLOOR PLAN OF BUILDING INTERIOR

[See attached.]



BASEMENT PLAN

## LEGEND

COURT

COMMON

COUNTY

| NO. | REVISION | DATE |
|---|---|---|

JACOBS FACILITIES INC.

| | |
|---|---|
| NAME | GLENDALE COURTHOUSE |
| ADDRESS | 600 EAST BROADWAY |
| | GLENDALE STATE: CA |

| | |
|---|---|
| DESCRIPTION | LOS ANGELES GLENDALE COURTHOUSE |
| NUMBER | R0923108 |

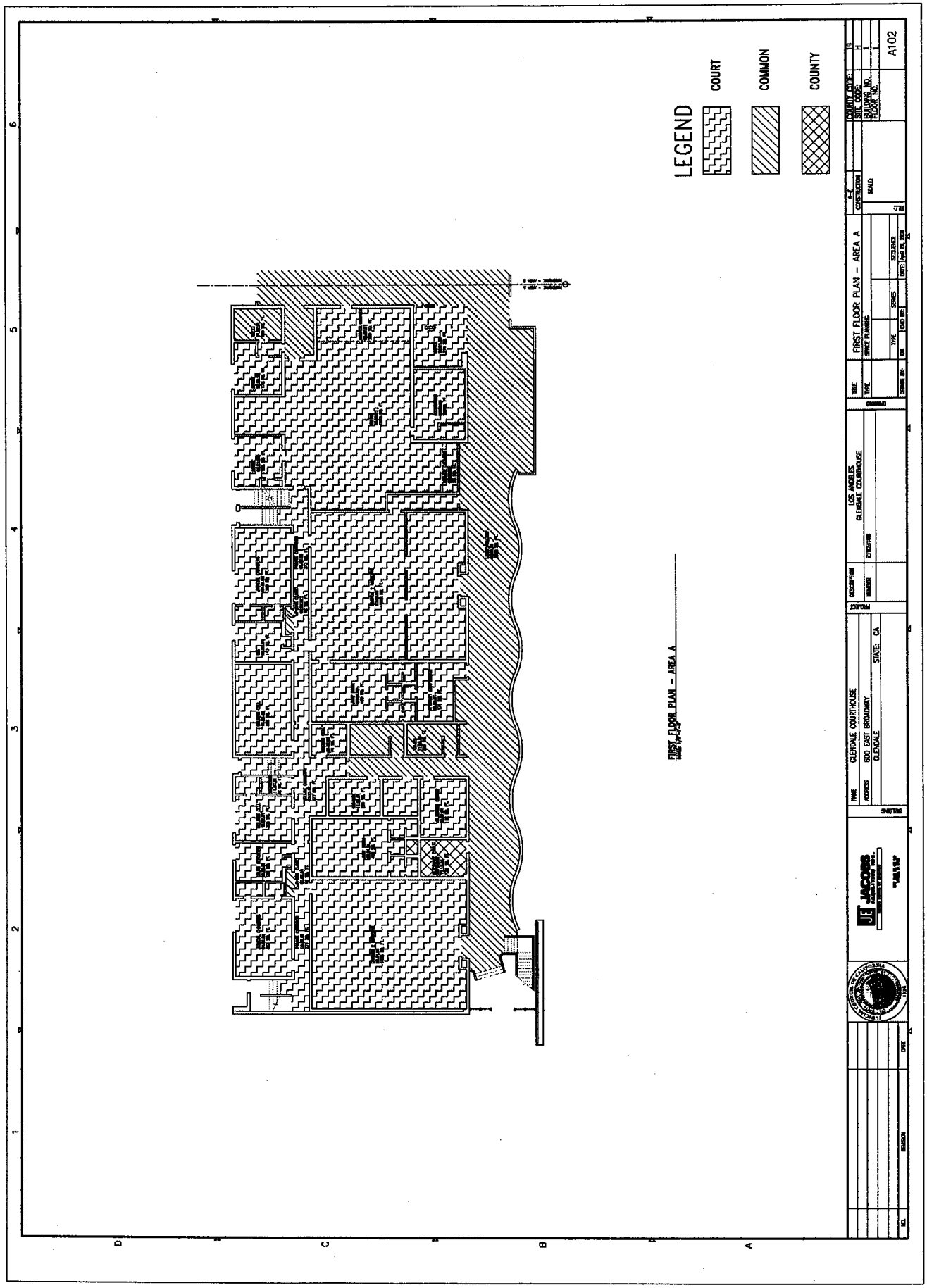
| | |
|---|---|
| TITLE | BASEMENT PLAN |
| TYPE | SPACE PLANNING |
| DRAWN BY: | KIM |
| CKD BY: | |
| DATE: | April 28, 2006 |

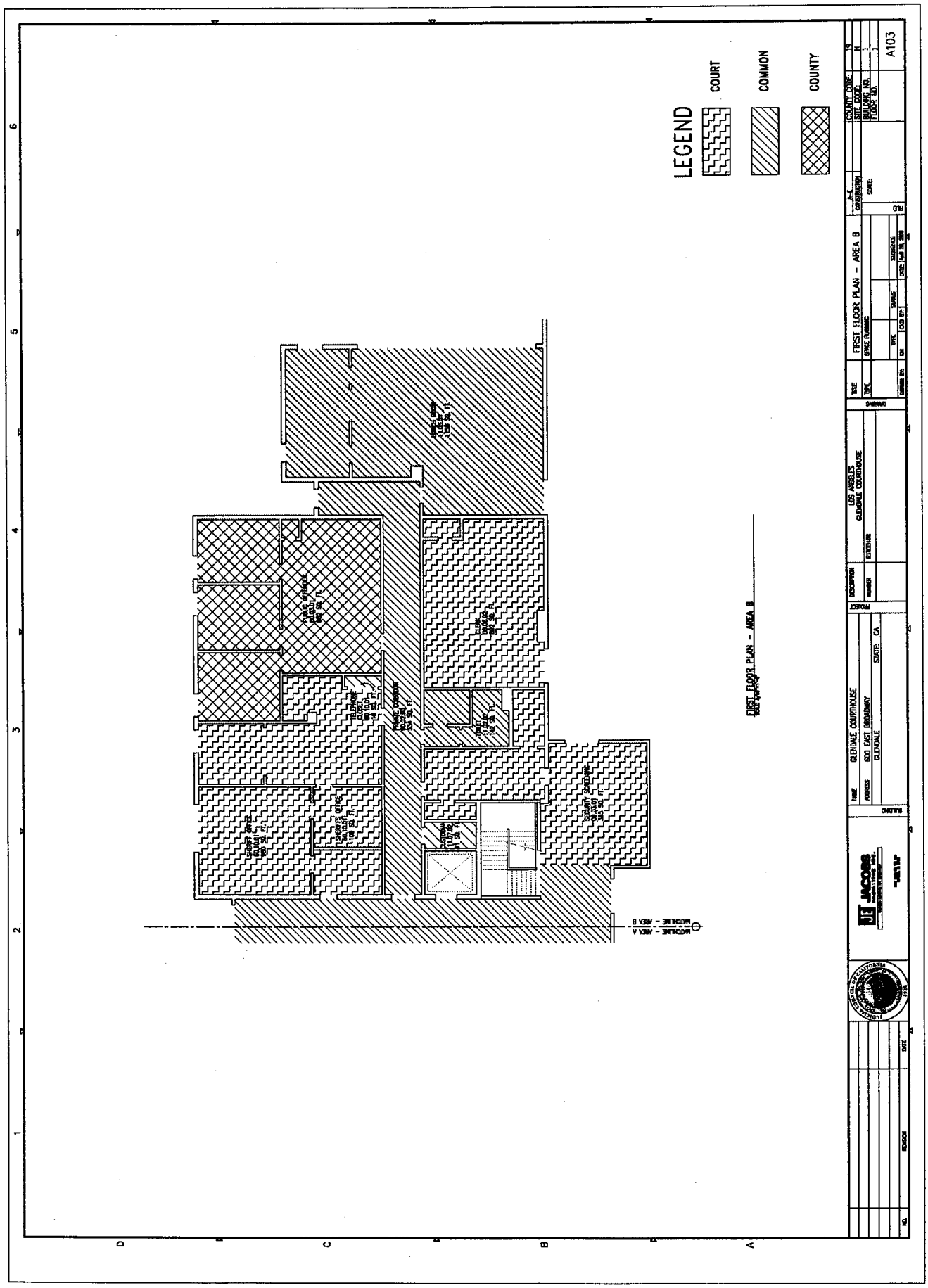
A-E CONSTRUCTION

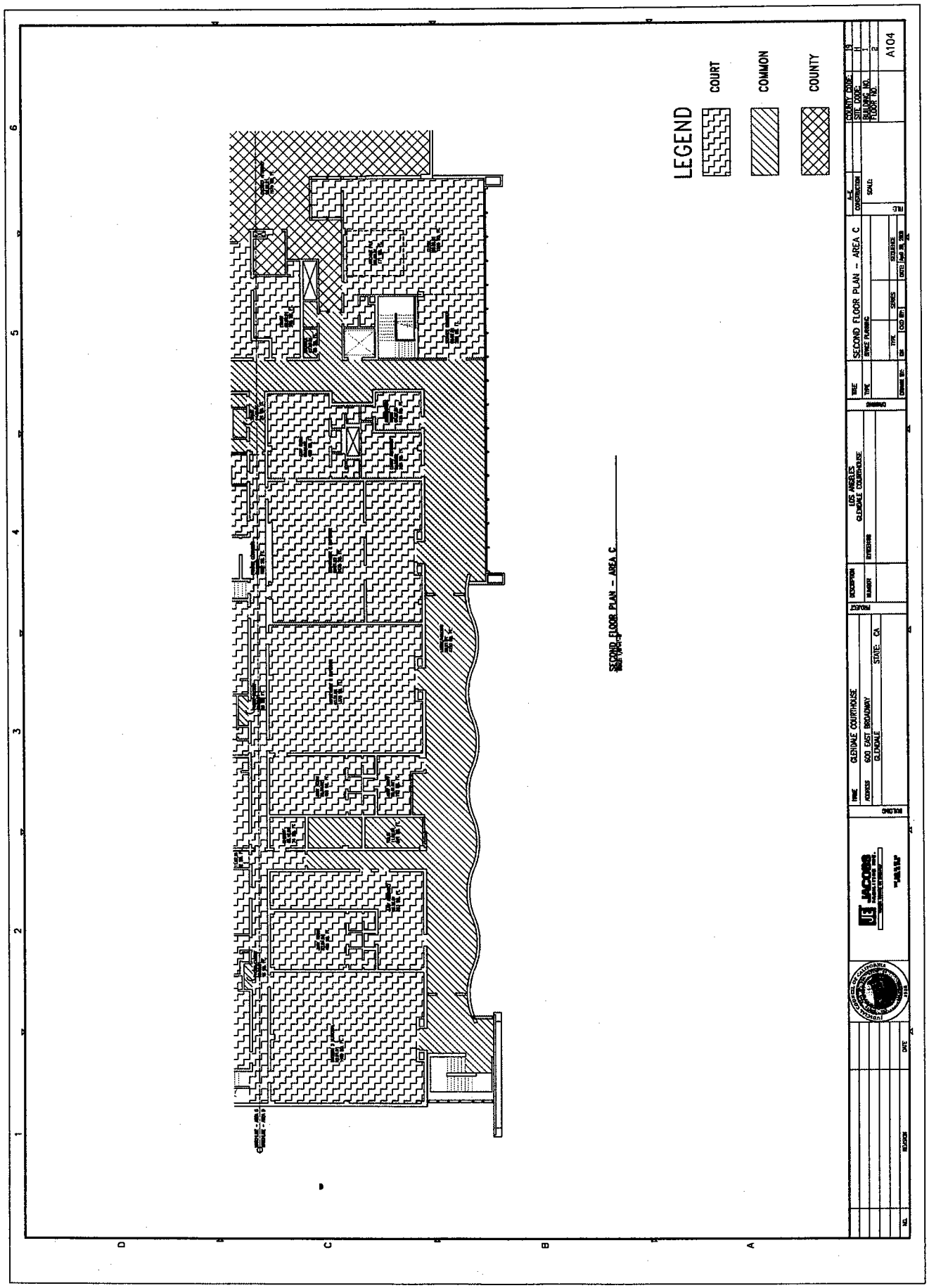
SCALE:

| | |
|---|---|
| COUNTY CODE: | 19 |
| SITE CODE: | H |
| BUILDING NO. | L |
| FLOOR NO. | B |

A101


LEGEND
COURT
COMMON
COUNTY
FIRST FLOOR PLAN - AREA A
GLENDALE COURTHOUSE
600 EAST BROADWAY
GLENDALE
STATE: CA
LOS ANGELES
GLENDALE COURTHOUSE
FIRST FLOOR PLAN - AREA A
A102


LEGEND
COURT
COMMON
COUNTY
FIRST FLOOR PLAN - AREA B
MATCHLINE - AREA A
MATCHLINE - AREA B
LOS ANGELES
GLENDALE COURTHOUSE
GLENDALE COURTHOUSE
600 EAST BROADWAY
GLENDALE
STATE: CA
JACOBS
A103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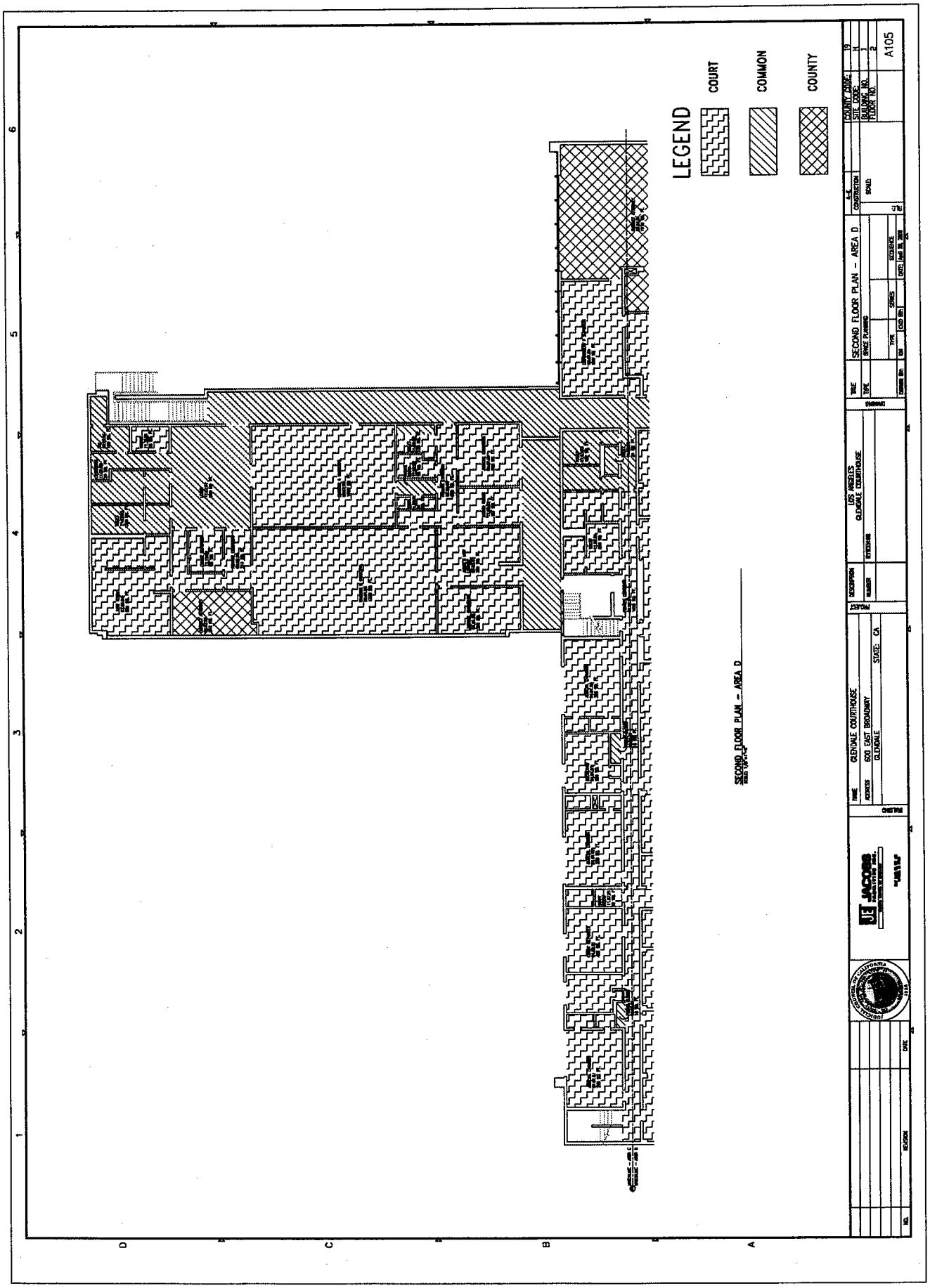
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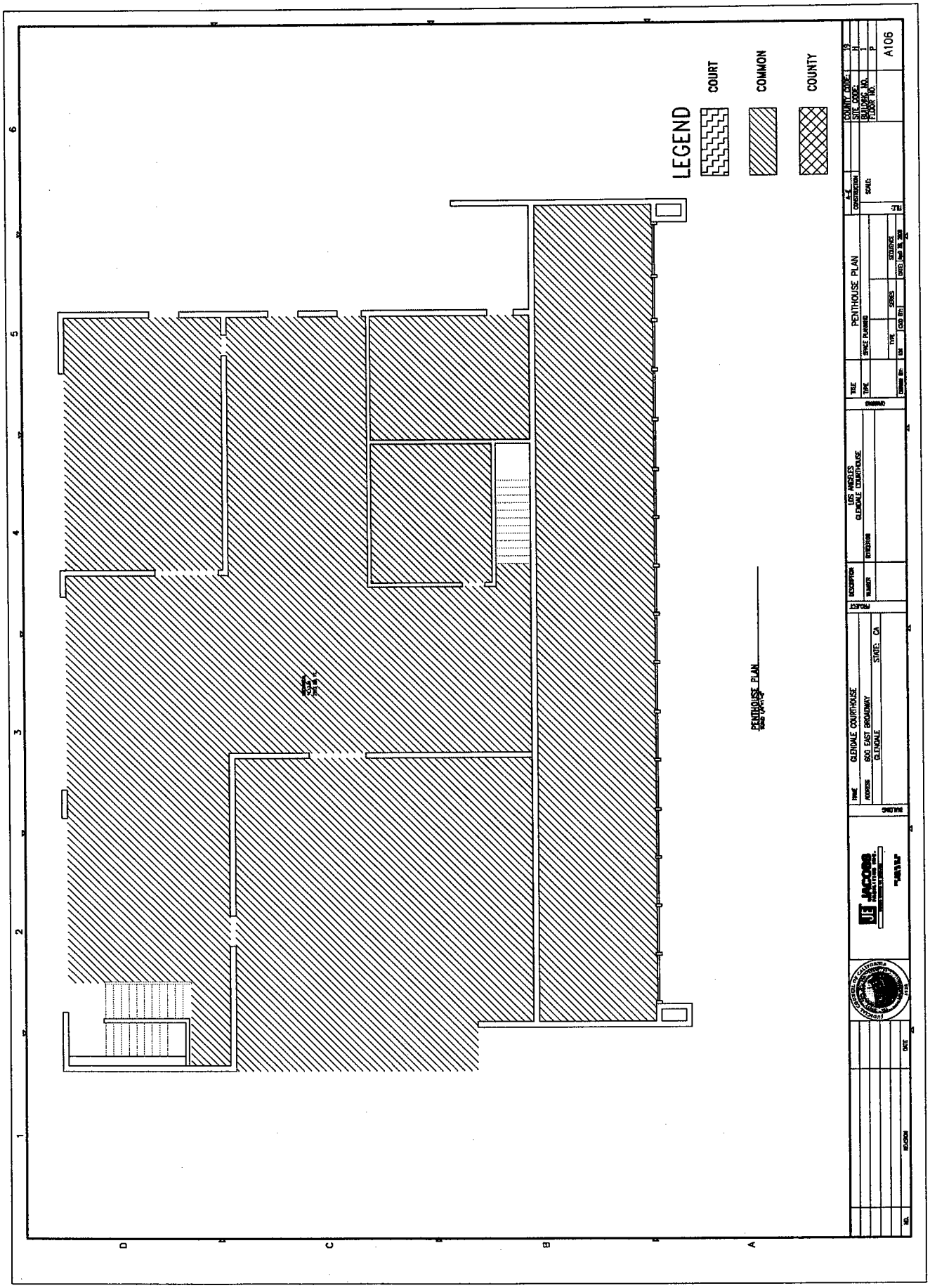
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GLENDALE COURTHOUSE
600 EAST BROADWAY
GLENDALE
STATE: CA
LOS ANGELES
GLENDALE COURTHOUSE
PENTHOUSE PLAN
A106

# EXHIBIT "E"

## CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

### *1 - Material Agreements*

Contracts related to title, use, occupancy or condition of court facility requiring more than 30 days prior notice to terminate and annual payment from or to the County of more than $25,000)

### *2 - Structural/Physical Condition*

(a) Plans and specifications for the original planning, design and construction of the buildings or for later additions or structural modifications, site plans, building plans, floor plans, flood maps

(b) "As-built" construction documents, including architectural, structural, mechanical, plumbing, and engineering plans and/or specifications

(c) Structural or engineering assessments, reports or notices

(d) Current floor plans for each floor (including basements)

(e) Inspection reports

(f) Documents describing repairs or maintenance made or required

(g) Documents reflecting the age and condition of the building roofs and the systems and equipment installed in or affixed to each court facility including HVAC, security systems, intercom or other internal communications systems, fire life safety systems, elevators and escalators

(h) Seismic studies, seismic retrofitting or upgrades recommended or completed

(i) Fire/Life/Safety Compliance Documents

### *3 - Environmental*

(a) Phase I or Phase II environmental site assessments

(b) Asbestos and mold reports

(c) Radon, methane gas or other air quality studies

(d) Environmental Impact Reports

(e) Endangered species investigations

(f) Biological assessments

(g) Negative declarations

(h) Remedial action plans

(i) Notices from and correspondence with any governmental body relating to compliance with environmental laws

(j) No further action (NFA) letters

(k) Environmental covenants and restrictions

(l) Closure reports

(m) Permits or licenses related to environmental compliance

(n) Documents and inspection reports related to underground or above-ground storage tanks

(o) County's written disclosures to/from third parties regarding environmental conditions

***4 - Title***

(a) County's current title policy or title report, if any

(b) New title report and recorded title exception documents

(c) ALTA survey and any maps, plats, plans, specifications or other drawings/depictions of each court facility

(d) Descriptions of unrecorded/unwritten liens and encumbrances

(e) Covenants, conditions and restrictions

(f) Reciprocal easement agreements

*5 - Compliance*

(a) Certificates of occupancy

(b) Inspection certificates for elevators, escalators, fire safety equipment and other building systems

(c) Assessments, reports or analyses relating to ADA compliance

(d) Permits and approvals for capital improvements, repair or maintenance projects

(e) Licenses for software and other proprietary materials to be transferred

(f) Notices and correspondence concerning actual or claimed violations of law related to real property or building

(g) Licenses and permits required for any business operated on the property (other than the courts)

*6 - Occupancy*

(a) Leases, subleases and rental agreements

(b) Licenses for use of land, building or personal property

(c) Occupancy or use arrangements (verbal or written)

(d) Notices and material correspondence related to any lease, sublease, rental agreement, license or other occupancy or use arrangements

*7 - Intangible Rights and Obligations*

(a) Written/verbal contract rights and commitments (e.g., leases for equipment, signage or other personal property, vending machine rental or purchase agreements, service or maintenance contracts, vendor agreements, contracts for or related to the development, design, construction, ownership, repair, maintenance, operation, upkeep and/or inspection of all or any part of the real or personal property to be transferred)

(b) Software license agreements or arrangements to be transferred

(c) Warranties, permits, licenses, certificates, guaranties and suretyship agreements and arrangements, indemnification rights, and any unresolved claims or demands made on any such warranties, indemnification rights, guaranties and/or suretyship agreements

(d) Commitments, deposits and rights for utilities

(e) Engineering, accounting, legal and other technical or business data concerning the real or personal property to be transferred, and title documents and information concerning any tangible personal property to be transferred

(f) Deposits, deposit accounts and escrow accounts arising from or related to any transactions related to the land, building or intangible personal property, and rights to receive refunds or rebates of impact fees, assessments or charges, premiums

(g) Rights to oil, gas and other hydrocarbons and minerals produced from or allocated to the land and the proceeds thereof

(h) Reversionary rights and interests held by the County or other third party in the land, any adjacent land or any other land previously comprising a part of the court property

(i) Amendments, addenda, exhibits, appendices, attachments, schedules, riders, modifications, renewals, extensions and other changes or additions of every kind to any of (a) through (i) above

***8 - Insurance Coverage, Damage or Loss, Claims***

(a) Proceeds arising from any damage to or loss of all or any part of the court facility, including any commercial tort claims arising from or related to any such damage or loss

(b) Documentation of and written materials relating to any self-insurance programs covering all or any of the real or personal property to be transferred

### *9 - Condemnation*

(a) Claims, demands for mediation, arbitration or other dispute resolution procedure, causes of action or complaints received in connection with any actual or proposed condemnation or eminent domain proceeding affecting the court facility

(b) Proceeds to which the County is or may be entitled related to the taking of any part of the land or building by condemnation, eminent domain or transfer in lieu of condemnation or eminent domain, for public or quasi-public use under any law

### *10 - Litigation*

Brief written description of each pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation or other dispute resolution proceeding involving, related to or affecting the court facility

### *11 - Excluded Documents*

If there are materials that are responsive to the AOC's document and information requests , but which the County believes it may not disclose to the AOC for reasons of attorney-client privilege, attorney work product privilege or confidentiality obligations, the AOC requests that the County provide the AOC with a written list setting forth the title and general subject matter of each such document.

## SPECIAL CONSIDERATIONS

### *A - Historical Buildings*

Historic Building Designation Documents

### *B - Bonded Indebtedness*

(a) Written evidence that County's interest in the land and building is subject to bonded indebtedness (as defined in Section 70301(a) of the Act)

(b) Legal documents evidencing and/or securing the bonded indebtedness and any material notices or correspondence related thereto

(c) Identification of all revenue sources that are and/or will be used to pay the bonded indebtedness

***C - Pending Projects (see §§770326(d) and 70331 of SB 1732)***

(a) Written approval by the County's Board of Supervisors for the pending project

(b) Resolutions or ordinances approved by the County allocating, approving, appropriating or committing funds for the applicable phases of a pending project

(c) Contracts or agreements entered into, or under negotiation, by the County for a pending project

(d) Written description of the source and amount of all County funds allocated, approved, appropriated or committed for a pending project and the terms and conditions applicable to the County's use of such funds

(e) Draft/final plans, specifications, energy or structural calculations, drawings, maps and surveys depicting or related to a pending project

(f) Permits and approvals given by any governmental body for a pending project, and/or completed applications for required permits or approvals for a pending project, including CEQA documents

(g) Bids, estimates, proposals, responses to requests for proposals or other documents reflecting proposed pricing for labor and/or materials for any one or more of the pending projects

(h) Materials related to the approval, permitting, funding, planning, implementation, performance and/or completion of the pending project

**EXHIBIT "F"**

**FORM OF MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS**

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

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

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***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 No. 5642-008-901

**MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS**

THIS MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS ("**Memorandum of TA and JOA**") is made and entered into the ____ day of _____, 2008 by and between the County of Los Angeles ("**County**"), whose present address is 754 Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, Attention: Manager, Asset Planning and Strategy, Chief Executive Office, and the Judicial Council of California ("**Council**"), 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 Glendale, County of Los Angeles, State of California, having a street address of 600 East Broadway, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the court

facility commonly known as the Glendale Courthouse, and all other buildings, structures, parking lots and improvements located on and/or affixed to the Land (together with the Land, the "**Real Property**");

B. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the Glendale Courthouse dated _____, 2008 ("**TA**"). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Glendale Courthouse dated _____, 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 TA provides, among other things, for transfer of title to the Real Property from the County to the State;

D. The TA further provides, among other things, that the County's equity interest in the Real Property will be compensated, should the Council sell or release title to the Real Property after Transfer of Title;

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

F. Under the terms of the TA, this Memorandum of TA and JOA is to be recorded in the Official Records of County with respect to the Real Property for the purpose of memorializing the existence of the TA and JOA, the terms of which inure to the benefit of, and bind, Council, County and their respective successors and assigns. Any third-party interested in obtaining information about the TA and JOA 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, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: William T Fujioka
Title: Chief Executive Officer

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) SS.
COUNTY OF _____)

On _____, 2008, before me, _____,
(insert name and title of the officer)
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.

_____
NOTARY PUBLIC

Seal

## COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On _____, 2008, before me, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity on behalf of which the person 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.

DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By_____
Deputy County Clerk

(Seal)

## ATTACHMENT 1 TO EXHIBIT "F"

## LEGAL DESCRIPTION OF THE PROPERTY

Lots 1, 2, 3, and 4, Watson's Re-Plat, as shown on map recorded in Book 9, page 69, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and Lots 2, 4 through 12, 26, and portion of Lot 14, Block 21, portion of the Town of Glendale, as shown on map recorded in Book 21, page 96, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with the portions of those Alleys, in said Block 21, within the following described boundaries:

Beginning at the northeasterly corner of said Lot 1 of Watson's Re-Plat; thence southerly along the easterly lines of said Lot 1 and Lots 5, 7, 9, and 11, said Block 21 to the southeasterly corner of said Lot 11; thence westerly along the southerly line of said Lot 11 and the westerly prolongation of said southerly line to the northerly prolongation of the easterly line of Lot 14 of said Block 21; thence southerly along said northerly prolongation and said easterly line to the southerly terminus of that certain 20.00-foot radius curve described in deed to said County, recorded on January 23, 1957, as Document No. 923, in Book 53450, page 192, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence northerly, northwesterly, and westerly along said curve to the southerly line of said Lot 12; thence westerly along said southerly line of Lot 12 to the southwesterly corner of said Lot 12; thence northerly along the westerly lines of said Lot 12 and Lots 10, 8, and 6, said Block 21 to the northwesterly corner of Lot 6 of said Block 21; thence easterly along the northerly lines of said Lot 6, and Lots 4 and 2, Block 21 to the northeasterly corner of said Lot 2 of Block 21; thence continuing easterly, in a direct line, to the point of beginning.

Excepting therefrom the easterly 2 feet of said Lots 5, 7, and 9.

APN: 5642-008-901

## EXHIBIT "G"

## 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.

AOC Facility # 19-H-01
County LACO # 4104
Glendale Courthouse JOA
600 East Broadway, Glendale, California 91205

# JOINT OCCUPANCY AGREEMENT

**BETWEEN**

**THE JUDICIAL COUNCIL OF CALIFORNIA,**

**BY AND THROUGH**

**THE ADMINISTRATIVE OFFICE OF THE COURTS,**

**AND**

**THE COUNTY OF LOS ANGELES**

**FOR THE GLENDALE COURTHOUSE**

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# JOINT OCCUPANCY AGREEMENT

## 1. PURPOSE

The Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**"), establish this Agreement as of JUL 29 –, 2008 (the "**Effective Date**"), and set forth the terms and conditions for the Parties' shared possession, occupancy, and use of the Real Property.

## 2. DEFINITIONS

"**Act**" means, as of the Effective Date, the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes.

"**Additional Court Area Services**" has the meaning ascribed to it in section 3.2.1.3 of this JOA.

"**Building**" means the building commonly known as the Glendale Courthouse, located at 600 East Broadway, Glendale, California, 91205, on the Land in which the Court Facility (as defined in the Transfer Agreement) is located, all Building Equipment, and all connected or related structures and improvements.

"**Building Equipment**" means all installed equipment and systems that serve the Building generally, and only that plumbing that is within the walls of the Building or in the Common Area, but not those plumbing fixtures that are located in an Exclusive-Use Area. The Building Equipment does not include the equipment and systems that exclusively serve the Exclusive-Use Area of only one Party.

"**Building Software**" means any software used in connection with the Building Equipment.

"**Common Area**" means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the Council, the County, the Superior Court, and the Occupants, and includes (1) those portions of the Building shown as Common Area on Exhibit "D" attached to the Transfer Agreement, including hallways, stairwells, elevators, and restrooms that are not located in either Party's Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment that does not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and to the Building, (5)

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all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area. 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.

"**Contractors**" means all Third-Party contractors, vendors, service providers, and all levels of subcontractors, and their respective employees, consultants, and representatives, that provide goods, services, or supplies to the Real Property with respect to (i) the Operation of the Real Property, or (ii) the performance of alterations and additions to the Real Property under sections 3.2.1.3 and 3.2.2.3 of this JOA.

"**Contributing Party**" means the County, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Council Claim**" means any demand, complaint, cause of action, or claim related to the period on and after the Responsibility Transfer Date, alleging or arising from acts, errors, omissions, or negligence of the Superior Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a Third Party against a Superior Court employee).

"**Council Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**Council Share**" means 90.54 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the Superior Court.

"**County Designated Representative**" means the individual designated as such in section 13 of this JOA.

"**County Exclusive-Use Area**" means the 3,323 square feet of the Building that are exclusively occupied and used by the County, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 9.46 percent of the Total Exclusive-Use Area.

"**County Facilities Payment**" means the payments the County must make to the State Controller with respect to the Court Facility under Article 5 of the Act.

"**County Parking**" means 26 parking spaces in the Courthouse Parking Lot, as shown on Exhibit "C" to the Transfer Agreement.

"**County Parties**" means the County and its officers, agents, and employees.

"**County Share**" means 9.46 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

"**Court Exclusive-Use Area**" means the 31,795 square feet of the Building that are exclusively occupied and used by the Superior Court, as shown on Exhibit "D" to the Transfer Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 90.54 percent of the Total Exclusive-Use Area.

"**Courthouse Parking Lot**" means the surface parking lot located on the Land to the south of the Building containing 152 parking spaces.

"**Defect**" means any condition of, damage to, or defect in the Common Area that: (1) threatens the life, health, or safety of persons occupying or visiting the Real Property; (2) unreasonably interferes with, disrupts, or prevents either Party's or the Superior Court'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 or the Superior Court; (4) threatens to diminish the value of the Real Property, or threatens to damage or destroy the personal property of a Party or the Superior Court; (5) threatens the preservation of a Party's or the Superior Court's files, records, and documents located in the Building; or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Real Property.

"**Emergency**" means a sudden, unexpected event or circumstance, on or affecting the Real Property, that (i) results in a Defect, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Real Property, or (c) to the preservation of a Party's or the Superior Court's files, records, and documents located in the Building.

"**Equipment Permits**" means all governmental permits, certificates, and approvals required for the lawful operation of any of the Building Equipment.

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

"**Estimated Shared Costs of Operation**" means the Managing Party's reasonable, itemized estimate of the Shared Costs for a fiscal year, exclusive of Utility Costs.

"**Exclusive-Use Area**" means the Court Exclusive-Use Area or the County Exclusive-Use Area, as determined by the context in which the term is used.

"**First Year**" means the time period, if any, commencing on the Responsibility Transfer Date and ending on June 30, 2008.

"**Hazardous Substance**" means any hazardous or toxic material, substance, or waste that is regulated or governed by any Law.

"**Interim Period**" means the period of time commencing on the Responsibility Transfer Date and ending on the Title Transfer Date.

"**JOA**" means this Joint Occupancy Agreement.

"**Land**" means the real property on which the Building and the Parking Area are located, comprising approximately 2.3 acres as described on Exhibit "A" to the Transfer Agreement, including (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, but subject to all covenants, conditions, restrictions, reservations, easements, rights, and rights of way of record, if any.

"**Law**" means State and federal codes, ordinances, laws, regulations, the California Rules of Court, and judicial and administrative orders and directives, to the extent binding on the County, the Council, the AOC, the Superior Court, or the Real Property, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, the Superior Court, or the Real Property.

"**Liability Claim**" means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of a Third Party (excluding any employees of State Parties or County Parties acting within the scope of their employment as such) in, on, or about the Real Property, or (2) damage to or destruction of personal property of a Third Party (other than personal property of a County Party or a State Party) in, on, or about the Real Property.

"**Major Defect**" means any Defect: (i) that cannot, with reasonable diligence, be corrected within ten days, or (ii) as to which the estimated cost to correct is reasonably expected to exceed $10,000.

"**Managing Party**" means the Council, subject to the Common Area Delegation set forth in section 3.2.2.2 of this JOA.

"**Miles Court Order**" means the executed Master Stipulation and Order Regarding Class Action Settlement filed on January 31, 2006 in the matter captioned *Miles, et al. v. County of Los Angeles, et al.*, USDC-CD No. CV 02-03932.

"**Non-Owning Party**" means the Party that is not the Owner.

"**Occupancy Agreement**" means any agreement or arrangement that entitles a Third Party to occupy or use any part of the Real Property.

"**Occupant**" means any Third Party that occupies, possesses, or uses the Real Property, whether or not there exists an Occupancy Agreement.

"**Operation**" means the administration, management, maintenance, and repair of designated areas of the Real Property (such as a Party's Exclusive-Use Area or the Common Area), and does not include additions or alterations covered by sections 3.2.1.3 or 3.2.2.3 of this JOA. For clarification, custodial services are not governed by this JOA.

"**Owner**" means the Party that owns fee title to the Real Property, which is the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

"**Parking Area**" means, together, the Superior Court Parking and the County Parking, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

"**Party**" means either the Council or the County, and "**Parties**" means the Council and the County.

"**Property Claim**" means any claim or demand submitted by a Party under its Property Insurance Policy arising from, or related to, the physical loss or damage to the Real Property.

"**Property Insurance Costs**" means those premiums required to provide or maintain any Property Insurance Policies obtained by a Party.

"**Property Insurance Policies**" means any policies of property insurance, self-insurance, or other forms of coverage obtained by a Party to insure against Property Losses.

"**Property Loss**" means any physical loss or damage to, or destruction of, the Real Property that arises from a cause other than the gross negligence or willful misconduct of a County Party or a State Party.

"**Real Property**" means the Land and the Building.

"**Responsibility Transfer Date**" means the date on which the Transfer of Responsibility takes place pursuant to the Transfer Agreement.

"**Second Year**" means the time period commencing on the later of July 1, 2008 or the Responsibility Transfer Date, and ending on June 30, 2009.

"**Security-Related Areas**" means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells and secured elevators, staircases, and corridors.

"**Security Services MOU**" means the Memorandum of Understanding and Comprehensive Court Security Plan between the County Sheriff's Department and the Superior Court executed in March and April, 2004 by the parties, respectively, as extended by that Extension To Agreement executed in June, 2007, and as amended or replaced from time to time.

"**Service Standards**" means those standards for the Operation of the Real Property set forth in **Attachment "3"** to this JOA.

"**Share**" means the Council Share or the County Share, as determined by the context in which the term is used.

"**Shared Costs**" means: (i) the cost of owned or rented capital replacement items, improvements, Building Equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area; (iii) the cost of obtaining and maintaining Equipment Permits, subject to section 3.2.4 below (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party's negligent failure to timely pay the cost or keep the Equipment Permits in effect); (iv) the Utility Costs for the Common Area; and (v) the Utility Costs for the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party's Exclusive-Use Area and can be differentiated as such; (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 an Emergency; (c) any Property Insurance Costs, unless the Parties enter into the separate, written agreement described in section 6.1 of this JOA; or (d) 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.

"**State Parties**" means the State of California, the Council, the AOC, and the Superior Court, and each of their respective officers, agents, and employees.

"**Superior Court**" means the Superior Court of California, County of Los Angeles.

"**Superior Court Area Services**" means the Operation of the Court Exclusive-Use Area for which the County will be responsible pursuant to section 3.2.1.2 of this JOA.

"**Superior Court Parking**" means 126 parking spaces in the Courthouse Parking Lot, as shown on Exhibit "C" to the Transfer Agreement.

"**Term**" means the term of this JOA, which commences on the Responsibility Transfer Date and continues indefinitely until the Parties enter into a Termination Agreement.

"**Termination Agreement**" means the document titled Termination of Joint Occupancy Agreement in the form and content substantially similar to **Attachment "1"** to this JOA.

"**Third Party**" means any person, entity, or governmental body other than a State Party or a County Party.

"**Title Transfer Date**" means the date on which the Quitclaim Deed (as defined in the Transfer Agreement) is recorded in the office of the County Recorder.

"**Total Exclusive-Use Area**" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

"**Transfer Agreement**" means that certain Transfer Agreement Between the Judicial Council of California By and Through the Administrative Office of the Courts and the County of Los Angeles for the Transfer of Responsibility for and Title to the Glendale Courthouse, of even date herewith.

"**Utilities**" means all of the utilities provided to the Real Property, except for telecommunications services provided by the County or by Third Parties.

"**Utility Costs**" means the actual cost of providing Utilities.

## 3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Transfer Agreement, and this JOA, during the Term, the County has the right to exclusively occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area, and the State Parties have the right to exclusively occupy and use the Court Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area. Each Party's non-exclusive right to use the Common Area must:

(i) not interfere with the other Party's use of its Exclusive-Use Area or the Common Area; (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 Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

3.2.1 Exclusive-Use Areas.

3.2.1.1 Responsibility. During the Term, each Party is responsible for the Operation of its Exclusive-Use Area at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Area, as long as those alterations and additions do not unreasonably interfere with the other Party's use of, or ingress to and egress from, its Exclusive-Use Area or the Common Area.

3.2.1.2 Superior Court Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date, and continuing thereafter for so long as the Parties agree consistent with the terms of this JOA (the "**Superior Court Area Delegation Period**"), the Council exclusively delegates its responsibility for the Operation of the Court Exclusive-Use Area (the "**Superior Court Area Delegation**") to the County, and the County accepts the Superior Court Area Delegation and agrees to be responsible for the Operation of the Court Exclusive-Use Area, and to keep and maintain the Court Exclusive-Use Area in good order and condition in accordance with Law and the Service Standards (the "**Superior Court Area Services**"). The Parties agree that the County does not have an obligation to inspect the Court Exclusive-Use Area, and is only required to provide the Superior Court Area Services to the extent the County becomes, or is made, aware of any condition or circumstance in the Court Exclusive-Use Area requiring the Superior Court Area Services. Without foreclosing any other channels of informal communication between the Parties, the Council Designated Representative and the County Designated Representative may discuss any matter related to the Superior Court Area Services. The Council shall reimburse the County for the cost and expense of the Superior Court Area Services in accordance with section 4 of this JOA. At the Council's request, the County shall provide reasonably detailed information regarding the Superior Court Area Services that have been or will be provided by the County, such as a service call log, including the list of services completed and status of pending work. The Council may withdraw and terminate the Superior Court Area Delegation either (i) for any reason and at any time during the Superior Court Area Delegation Period upon no less than 180 days prior written notice to the County, provided that the Superior Court Area Delegation Period shall last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services in

accordance with this section 3.2.1.2, or (b) perform the duties delegated to the County under section 3.2.2.2 of this JOA in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination.

3.2.1.3 Alterations. The Council may request that the County provide alterations and additions to the Court Exclusive-Use Area that are not otherwise required of the County as part of the Superior Court Area Services (the "**Additional Court Area Services**"). If the County consents to any such request, the Council and the County shall work together diligently and in good faith to prepare a service request (the "**Service Request**") describing the scope of services and a detailed estimate of the time and cost for completing the Additional Court Area Services. The County Designated Representative, or his or her designee, and the Council Designated Representative, or his or her designee, shall approve the Service Request in writing prior to the County incurring any costs or expenses under the Service Request. The County shall diligently pursue the completion of the Additional Court Area Services in accordance with the Service Request, and the Council shall be responsible to pay the costs and expenses set forth thereunder within 30 days following the completion (or, to the extent provided in the Service Request, the partial completion) of the Additional Court Area Services and the receipt of an invoice from the County, and reasonable documentation therefor, in respect of the Service Request. The Council shall not be responsible for any cost or expense not set forth in the Service Request, and the County must obtain the written consent of the Council Designated Representative, or his or her designee, to any change to the Service Request prior to incurring any such additional costs or expenses. Prior to undertaking any services in the Court Exclusive-Use Area, the County is responsible to determine whether such services are, in whole or in part, Superior Court Area Services or Additional Court Area Services, and to the extent the County incurs any cost or expense in connection with any Additional Court Area Services prior to obtaining the Council Designated Representative's, or his or her designee's, written approval of a Service Request, such services shall be deemed to be Superior Court Area Services provided by the County pursuant to section 3.2.1.2 of this JOA. For clarification, nothing in this section 3.2.1.3 limits or prevents the Council from obtaining services included as Additional Court Area Services from any Third Party.

3.2.2 Common Area.

3.2.2.1 Responsibility; Notice of Concerns. During the Term, the Managing Party is responsible for the Operation of the Common Area under this JOA, and the Contributing Party is responsible for paying its Share of the Shared Costs pursuant to section 4 of this JOA. During the Common Area Delegation Period (defined

below), the County shall undertake the Operation of the Common Area in accordance with the Service Standards. Notwithstanding the foregoing, at any time during the Term, the Party that is then responsible to perform the duties of the Contributing Party shall have the right to notify the Party that is then responsible to perform the duties of the Managing Party of specific questions or concerns that the Contributing Party has pertaining to any specific practices or protocols being used by the Managing Party in the Operation of the Common Area. Any such question or concern of the then Contributing Party will be communicated to the then Managing Party in writing and will set forth, in reasonable detail, the specific operating practice or protocol about which the then Contributing Party has questions or concerns (each a "**Notice of Concerns**"). The Party that receives a Notice of Concerns in its role as the Managing Party shall notify the then Contributing Party, in writing, within 15 days after the Managing Party's receipt of a Notice of Concerns, whether the Managing Party agrees to discontinue or modify the practice or protocol identified in the Notice of Concerns. If the Managing Party does not so agree, it shall state, in reasonable detail in its written response to the Contributing Party, the Managing Party's reasons for disagreement, which reasons may include, among other things, the impact that any change proposed by the Contributing Party would have on Shared Costs, the structural integrity of the Building, or the overall risk profile of the Real Property. Following the Managing Party's written response to any Notice of Concerns, either Party may, within 10 days, request a meeting, in person or by telephone, to attempt to resolve any remaining disagreement concerning the issues noted in the Notice of Concerns. If the Parties are not able to agree on a resolution to the issues identified in any Notice of Concerns prior to or during such meeting, then the Parties shall seek to resolve any remaining disagreement through the dispute resolution process set forth in section 11 of this JOA. For clarification, nothing in this section 3.2.2.1 modifies, limits, or diminishes the Council's right to terminate the Common Area Delegation, as provided in section 3.2.2.2, below.

3.2.2.2 Common Area Delegation. Notwithstanding anything to the contrary in this JOA, commencing on the Responsibility Transfer Date and continuing for as long as the Parties agree thereafter consistent with the terms of this JOA (the "**Common Area Delegation Period**"), the Council exclusively delegates all of its rights and duties as Managing Party to the County (the "**Common Area Delegation**"), and the County accepts the Common Area Delegation and agrees to act in its delegated role as the Managing Party on behalf of the Council. During the Common Area Delegation Period, the County shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Managing Party in this JOA, and the Council shall be entitled to all rights provided to, and shall be obligated to perform all duties required of, the Contributing Party in this JOA. The Council may withdraw and terminate the Common Area Delegation either (i) for any reason and at any time during

the Common Area Delegation Period upon no less than 180 days prior written notice to the County; provided that the Common Area Delegation Period will last for at least two years following the Responsibility Transfer Date, or (ii) due to the failure of the County either to (a) provide the Superior Court Area Services as required by section 3.2.1.2 of this JOA, or (b) perform the duties of the Managing Party in a commercially reasonable manner and in accordance with the provisions of this JOA, provided that the Council first complies with the terms of section 10.1 of this JOA, and provides the County with 90 days prior notice of such termination. Any termination of the Common Area Delegation by the Council pursuant to the foregoing sentence will take effect on the first day of a fiscal quarter, unless otherwise agreed in writing by the Parties. During the 180 days prior to the termination of the Common Area Delegation, the Parties shall work together diligently and in good faith to effect a smooth transition of the Managing Party responsibilities from the County to the Council, including, to the extent applicable, the transfer or assignment of vendor and service agreements, equipment manuals and instructions, outstanding service requests and service request histories, warranties and guarantees for the Building and Building Equipment, documentation for Shared Costs, and other similar items. For clarification, nothing in this section 3.2.2.2 limits either Party's exclusive right to occupy and use its Exclusive-Use Area and its non-exclusive right to occupy and use the Common Area under sections 3.1 and 3.3 of this JOA.

3.2.2.3 Alterations. At either Party's request, and with the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, the Managing Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost. If the Contributing Party neither consents, nor provides the Managing Party with 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 actually incurred by the Managing Party in making the Common Area alterations or additions up to the amount described in the Managing Party's request for consent.

3.2.3 Utilities. The Managing Party will be responsible to maintain all Utility accounts in its name and cause all Utilities to be provided to the Real Property. Each Party will be responsible for its Share of the fees and charges for Utilities provided to the Real Property on and after the Responsibility Transfer Date pursuant to section 4 of this JOA. Following the termination of the Common Area Delegation Period, the Parties shall work together diligently, and in good faith, to cause the County's accounts with the providers of Utilities to be closed and new Utilities accounts to be opened in the name of the Council or its designee.

3.2.4 Equipment Permits. The Managing Party is responsible for obtaining and maintaining the Equipment Permits, the cost of which will be a Shared Cost. Notwithstanding the foregoing, if, as of the Responsibility Transfer Date, any of the Equipment Permits are expired or otherwise not in full force or effect as a result of the County's failure to exercise diligent, good faith efforts or the County's negligence, the County will be solely responsible for all costs and expenses associated with initially obtaining or renewing such expired Equipment Permits.

3.2.5 Building Software. The County shall continue to maintain the Building Software and the County's hardware that operates the Building Software for the benefit of both Parties. The Council and the County shall work together, reasonably and in good faith, to determine if any licenses or other rights to use to the Building Software exist separate and apart from the Building Equipment, and which Party should be the licensee or rights holder thereunder. If agreed to by the Parties, the Parties shall then take the steps necessary to transfer control of such Building Software from the County to the Council, the AOC, or the Superior Court.

3.2.6 Correction of Defects.

3.2.6.1 Defect. Upon the Managing Party's discovery of a Defect, the Managing Party shall either (i) correct the Defect within 10 calendar days, or (ii) if the Defect is reasonably expected to be a Major Defect, send a written notice to the Contributing Party, within three business days, describing the Defect (the "**Major Defect Notice**"). If the Managing Party does not provide an estimate of the time and cost to correct the Defect as part of its initial Major Defect Notice, the Managing Party shall keep the Contributing Party reasonably apprised of the status of the obtaining such an estimate, and shall provide such estimate to the Contributing Party promptly following its completion. After delivery of any Major Defect Notice, the Managing Party shall make available to the Contributing Party, upon the Contributing Party's request, any information that the Managing Party has in its possession that would assist the Contributing Party in its evaluation of the nature and extent of the Major Defect, including any written reports, photographs, Incident reports (pursuant to section 6.5.2 of this JOA), and information that was, or is being, used to develop an estimate for the time and cost to correct the Defect.

3.2.6.2 Contributing Party's Right to Correct. If the Managing Party neither corrects the Defect nor sends a Major Defect Notice within the time periods provided in section 3.2.6.1 above, and if the Managing Party's discovery of the Defect in section 3.2.6.1 was by written notice received from the Contributing Party, then the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct any Defect in any reasonable

manner under the circumstances, provided that for any Major Defect, the Contributing Party must first prepare a Correction Plan pursuant to section 3.2.6.3 of this JOA.

3.2.6.3 Major Defect Correction Plan. For any Major Defect, within 15 days following the Contributing Party's receipt of a Major Defect Notice or the Contributing Party's notification to the Managing Party, the Parties shall meet and confer, in good faith, in person or by telephone, to determine a plan ("**Correction Plan**") for the correction of the Major Defect, including the method, estimated cost, and time period for the correction. If the Managing Party does not thereafter diligently pursue completion of the Major Defect in accordance with the Correction Plan, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct the Major Defect in a manner consistent with the Correction Plan. If the Party that actually performs the correction of the Defect (the "**Correcting Party**") at any time determines that the time or cost for correcting the Defect may exceed the time or cost set forth in the Correction Plan by more than 10 percent, the Correcting Party shall so inform the other Party, and promptly thereafter the Parties shall meet and confer, in good faith, to determine how best to amend or revise the Correction Plan to correct the Defect within a mutually acceptable timeframe and at a mutually acceptable cost.

3.2.6.4 Not Applicable to Emergencies. This section 3.2.6 does not apply to any Defect that arises from an Emergency, which Defects will be governed by section 3.2.7 of this JOA.

3.2.7 Emergencies. If any Emergency occurs, the Parties shall immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances, and the Managing Party shall promptly take steps to correct any Defect that arises from the Emergency. If the Managing Party does not promptly correct any such Defect arising from an Emergency, the Contributing Party may, without obligation and without giving any notice or commencing any cure period under section 10.1 of this JOA, correct that Defect without making any further demand on the Managing Party, and shall notify the Managing Party of the steps taken to correct the Defect as soon as reasonably possible. The Party that corrects a Defect arising from an Emergency under this section 3.2.7 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 3.2.8 of this JOA.

3.2.8 Correcting Party; Reimbursement. The Correcting Party shall be responsible for diligently pursuing the correction of any Defect pursuant to sections 3.2.6 or 3.2.7 of this JOA, and the non-Correcting Party shall reimburse the Correcting Party for the non-Correcting Party's Share of the actual costs that the Correcting Party incurs in

correcting any Defect. If the Correcting Party is the Managing Party, the Correcting Party shall be reimbursed in accordance with section 4 of this JOA, and if the Correcting Party is the Contributing Party, the Managing Party shall reimburse the Contributing Party for the Managing Party's Share of the costs to correct the Defect 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 Defect. Notwithstanding the foregoing, the Correcting Party shall not be entitled to reimbursement for amounts greater than 110 percent of the costs set forth in the Correction Plan (including any amendments or revisions thereto) approved by the non-Correcting Party pursuant to section 3.2.6.3 of this JOA. 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 Defect against any amounts that the Correcting Party owes to the non-Correcting Party under this JOA or any other agreement.

3.3 Right To Enter. Commencing on the Effective Date, the Parties agree that each Party has the right to enter all areas of the Real Property for purposes of performing any inspections or testing related to its occupancy or use of the Real Property or necessary for the Non-Owning Party's completion of the Transfer of Title, as defined in and governed by the Transfer Agreement. Each Party shall exercise its rights of ingress, egress, and access to, and use of, the Real Property under this section 3.3 in a reasonable, good faith manner, and shall make diligent efforts to minimize interference with the other Party's occupancy and Operation of its Exclusive-Use Area and its use of the Common Area, and the Managing Party's Operation of the Common Area. Neither Party shall perform, or direct any Third Party to perform, any destructive or invasive work on the Real Property without at least five business days' prior, written notice to the other Party stating the date and time when, and the location at which, the destructive or invasive work will be performed by or on behalf of the Party that is conducting the work ("**Testing Party**"), and generally describing the nature, scope, and duration of that work. The non-Testing Party is entitled, but not obligated, to have its employees or consultants observe the Testing Party's performance of any destructive or invasive work on the Real Property and to take split samples of any soil, ground water, or other substance or material that the Testing Party removes from the Real Property for laboratory analysis, all at the non-Testing Party's sole expense. The Testing Party shall make reasonable efforts to accommodate the scheduling needs of the non-Testing Party in scheduling any inspections or testing of the Real Property. All work performed by, or at the request of, the Testing Party, including all costs and expenses incurred in connection with that work, will be the sole liability and responsibility of the Testing Party, and the Testing Party must, at its sole expense, promptly repair any damage caused to the Real Property as a result of the work performed, such that the Real Property is returned to substantially the

same condition it was in before the destructive or invasive work was performed. The Testing Party shall comply with the terms of section 6.6 of this JOA in connection with any inspections or testing of the Real Property performed by Contractors.

3.4 Parking. The Managing Party is responsible for the Operation of the Parking Area, which is included in Common Area; provided, however, that the Council shall be solely entitled to all revenues arising from the Operation, leasing, or licensing of the Parking Area. The County Parking may be used by the County Parties, and their Contractors, invitees, licensees, and patrons, and the Superior Court Parking may be used by the State Parties, and their judges, jurors, Contractors, invitees, licensees, and patrons, on a first-come, first-served basis. Up to 3 of the parking spaces allocated to the County Parking in the Courthouse Parking Lot, and up to 9 of the parking spaces allocated to the Superior Court Parking in the Courthouse Parking Lot, may be designated or reserved. Otherwise, all of the County Parking and the Superior Court Parking will be undesignated parking spaces. Except for any parking spaces that may be reserved or designated under this JOA, the County Parking and the Superior Court Parking may be used by the staff or Contractors of the Managing Party, as needed, for the purpose of carrying out the duties of the Managing Party under this JOA. Commencing on the Effective Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Area, as provided in the Transfer Agreement and this JOA. The County and the Superior Court have agreed that the Superior Court Parking is parking of the same number, type, and convenience as the parking made available for Superior Court use on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities under the Security Services MOU.

3.5 Cooperation. The Parties shall cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner shall cooperate in good faith with the Non-Owning Party, 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 shall allow the other Party to enter its Exclusive-Use Area 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, subject to the exclusive delegations set forth in sections 3.2.1.2 and 3.2.2.2 of this JOA, but no delegation will relieve the delegating Party from its obligations under this JOA.

3.6 Security-Related Areas. In accordance with the Security Services MOU, the County shall remain responsible for the secure entry, exit, transport, and holding of prisoners attending Superior Court sessions to, from, in, and through the Security-Related

Areas, and shall have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.

3.7 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Area, in each case without contribution from the other Party, and the Managing Party is responsible for all Occupancy Agreements affecting the Common Area. The Party that is responsible for each Occupancy Agreement is entitled to all revenues arising from it; provided, however, that the Council is solely entitled to all revenues arising from the Parking Area and from vending machines in the Common Area and Exclusive-Use Areas, and the Parties shall share in any revenues received by the Managing Party arising from any other Occupancy Agreements affecting any other parts of the Common Area in accordance with their respective Shares.

3.8 Telecommunication Services. As of the Responsibility Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. In addition, the Building houses a "node" or "hub" which may connect telecommunication systems between and among other County-owned or -occupied buildings. Components of the County's telecommunication system include wiring, switches, routers, optical fibers, power supplies, cable modems, and antennas (collectively, the "**County Telecommunication Equipment**"), all of which shall remain the sole personal property of the County notwithstanding the Transfer of Responsibility and the Transfer of Title (as such terms are defined in the Transfer Agreement).

3.8.1 Cooperation; Interference With or Damage To County Telecommunication Equipment. The Council agrees to cooperate fully with the County to ensure that the County has ingress, egress, and access to each and every area of the Real Property, including the Court Exclusive-Use Area, in which any of the County Telecommunication Equipment, or any component thereof or connection thereto, is located, for the purpose of the County's continued operation, use, maintenance, repair, replacement, and expansion of its telecommunication system. The Council shall endeavor to ensure that no action of the State Parties, including facility alterations or upgrades, or other activities that may affect the electrical power or the controlled environment for various components of the telecommunication system, causes damage to any of the County Telecommunication Equipment, or interferes with the telecommunication services provided by the County. If any of the State Parties cause damage to any of the County Telecommunication Equipment or interference with the telecommunication services provided by the County, the County may make the necessary

repairs or replacements and the Council shall be responsible for all costs incurred by the County associated with such repair or replacement.

3.8.2 Council's Right to Provide Alternate Telecommunications System. The Parties agree that the Council may at any time provide a telecommunication system that replaces all or part of the County-provided telecommunication service, and at the County's sole discretion, existing wiring or other components may be used by the Superior Court or the Council for the replacement system. The fact that the Council may replace County systems in no way limits the Council's responsibility to ensure that the County continues to have access to the County Telecommunication Equipment located in or on the Real Property.

3.9 Criminal Background Screening. The Managing Party shall provide for the screening and approval of all County employees and County Contractors before they provide services in, or make deliveries to, any area of the Real Property. The screening must be conducted by 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 "2"** to this JOA sets forth the criteria for approval of a County employee or County Contractor 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 of County employees or County Contractors that have access to the Real Property, and, in such event, the Managing Party agrees to cooperate with the Contributing Party with respect to the screening of County employees or County Contractors that access the Real Property. Unless an exemption applies under section 3.9.2 of this JOA, only those County employees and County Contractors that have been screened and approved ("**Approved Persons**") may have unescorted access to the Real Property. Unscreened County employees and County Contractors may access the Real Property if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Superior Court if the Superior Court's Executive Officer, or his or her designee, consents to a Superior Court employee escorting and monitoring the unscreened person. The Managing Party shall ensure that the Operation of the Real Property is at all times consistent with this section 3.9, and for all Security-Related Areas, the Security Services MOU.

3.9.1 Approved Persons. The County shall issue an identification badge to each Approved Person bearing the Approved Person's name and picture, or affix a sticker or other marking on the existing badges of those Approved Persons, to indicate their right to access the Real Property. The Parties shall work together in a cooperative manner to ensure that Approved Persons enter only those portions of the Real Property

where work is to be accomplished, and enter the Security-Related Areas only in accordance with the Security Services MOU. Approved Persons must wear their identification badges in a readily visible manner whenever they are on the Real Property.

3.9.2 Exemptions. The following County employees and County Contractors are exempt from the requirements of this section 3.9: (i) County employees who are already engaged in providing services or materials to the Real Property on the Responsibility Transfer Date; and (ii) unscreened persons only when responding to and correcting a Defect arising from an Emergency under section 3.2.7 of this JOA.

3.9.3 DOJ and DMV Requirements. Notwithstanding anything in this JOA to the contrary, the County 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 County employee or County Contractor who has physical access to any portion of the Court Exclusive-Use 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**"). If requested by either the Superior Court or the AOC, the County must provide to either the Superior Court or the AOC suitable documentation evidencing the County's 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.

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

3.11 Miles Court Order. Notwithstanding any other provision of this JOA, but subject to the terms of this section 3.11, the County is responsible, at its sole cost and expense, for all of the County's obligations under the Miles Court Order with respect to the Real Property in its interior and exterior layout and configuration on the Responsibility Transfer Date, and upon reasonable notice to the Superior Court, and subject to any reasonable restrictions by the Council or the Superior Court, the County shall be allowed to enter the Court Exclusive-Use Area for all purposes related thereto. The Parties agree as follows with respect to performance of the obligations set forth in the Miles Court Order:

3.11.1 Maintaining Compliance. The County shall perform, at the County's sole cost, the work necessary for initial compliance with each of the County's obligations under the Miles Court Order, and the Parties shall thereafter share the costs and expenses of maintaining the Real Property in a condition that complies with the

requirements of the Miles Court Order in accordance with the terms of this JOA. As such, the County shall be solely responsible to maintain the County Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the County's sole cost; the Council shall be solely responsible to maintain the Court Exclusive-Use Area in compliance with the requirements of the Miles Court Order at the Council's sole cost; and the Managing Party shall be responsible to maintain the Common Area in compliance with the requirements of the Miles Court Order in accordance with the terms of this JOA, and the costs of such compliance in respect of the Common Area will be Shared Costs pursuant to section 4 of this JOA.

3.11.2 Obligations Triggered by Refurbishment or Repair Work. If alteration or repair work in or on the Real Property triggers additional obligations for compliance with the Miles Court Order, then the County will be solely responsible for the costs of such compliance in the County Exclusive-Use Area, the Council will be solely responsible for the costs of such compliance in the Court Exclusive-Use Area, and costs of such compliance in the Common Area will be Shared Costs pursuant to section 4 of this JOA.

## 4. SHARED COSTS

4.1 Estimate of Shared Costs of Operations. The Managing Party shall make timely, direct payment of all Shared Costs owed to Third Parties, and the Contributing Party shall reimburse the Managing Party for its Share of all Shared Costs under this section 4. At least 120 days before the first day of each fiscal year after the Responsibility Transfer Date, the Managing Party shall deliver to the Contributing Party a statement (the "**Estimate Statement**") itemizing the Estimated Shared Costs of Operation, together with copies of reasonable documentation supporting the Estimated Shared Costs of Operation and, to the extent not already provided, copies of invoices, bills, and other similar supporting documentation for Utility Costs. The Contributing Party shall either comment on or approve the Estimate Statement within 30 days, and if the Contributing Party disapproves any of the Estimated Shared Costs of Operation in the Estimate Statement, the Parties shall promptly meet and discuss the reason for the disapproval. When the Parties reach agreement with respect to all Estimated Shared Costs of Operation, the Managing Party shall, if necessary, revise the Estimate Statement, which both Parties shall approve. Until the Contributing Party approves the Estimate Statement, the Contributing Party shall pay its Share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each calendar month, the Managing Party shall deliver to the Contributing Party a statement (the "**Monthly Invoice**") itemizing the actual Shared Costs incurred during the previous

calendar month ("**Actual Shared Costs**"). Within 30 days after a written request by the Contributing Party, the Managing Party shall also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Monthly Invoice. The Contributing Party shall pay its Share of the Actual Shared Costs to the Managing Party within 30 days after its receipt of the Monthly Invoice, up to the Contributing Party's Share of 110 percent of the Estimated Shared Costs of Operation and Utility Costs for that fiscal year. If the Actual Shared Costs exceed the sum of Estimated Shared Costs of Operation plus Utility Costs ("**Excess Costs**") by more than 10 percent, or if the Managing Party has failed to provide the Contributing Party with adequate documentation supporting the Actual Shared Costs within 10 days following request by the Contributing Party, or if the Contributing Party reasonably believes that the amount of Actual Shared Costs may be in error, the Contributing Party will not be obligated to pay such Excess Costs until the Parties meet and reach agreement regarding the amount of the Excess Costs.

4.2.1 Agreement for Quarterly Invoicing and Payment. The Managing Party may, upon 30 days prior written notice to the Contributing Party, elect to deliver invoices itemizing Actual Shared Costs on a quarterly basis rather than on a monthly basis, in which event, the Contributing Party shall pay all invoices itemizing Actual Shared Costs on a quarterly basis, and all references to "calendar month" in section 4.2 of this JOA will be automatically amended to refer to "fiscal quarter" and the defined term "Monthly Invoice" in this JOA will be automatically amended to "Quarterly Invoice".

4.3 Council as Managing Party. If the Council is responsible for the obligations of the Managing Party under this JOA, then notwithstanding the provisions of sections 4.1 and 4.2 of this JOA to the contrary: (a) following its approval of the annual Estimate Statement, the Contributing Party shall pay its Share of (i) the Estimated Shared Costs of Operation based on the approved Estimate Statement, and (ii) the estimated Utility Costs, 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 Statement, in equal quarterly installments in advance on the first day of each fiscal quarter; (b) if the Actual Shared Costs are less than the Estimated Shared Cost of Operation plus Utility Costs for a particular fiscal quarter, the Managing Party shall refund the amount overpaid to the Contributing Party within 30 days after the Managing Party's delivery of the 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; and (c) the Contributing Party shall pay any Excess Costs to the Managing Party within 30 days after its receipt of the Quarterly Invoice, except that (i) if the Excess Costs are more than 10 percent of the sum of Estimated Shared Costs of Operation and Utility Costs for any fiscal quarter, or (ii) 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 shall continue to make payment of its Share of the Shared Costs based on the Estimate Statement, but may defer payment of the Excess Costs (or, in the case of (ii) 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.

4.4 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in an Excess Cost in an amount greater than 10 percent of the Estimated Shared Costs of Operation shown on the Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the amount and reason for such Excess Costs, except that no notice need be given to the Contributing Party under this section 4.4 if the Excess Costs arise from the correction of a Major Defect under section 3.2.6.3 of this JOA. 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 calendar 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 shall 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.

4.5 Records Retention; Audit Rights. The Parties shall maintain all records relating to this JOA, in compliance and consistent with applicable law. The Managing Party shall also maintain an accounting system, supporting fiscal records, and agreements related to the Real Property, adequate to ensure that all claims and disputes arising under this JOA can be resolved in accordance with the requirements of this JOA and the Act, for the period of time generally required by applicable Law. 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 costs incurred related to the Actual Shared Costs for up to 18 calendar months prior to the date of the Contributing Party's inspection. The Parties shall cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference by either Party. If the Contributing Party disputes any Actual Shared Costs for any of the immediately preceding 18 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 year, the Parties shall make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit and receipt of the final audit document by both Parties. 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 4.5.

4.6 Limitation on Actual Shared Costs.

4.6.1 First and Second Year Costs. Notwithstanding any provision of this JOA to the contrary, during the First Year and the Second Year, the Parties agree that the Council, in its delegated role as the Contributing Party, shall pay the County, in its delegated role as the Managing Party, the following amounts in lieu of paying (a) the Contributing Party's Share of the Actual Shared Costs incurred during the applicable time period, and (b) any cost or expense associated with the County's provision of the Superior Court Area Services under section 3.2.1.2:

4.6.1.1 First Year Costs. In respect of the First Year, the Council shall pay the County an amount equal to the sum of (i) $215,398 (the "**First Year Basic Costs**"), as prorated by the number of months of the Term, out of 12, that fall within the First Year, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA; and

4.6.1.2 Second Year Costs. In respect of the Second Year, the Council shall pay the County an amount determined as follows: (a) if the Responsibility Transfer Date occurs prior to July 1, 2008, then for the Second Year, the Council shall pay an amount equal to the sum of (i) the First Year Basic Costs multiplied by the DOF Inflator (defined below), plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA. As used in this section 4.6.1.2, the term "**DOF Inflator**" means the fraction in which the denominator is the final value of the DOF Inflation Index (defined below) for February 2007, and the numerator is the DOF Inflation Index for February 2008. The term "**DOF Inflation Index**" means the final value of the inflation index described in section 70355 of the Act that is published on a monthly basis by the State Department of Finance; or (b) if the Responsibility Transfer Date occurs on or after July 1, 2008, then during the Second Year, the Council shall pay an amount equal to the sum of (i) $215,398, as prorated by the number of months of the Term, out of 12, that fall within the Second Year, as adjusted by the change in the DOF Inflation Index as compared with the

forecasted inflation index actually used by the County in calculating the County Facilities Payment set forth in section 6 of the Transfer Agreement, plus (ii) the Council Share of Utility Costs, and (iii) the Council Share of any Property Insurance Costs incurred by the County, but only if the Parties enter into the separate, written agreement described in section 6.1 of this JOA. Whichever of the amounts described in (a)(i) and (b)(i) of this section 4.6.1.2 applies will be the **"Second Year Basic Costs"** for purposes of this JOA.

4.6.1.3 Time for Payment; Applicability. Acting as the Contributing Party, in respect of the First Year, the Council shall pay the First Year Basic Costs, and in respect of the Second Year, the Council shall pay the Second Year Basic Costs, or the prorations thereof as defined in sections 4.6.1.1 and 4.6.1.2 above, in equal monthly installments within 30 days following the Contributing Party's receipt of a Monthly Invoice setting forth the Utility Costs for the applicable calendar month. For clarification, (i) the amounts of First Year Basic Costs and Second Year Basic Costs will not be affected by the amounts of Actual Shared Costs or the actual cost of the Superior Court Area Services incurred by the County during the First Year or the Second Year, respectively, and (ii) the First Year Basic Costs and the Second Year Basic Costs do not include the costs associated with Utilities, custodial services, alterations or additions (described in sections 3.2.1.3 or 3.2.2.3 above) made or provided to the Real Property, or any Property Insurance Costs. The terms of this section 4.6.1 will no longer be applicable following the earlier of (i) the end of the Second Year, or (ii) the date that the Common Area Delegation is terminated.

4.6.2 Costs After Expiration of Second Year.

4.6.2.1 Common Area Costs. If the Common Area Delegation Period continues after the end of the Second Year, then the Council, in its delegated role as the Contributing Party, shall thereafter pay the County, in its delegated role as the Managing Party, an amount equal to the Council's Share of the Actual Shared Costs incurred during the applicable time period in respect of the Operation of the Common Area, as provided in section 4.1 through 4.5 of this JOA.

4.6.2.2 Superior Court Area Costs. If the Superior Court Area Delegation Period continues after the end of the Second Year, then the Council shall thereafter pay the County the actual cost and expense associated with the County's performance of the Superior Court Area Services until the Superior Court Area Delegation is terminated.

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

### 5.1 Right of First Refusal and Increase of Space In Building

5.1.1 Right of First Refusal for Excess Area. At least 30 days before either Party leases, licenses, or transfers to any Third Party, or allows a Third Party to use, all or any portion of its Exclusive-Use Area that is not needed in connection with its operations ("**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**"). 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 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 shall 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. Neither Party is required to comply with the provisions of this section 5.1.1 prior to leasing, licensing, transferring, or otherwise allowing any Occupant to occupy or use a portion of its Exclusive-Use Area to the extent that such Occupant's use or occupancy is consistent with, or complementary to, its existing operations in the Building.

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 shall 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 for the Additional Area), subject to section 5.1.4 of this JOA, or the Parties may agree to amend this JOA to adjust the Parties' respective Shares for purposes of allocating responsibility for payment of Shared Costs, and/or to include a reasonable rent for the Additional Area.

5.1.3 No Adjustment to Shares. If a Party rents or licenses any Excess Area or Additional Area under section 5.1.1 or 5.1.2, above, the rental or licensing transaction will not result in a change to the Parties' Shares. Rather, the rent or license fee paid by the Party renting or licensing the Excess Area or the Additional Area will be

deemed to include the Shared Costs applicable to the Excess Area or the Additional Area, as applicable. The Parties' Shares for purposes of determining the Parties' Equity in the Real Property will be adjusted only if one Party at any time buys the other Party's rights to occupancy and use of the Real Property for fair market value under section 4.3.13 of the Transfer Agreement, or as otherwise agreed to by the Parties in writing.

5.1.4 Terms of this JOA Not Affected. Any leasing or license 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 written agreement, or an amendment to this JOA, entered into by the Parties for the Excess Area or the Additional Area.

5.2 Compatible Use; Hazardous Substances.

5.2.1 Compatible Use. Each Party shall use, and shall require that any Occupant use, its Exclusive-Use Area in a manner that is compatible with the Parties' use of the Building on the Responsibility Transfer Date and that does not deteriorate or diminish the other Party's ability to use its Exclusive-Use Area or the Common Area effectively. The Party responsible for each Occupant that occupies any of the Common Area must ensure that that Occupant uses its space in a manner compatible with the Parties' use of the Building.

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

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Responsibility Transfer Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act (which section of the Act generally permits a Party occupying 80 percent or more of the Building to require the other Party to vacate the Real Property), 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 shall repair, at its sole cost, any damage it causes to any part of the Real Property 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 or the fair market value of the Vacating Party's relocation costs, the Parties shall use the valuation methodology described in section 4.3.13 of the Transfer Agreement to

determine such values. The Parties shall enter into a written agreement to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties shall enter into a Termination Agreement, substantially similar to **Attachment "1"** attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.4 Termination of JOA. If the Parties agree to terminate this JOA as authorized by this JOA or the Act, the Parties shall enter into a Termination Agreement.

## 6. PROPERTY LOSSES; INSURANCE

6.1 Property Insurance. The Owner may, without obligation and at the Owner's sole cost, obtain one or more Property Insurance Policies to insure against Property Losses, and the Owner will be solely entitled to all proceeds from such Property Insurance Policies. The Owner may, in its sole discretion, agree in writing to make the Non-Owning Party an additional insured or a joint loss payee in respect of Owner's Property Insurance Policies, provided that the Non-Owning Party agrees to pay its Share of the Property Insurance Costs arising from such Property Insurance Policies. The Parties agree to enter into a separate written agreement by no later than the date on which the Owner adds the Non-Owning Party as an additional insured or joint loss payee under the Property Insurance Policies, which agreement will provide for the allocation of the proceeds from the Property Insurance Policies following a Property Loss. Whether or not the Non-Owning Party becomes an additional insured or joint loss payee under the terms of any Property Insurance Policy obtained by the Owner, the Owner shall waive and require the provider of the Property Insurance Policy to waive any right of recovery it may have against the Non-Owning Party.

6.1.1 Compliance with Requirements of Property Insurance Policies. If a Party obtains any Property Insurance Policies (the "**Insuring Party**"), the non-Insuring Party shall comply in all material respects with the reasonable requirements for use of the Real Property set forth in such Property Insurance Policies; provided that (i) the Insuring Party has provided reasonable notice of such requirements to the non-Insuring Party, and (ii) such requirements are consistent with, and do not materially limit, the non-Insuring Party's use of the Real Property.

6.2 Relocation Costs. Either Party may, without obligation and at its own sole cost, obtain one or more Property Insurance Policies to insure against the cost of relocation to and occupancy of alternative space necessitated by a Property Loss for which it is responsible pursuant to section 7.1 of this JOA, and the Party obtaining such Property Insurance Policies shall be solely entitled to all proceeds from such Property Insurance Policies.

6.3 Allocation of Risk for Property Claims. Subject to section 7 below, each Party shall be solely responsible for, and bear all of the risk arising from, Property Losses in the following manner:

6.3.1 First and Second Year Property Losses. During the First Year and the Second Year, the County shall be solely responsible for, and shall pay all costs arising from, any Property Loss; provided, however, that the provisions of this section 6.3.1 will have no force or effect if the Common Area Delegation is terminated prior to the expiration of the Second Year.

6.3.2 Post-Second Year Property Losses. Following the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation, the Parties shall be responsible for Property Losses, as follows:

6.3.2.1 Areas For Which County is Solely Responsible. For a Property Loss that originates in a portion of the Real Property for which the County is, on the date of the Property Loss, solely responsible for maintenance and repair services, the County shall be solely responsible for, and shall pay all costs arising from, any such Property Loss that both (i) exceeds $10,000, and (ii) arises from a cause set forth in **Attachment "4"** of this JOA. For clarification, the Parties shall be responsible for all Property Losses not meeting the requirements of both (i) and (ii) above in this section in accordance with section 6.3.2.2, below.

6.3.2.2 Areas For Which County Is Not Solely Responsible. For a Property Loss that either (i) originates in a portion of the Real Property for which the County is not, on the date of the Property Loss, solely responsible for maintenance and repair services, or (ii) does not meet the requirements of both (i) and (ii) of section 6.3.2.1 of this JOA, each Party shall be solely responsible for, and shall bear all of the risk arising from, Property Losses that affect its Exclusive-Use Area, and the Parties shall be jointly responsible for all Property Losses that affect the Common Area in accordance with their Shares.

6.3.2.3 State Parties' Right to Buy Property Insurance. For a Property Loss that is not the responsibility of the County pursuant to sections 6.3.2.1 and 6.3.2.2 of this JOA, the State Parties may, without obligation and at the State Parties' sole cost, obtain one or more Property Insurance Policies to insure against Property Loss, and the State Parties will be solely entitled to all proceeds from any such Property Insurance Policies. If any State Party purchases a Property Insurance Policy, it shall ensure by specific endorsement to the Property Insurance Policy, that the Property Insurance Policy will not impair the County's right to recover under the terms of any Property Insurance Policy that the County obtains under section 6.1 of this JOA, and the State Parties shall

waive and shall require the provider of its Property Insurance Policy to waive any right of recovery it may have against the County.

6.4 Full Cost of Repairs. The Parties agree that the Parties' obligations under sections 6.3.1 and 6.3.2 of this JOA include the responsibility for the full cost and expense of restoring or replacing the damaged portions of the Real Property arising from the Property Loss ("**Damaged Property**") to the condition immediately preceding the Property Loss in compliance with the applicable Law, including the demolition and replacement of the undamaged components of the Real Property, but only to the extent necessary to restore or replace the Damaged Property, and the upgrade or alteration of components or systems of the Real Property, but only to the extent required by applicable Law, and subject to the limitations set forth in section 7 of this JOA. However, the Parties shall be responsible for the cost and expense of alterations, improvements, or upgrades to the Damaged Property that are above and beyond the restoration or replacement of the Damaged Property in accordance with their Shares.

6.5 Reporting and Processing Claims.

6.5.1 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 Loss, Property Claim, or Liability Claim (each, a "**Claim**", and together, "**Claims**"), or if a Party otherwise becomes aware that an Incident has occurred, that Party shall make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties shall 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 sections8.1 or 8.2 of this JOA. If the Parties are not able to so agree, then they shall proceed as set forth in section 11 of this JOA.

6.5.2 Incident Reports. The Managing Party shall 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 shall provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.

6.6 Third-Party Contractor Insurance. Each Party must require each of its Contractors to (i) obtain and maintain insurance of the type and with coverage amounts that are usual and customary to the type of business or exposures related to the work being performed on the Real Property, (ii) name both Parties as additional insureds by specific endorsement to their general liability policies, (iii) provide a waiver of subrogation in favor of both Parties with respect to all property insurance policies, and

(iv) provide to the Parties a 30-day notice of cancellation or material change in any insurance coverage required hereunder. Unless the Parties otherwise agree, all Contractors must indemnify, defend, and hold harmless the County Parties and the State Parties from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses arising from the performance by the Contractors under their contracts, and neither Party waives any right of recovery or subrogation against the other in respect of their contractual arrangements with the Contractors.

6.7 Workers' Compensation Coverage. Each Party shall maintain its own workers' compensation insurance covering its own employees, and neither Party shall have any liability or responsibility for any claims which could be covered by workers' compensation for employees of the other Party.

## 7. DAMAGE OR DESTRUCTION

7.1 Damage or Destruction Event. If, due to a Property Loss, the Real Property cannot be occupied by one or both Parties, each Party shall be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, but in no event later than 180 days after a Property Loss, each Party shall notify the other in writing ("**Restoration Election Notice**") whether it wishes to restore or replace the Damaged Property.

7.2 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties shall cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the portion of the costs to restore or replace the Damaged Property for which it is responsible in accordance with sections 6.3 or 6.4 (as applicable) of this JOA; provided that if, pursuant to section 6.3.2.2 of this JOA, the Parties are responsible for the Property Loss in accordance with their Shares, and the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares, the Parties shall each pay the costs and expenses to restore or replace the Damaged Property according to their newly determined Shares.

7.3 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 shall meet and confer in good faith to determine how to proceed with respect to: (i) the Damaged Property, and (ii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they shall proceed as set forth in section 11 of this JOA.

7.4 Neither Party Elects to Restore or Replace. If neither Party elects to restore or replace the Damaged Property, and any of the Non-Owning Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss, then the Parties shall meet and confer in good faith to determine how to proceed with respect to (a) the Damaged Property; and (b) compensation for the Equity rights of either Party in the Real Property, if applicable. Following such meeting, the Owner shall compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area, determined in the manner described in section 4.3.13 of the Transfer Agreement, and the Parties shall amend this JOA to reflect the changes in the Parties' Equity rights, which amendment will become effective when the Non-Owning Party has been compensated. Unless the Parties have otherwise agreed in writing under section 6.1 of this JOA, and except as otherwise provided in section 6.3.2.3 of this JOA, if applicable, the Non-Owning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Owning Party will no longer occupy all or any part of the Building due to Property Loss that neither Party elects to restore or replace, then the Parties shall either (i) amend this JOA to reflect any change in the Parties' respective Shares if the Non-Owning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in the Building and the Non-Owning Party has been fully compensated for its Equity rights, by signing a Termination Agreement.

## 8. INDEMNIFICATION

8.1 Indemnification Obligation of Council. The Council will and does indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County, from and against all liability, damages, attorney fees, costs, expenses, or losses (referred to in this section 8 as "**Indemnified Loss**") arising from (i) all Council Claims, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the State Parties, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the Council.

8.2 Indemnification Obligation of County. The County will and does indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the AOC, from and against all Indemnified Loss arising from (i) the willful misconduct or negligence of any of the County Parties in the provision of the Superior Court Area Services or the Additional Court Area Services, (ii) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligence of any of the County Parties, including, without limitation, the willful or negligent failure by any of the County Parties to provide building maintenance in the

Building and grounds maintenance on the Land to the extent required in accordance with the terms of this JOA, and (iii) any personal injury or Third Party property damage arising from any activities conducted on the Real Property pursuant to section 3.3 of this JOA by or at the request of the County.

8.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Claims for which it is responsible under sections 8.1 or 8.2, as applicable (the "**Indemnified Claims**"). 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 Indemnified 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 an Indemnified Claim, the indemnifying Party shall cooperate with the indemnified Party, and the attorney retained by the indemnified Party, and the indemnified Party and its attorney shall cooperate with the indemnifying 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, including, without limitation, with respect to the Common Area Delegation under this JOA. The indemnifying Party shall have no right of set-off in respect of payment of any Indemnified Loss to the indemnified Party under this JOA.

## 9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property ("**Condemnation Notice**"), that Party shall immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties shall 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

10.1 Event of Default. Upon the occurrence of a breach or default by the Council or the County of any provision of this JOA, the non-defaulting Party shall provide written notice to the defaulting Party of the breach or default ("**Default Notice**"). Upon receipt of the Default Notice, the defaulting Party shall 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 so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("**Cure Period**"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "**Event of Default,**" and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 11 of this JOA. The Parties may mutually agree to commence the dispute resolution procedures in section 11 of this JOA before the end of the Cure Period.

10.2 Insufficient Funds. Notwithstanding anything in this JOA or the Transfer Agreement to the contrary, no default or breach will be deemed to have occurred if the Council is unable to pay any amounts due and owing under this JOA as a result of either (i) the State of California's failure to timely approve and adopt a State budget, or (ii) the State Controller's determination that the Council has insufficient funds to pay such amounts. In such an event, the Council shall promptly pay any previously due and unpaid amounts due and owing under this JOA upon approval and adoption of the State budget or the State Controller's determination that the Council has sufficient funds to make such payments.

## 11. DISPUTE RESOLUTION

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties shall, before exercising any other right or remedy for resolution of the dispute, meet and confer in good faith to attempt to resolve the dispute through unassisted negotiation. Each of the Parties shall be represented in any such negotiating session by a representative who is familiar with the facts of the dispute, and who has authority to negotiate on behalf of, and to effectively recommend settlement to, the Party that he or she represents.

## 12. NOTICES

Any notice or communication required to be sent to a Party pursuant to this JOA related, or delivered pursuant, to (i) the termination of the Superior Court Area Delegation or the Common Area Delegation under sections 3.2.1.2 and 3.2.2.2 of this JOA, respectively, or (ii) sections 5, 6, 7, 8, 9, 10, 11, and 14 of this JOA, 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 in this section 12 below, and to the Parties' Designated Representatives pursuant to section 13 of this JOA. Routine exchange of information may be conducted via telephone, facsimile, or electronic means, including e-mail. All other notices or communications, including notices related to estimates, invoices, Emergencies, Defects, Correction Plans, and audits, shall be delivered to the Parties' Designated Representatives pursuant to section 13 of this JOA.

If to the Judicial Council:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Portfolio Administration Analyst, Southern Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
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 JOA or an alleged breach or default by the Council or the AOC of this JOA 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 Los Angeles
Board of Supervisors
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

With a copy to:

County of Los Angeles
Chief Executive Officer
Attention: Manager, CEO
Asset Planning and Strategy
754 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012
Voice: 213-893-2476
Fax: 213-626-7827

A Party may change its address for notice under this JOA by giving written notice to the other Party in the manner provided in this section 12. Any notice or communication sent under this section 12 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.

## 13. DESIGNATED REPRESENTATIVES

The Parties shall each identify and appoint an individual who shall have authority to bind it to all matters and approvals related to Operations undertaken with respect to the Real Property under this JOA. Each Party may change its Designated Representative by written notice to the other. Each Party hereby acknowledges and agrees that its Designated Representatives shall bear primary responsibility for the giving and receipt of notices, and for the coordination of its administrative obligations, under this JOA, but neither Party's Designated Representative has any authority to alter, amend, or modify the rights or obligations of such Party under this JOA. The contact information for the initial Council Designated Representative is:

Kenneth S. Kachold
Regional Manager of Facility Operations, Southern Region
Office of Court Construction and Management
Judicial Council of California - Administrative Office of the Courts
2255 North Ontario Street, Suite 200
Burbank, CA 91504
Phone: 818-558-3079
Fax: 818-558-3112
Email: kenneth.kachold@jud.ca.gov

The contact information for the initial County Designated Representative is:

Tim Braden, General Manager
Facilities Operations Service
Internal Services Department
1100 N. Eastern Avenue
Los Angeles, CA 90063
Phone: 323-267-2107
Fax: 323-881-0290
Email: tbraden@isd.lacounty.gov

## 14. MISCELLANEOUS

14.1 Amendment. This JOA may be amended only by written agreement signed by both of the Parties.

14.2 Waivers. No waiver of any provision of this JOA will be valid unless it is in writing and signed by the Party making such waiver. Waiver by either Party at any time of any breach of this JOA cannot be deemed a waiver of or consent to a breach of any other provision of this JOA or a consent to any subsequent breach of the same or another provision of this JOA. 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 subsequent occasion or a consent or approval of any other action.

14.3 Force Majeure. Neither Party is responsible for performance in accordance with the terms of 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.

14.4 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.

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

14.6 Third Parties Benefited. The Superior Court is an intended beneficiary of all provisions of this JOA for the benefit of the Council.

14.7 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. The word "or" when used in this JOA is inclusive and can mean both. This JOA will not be construed against either Party as the principal draftsperson. 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 JOA and not otherwise defined herein will have the meanings given to them in the Transfer Agreement.

14.8 Integration. This JOA and the Transfer 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.

14.9 Incorporation By Reference. The Attachments attached to this JOA are all incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments will be deemed to include the entirety of this JOA.

14.10 Severability. If any term of this JOA is inconsistent with applicable Law, then on the request of either Party, the Parties shall 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.

14.11 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 shall 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.

14.12 Conflicts Between JOA and Transfer Agreement. The Transfer Agreement supersedes and controls to the extent of any conflicts between the terms of the Transfer Agreement and this JOA.

14.13 Signature Authority. The Council and the County each certify that the individual signing this JOA on its behalf is duly authorized and empowered to do so.

14.14 Independent Contractors. The relationship of the Parties to each other hereunder will be that of independent contractors, and nothing herein shall be construed to create a partnership, joint venture, employer-employee, or agency relationship between or among any of the County Parties or the State Parties.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties enter into this JOA as of the Effective Date.

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: Dianne Barry, Attorney

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:
Sachi A. Hamai, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
YVONNE B. BURKE
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

# 11 JUL 29 2008

SACHI A. HAMAI
EXECUTIVE OFFICER

26647

## LIST OF ATTACHMENTS


| | |
|---|---|
| Attachment "1" | Form of Termination of Joint Occupancy Agreement |
| Attachment "2" | Criteria for Approving County Employees and County Contractors with Respect to Background Checks |
| Attachment "3" | Service Standards |
| Attachment "4" | Causes of Loss |

## ATTACHMENT "1" TO JOA

## FORM OF 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, ("**Council**") acting by and through the Administrative Office of the Courts, staff agency to the Council ("**AOC**"), and the County of Los Angeles ("**County**"). The Council and the County each constitute a "**Party**" and collectively constitute the "**Parties**" to this Termination.

RECITALS

A. On _____, 2008, the County and the Council entered into a Transfer Agreement (the "**Transfer Agreement**") for the Transfer of Responsibility for portions of, and a Transfer of Title to, the Glendale Courthouse, which is located in a building on certain real property in the City of Glendale, County of Los Angeles, State of California and having a street address of 600 East Broadway (along with appurtenant parking, and as more completely described in the Transfer Agreement, the "**Real Property**"), with the legal description of the Real Property set forth on Exhibit "A" of the Transfer Agreement.

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

C. The County and the Council now desire to terminate the JOA.

NOW, THEREFORE, County and Council do hereby agree that the JOA is terminated, and is no longer of any force or effect.

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: _____

**JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: _____
Title: _____
Administrative Office of the Courts

ATTEST:
_____, Executive Officer
Board of Supervisors

By: _____
Deputy

**COUNTY OF LOS ANGELES, a body corporate and politic**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
County Counsel

By _____
Deputy County Counsel

## ATTACHMENT "2" TO JOA

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

No County employee or County Contractor may access or work unescorted in any 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 "2"**).

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 County 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 County shall <u>not</u> include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS shall notify the County 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 superior or federal court regardless of whether sentence is imposed by the court.

## APPENDIX 1 TO ATTACHMENT "2"

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 "3" TO JOA

# SERVICE STANDARDS

[See Attached]

# Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Hardware and Locks*** | | | | | | | | |
| Building hardware (e.g. door handles, closers, etc.) | X | | | | X | X | X | |
| Replacement of keys (other than furniture keys) and card access devices. | | | | | | | X | |
| ***Carpentry*** | | | | | | | | |
| Wood, Formica and wooden structural members | | X | X | | | | | |
| Ceiling tiles | | | | | | | X | |
| Building-related signage (but not customer signage) | | | | | | X | X | |
| ***Electrical Systems*** | | | | | | | | |
| All electrical systems | X | | X | | | X | X | X |
| Electrical panels | X | | | X | | X | X | |
| Motor controllers | X | | | X | | X | X | |
| Connections/terminals | | | | X | X | X | X | |
| Controls/other accessories | X | | | X | X | X | X | |
| Electrical motor service | X | | | | X | X | X | |
| Lighting (bulbs, ballasts, fixtures and diffusers) including exterior lighting | | X | | | | X | X | |
| Cleaning of light fixtures -- as needed | X | | | | | | | |
| Emergency power systems | X | | X | | X | X | X | X |
| BEAS equipment: data gathering panels; space sensors; equipment control points | X | | | | X | X | X | |
| ***Fire Extinguishing/Fire Alarm Systems*** | | | | | | | | |
| Automatic fire extinguishing systems, including stand pipes | X | | X | X | | X | X | X |
| Manual fire extinguishings devices/systems | X | | X | X | | | X | |
| Fire detection and alarm systems | X | | X | X | | X | | X |
| ***Plumbing*** | | | | | | | | |
| Plumbing fixtures (e.g. toilets, sinks, urinals, faucets) | | | | | | X | X | |
| Internal drains (sanitary and free of debris) | X | | X | X | | X | X | |
| Piping, tanks and liquid enclosures | X | | X | X | | X | X | |
| Backflow devices | X | | X | X | X | X | X | X |

## Scope of Services Statement - BUILDING MAINTENANCE

| | Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|---|
| ***Heating/Ventilation/Air Conditioning (HVAC) Equipment*** | | | | | | | | |
| Air conditioning systems | X | | X | | X | X | X | X |
| Control air systems (compressor units, filters, regulators, safety devices) | X | | | X | X | X | | X |
| Fan systems | X | | | | X | X | | |
| Cleaning of HVAC ducts -- as needed | X | | | | | | | |
| Boilers | X | | | | X | X | | |
| Water treatment | | | | | X | | | X |
| ***Elevators, Escalators and Lifts*** | | | | | | | | |
| Elevators | X | | X | X | X | X | X | X |
| Escalators | X | | X | X | X | X | X | X |
| Dumbwaiters | X | | X | X | X | X | X | X |
| ***Roofing*** | | | | | | | | |
| Maintain leak free environment | X | | | X | | X | | X |
| Roof drains free of debris and free flowing | X | | | X | | | | |
| Roof decks | | | | | | X | X | |
| ***Sheetmetal*** | | | | | | | | |
| HVAC ducts | X | | | | | X | | |
| Door/window frames except those included under Carpentry | X | | | | | X | X | |
| Toilet partitions/doors | X | | | | | X | X | |
| Metal/glass doors | X | | | | | X | X | |
| Flagpoles and halyards | X | | | | | X | X | |
| Fences/gates | X | | | | | X | | |
| Roll-up doors | X | | | | | X | | |
| Gutters/spouts/flashings | X | | | | | X | X | |
| ***Hazardous Materials*** | | | | | | | | |
| Handling/storage/disposal of FOS-generated materials | | | X | | | | | |

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***Equipment Rooms and Electrical Closets***

- To be accessed only by maintenance and/or custodial service providers designated by the Managing Party.
- Shall not be used for customer storage.
- All equipment will be properly identified.
- Shall be kept clean of debris.
- Materials shall be arranged/stored in an orderly manner on a weekly basis.

***Timing of Maintenance***

- Advanced notification/coordination shall be made with court administrator when equipment must be shut down for maintenance/repairs/replacement or alterations.
- Every effort will be made to avoid disruption of building operations.
- Tasks requested by the AOC or Superior Court that cannot be done during normal working hours may require additional funding.

***Response Times During Normal Working Hours***

****** ISD will advise customers, as quickly as possible, in those instances where the timeframes stated below cannot be adhered to ******

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. persons trapped in elevator).

**Within 4 Hours**

- Calls from the Superior Court regarding significant discomfort to or disruption of building occupants' operations (e.g. air conditioning).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555.
- County Operator will contact the appropriate ISD representative.

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Maintained to Design Specs. | Close to Original Condition | Code/Regulatory Compliance | Inspections As Required | Adjust | Repair As Needed | Replace As Needed | Testing As Required |
|---|---|---|---|---|---|---|---|

## Scope of Services Statement - BUILDING MAINTENANCE

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform services shall be safe and used in accordance with manufacturer's instructions.
- Work is warranted for 90 days, with longer periods negotiable.
- ISD will make every effort not to void manufacturers' warranties on equipment.
- Where applicable, ISD will administer contracts with third parties to fulfill the scope of services requirements.

***Exceptions requiring additional Service Fees to be negotiated***

- Repainting or treatment of wood paneling.
- Customer provided/owned Furnishings/Fixtures/Equipment - **FFE** (e.g. refrigerators, window A/C units, modular furniture, intrusion/panic alarms, access control devices, furniture and keys to that furniture).
- Carpet/Floor covering not covered in Superior Court areas or common areas.
- Maintenance of live plants.
- Cafeterias, snack bars or related equipment (responsibility of cafeteria operator).
- Custodial items such as removing mineral deposits from restroom fixtures and hardware, pest control and exclusion, removal of washable graffiti, cleaning of ceiling vents, window washing.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

***Additional Customer Information***

- The Managing Party is responsible for maintaining all applicable permits and causing payment of related fees.
- If ISD determines that a piece of equipment, or part of the infrastructure is beyond reasonable repair, ISD will issue a notice to the AOC to that effect. In those cases, repair of said equipment/infrastructure component is outside of this scope of services.
- ISD will provide the AOC with updated listings of building equipment that has exceeded useful life expectancies.
- ISD and FOS mean Internal Services Department and its Facilities Operations Service.
- Services related to vandalism and certain other causes are covered herein in accordance with Section 6.3 of the Joint Occupancy Agreement.
- Items listed under "Sheetmetal" are covered regardless of construction.
- Note: for Secured Areas (e.g., holding cells), the Sheriff may substitute for ISD in completing the work shown above.

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Lawns*** | | | | | | | | | | |
| Mow lawns | | X | | | | | | | | |
| Weeding | | | | | | | | | | X |
| Edging | | X | | | | | | | | |
| Mechanical Edging | | | X | | | | | | | |
| Chemical Edging/Detailing (April through September) | | | | | X | | | | | |
| Chemical Edging/Detailing (October through March) | | | | | | X | | | | |
| Litter Control | | X | | | | | | | | |
| Raking | | X | | | | | | | | |
| ***Trees, Hedges, Ground Cover*** | | | | | | | | | | |
| Trim Trees | | | | | | X | | | | X |
| Thin Trees | | | | | | | | | | X |
| Damaged Trees - Staked/Tied (Within 24 Hours) | | | | | | | | | | X |
| Missing/Damaged Stakes (Within 5 Days) | | | | | | | | | | X |
| Pruning | | | | | | | | | | X |
| Hedging | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| Damage to Shrubs, Trees, Turf or Ground Cover (Within 5 Working Days) | | | | | | | | | | X |
| Pruning plant materials for vehicular and pedestrian visibility | | | | | | X | | | | |
| Flower Beds - Thinning | | | | | | | | | | X |
| Litter Control | | X | | | | | | | | |
| ***Watering*** | | | | | | | | | | |
| Irrigation in General - Depending upon individual requirements of the location | | | | | | | | | | X |
| Ground Cover | | | | | | | | | | X |
| ***Aeration*** | | | | | | | | | | |
| General | | | | | | | | | X | |
| Areas around office buildings | | | | | | | | X | | |
| ***Fertilization*** | | | | | | | | | | |
| Turf areas | | | | | | | | X | | |
| ***Irrigation Systems Maintenance*** | | | | | | | | | | |
| Unplug clogged drains | | | | | | | X | | | |
| Flush lines | | | | | | | X | | | |

## Scope of Services Statement - GROUNDS MAINTENANCE

| | Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Concrete Areas/Hard Courts/Parking Lots*** | | | | | | | | | | |
| Sweeping/washing, except parking lots | | X | | | | | | | | |
| Maintenance of parking lot surfaces | | | | | | | | | | X |
| ***Vermin/Pest/Disease Control*** | | | | | | | | | | |
| Areas maintained free of rodents and insects | | | | | | | | | | X |
| Landscaped areas free of disease that could damage plant materials | | | | | | | | | | X |
| ***Cultivation (Retaining/Maintaining Original Conditions)*** | | | | | | | | | | |
| Beds | | | | | | | | | | X |
| Planter areas | | | | | | | | | | X |
| Turf Reseeding/Restoration of Bare Areas | | | | | | | | | | X |
| ***Trash Removal*** | | | | | | | | | | |
| Collect and remove all clippings (when work performed) | | | | | | | | | | X |
| Contractors may not use County trash bins | | | | | | | | | | |

***Response Times During Normal Working Hours***

**Within 2 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 4 Hours**

- Calls from AOC regarding significant discomfort to or disruption of building occupants' operations.

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

**ISD will advise the customer in those instances where the above stated timeframes cannot be met as quickly as possible.**

***Response Times Outside of Normal Working Hours***

**County Operator**

- Customers shall contact the Los Angeles County Operator at (213) 974-9555
- County Operator will contact the appropriate ISD representative

**Within 3 Hours**

- All calls involving risk or injury to persons and/or damage or loss of property (e.g. flooding).

**Within 3 Days**

- ISD will respond within 3 working days to all service requests, except as noted above.

| Each Business Day | Weekly | Every Two Weeks | Monthly | Every Two Months | Quarterly | Every Four Months | Semi-Annually | Annually | As Needed |
|---|---|---|---|---|---|---|---|---|---|

## Scope of Services Statement - GROUNDS MAINTENANCE

***Regular Pest Control***

- Regular pest control services are outside of the scope of services, but are available upon submittal of a service request.

***ISD's Commitment***

- All work will be performed in a professional manner and shall comply with all applicable codes.
- All products used to perform grounds maintenance services shall be safe and used in accordance with manufacturers' instructions.
- Where applicable, ISD will administer grounds maintenance contracts with third parties to fulfill the scope of services requirements.

***Additional Services***

- Requests for additional services shall be submitted via a written ISD Service Request form.
- Services that are in addition to those specified herein shall be compensated through the routine ISD Service Request process.

## ATTACHMENT "4" TO JOA

## CAUSES OF LOSS

Causes of Loss means the following:

1. Fire.

2. Lightning.

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by: (a) rupture, bursting, or operation of pressure relief devices; or (b) rupture or bursting due to expansion or swelling of the contents of the Building, caused by or resulting from water.

4. Windstorm or Hail, but not including: (a) frost or cold weather; (b) ice (other than hail), snow, or sleet, whether driven by wind or not; or (c) loss or damage to the interior of the Building, or the property inside the Building, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Building first sustains wind or hail damage to its roof or walls through which the rain, snow, sand, or dust enters.

5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

6. Aircraft or Vehicles, meaning only physical contact with the Real Property of (i) an aircraft, (ii) a spacecraft, (iii) a self-propelled missile, (iv) a vehicle, or (v) an object thrown up by a vehicle. This cause of loss includes loss or damage by objects falling from aircraft, but does not include loss or damage caused by or resulting from vehicles owned or operated by the State Parties in the course of their business.

7. Riot or Civil Commotion, including: (a) acts of striking employees (except employees of the State Parties) while occupying the described premises; and (b) looting occurring at the time and place of a riot or civil commotion.

8. Vandalism, meaning willful and malicious damage to, or destruction of, the Real Property, but not theft, except for damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System (defined below), including collapse of a tank that is part of the system. If the Building contains an Automatic Sprinkler System, causes of loss also includes the cost to: (a) repair or replace damaged parts of the Automatic Sprinkler System if the damage: (1) results in sprinkler leakage; or (2) is directly caused by freezing; and (b) tear out and replace any part of the Building to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

   Automatic Sprinkler System means: (1) any automatic fire protective or extinguishing system, including connected: (a) sprinklers and discharge nozzles; (b) ducts, pipes, valves, and fittings; (c) tanks, their component parts, and supports; and (d) pumps and private fire protection mains; and (2) when supplied from an automatic fire protective system: (a) any non-automatic fire protective systems; and (b) hydrants, standpipes, and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include: (a) the cost of filling sinkholes; or (b) sinking or collapse of land into man-made underground cavities

11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by: (a) airborne volcanic blast or airborne shock waves; (b) ash, dust or particulate matter; or (c) lava flow. All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. This cause of loss does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the described property.

12. Falling Objects, but not: (b) personal property in the open; or (b) the interior of the Building, or property inside the Building, unless the roof or an outside wall of the Building is first damaged by a falling object.

13. Weight of snow, ice, or sleet, but not loss or damage to personal property outside of the Building.

14. Water Damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning, or other system or appliance, that is located on the described premises and contains water or steam. However, Water Damage does not include:

a. Discharge or leakage from: (i) An Automatic Sprinkler System; (2) a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water; or (3) roof drains, gutters, downspouts, or similar fixtures or equipment.

b. The cost to repair any defect that caused the loss or damage;

c. Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more; or

d. Loss or damage caused by or resulting from freezing, unless: (a) the State Parties do their best to maintain heat in the Building; or (b) the State Parties drain the equipment and shut off the water supply if the heat is not maintained.

Water Damage, as defined in this section 14, also includes the cost to tear out and replace any part of the Building to repair damage to the system or appliance from which the water or steam escapes, but not the cost to repair any defect that caused the loss or damage.