



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 18, 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 SIXTEEN COURTHOUSES
TO THE STATE OF CALIFORNIA
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends Board approval of sixteen Transfer Agreements and fifteen Joint Occupancy Agreements, as well as other related actions, to effect the transfer of responsibility for the Superior Court's share of fifteen courthouses and one other court facility, and subsequent transfer of title for certain of the courthouses. This change will alleviate the County's current responsibility to provide, operate, and maintain space for the Superior Court in the sixteen locations.

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 Chair to sign sixteen Transfer Agreements with the Judicial Council of California for:
 - (a) the transfer of responsibility, effective upon Board approval, for the Superior Court's share of facilities operations at fifteen courthouses, including Alhambra, Beverly Hills, Compton, Edmund D. Edelman Children's, East Los Angeles, El Monte, Inglewood, Metropolitan, Norwalk, Santa Monica, Torrance, Van Nuys East, Van Nuys West, West Covina, and Whittier Courthouses;

"To Enrich Lives Through Effective And Caring Service"

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- (b) the transfer of responsibility, effective upon Board approval, for the Superior Court's leased Monrovia Warehouse;
 - (c) the transfer of title to the properties to the State of California, effective once the Judicial Council completes its title work, at ten of the fifteen courthouse sites;
 - (d) the transfer of title to the properties to the State of California, effective after the current bonded indebtedness is relieved and the Judicial Council completes its title work, at two of the courthouse sites; and
 - (e) the transfer of title to the property to the State of California, effective after the Option held by the County pursuant to the Option Agreement with the City of Norwalk Redevelopment Agency is exercised or terminated, and the Judicial Council completes its title work, at the Norwalk Courthouse site.
3. Approve and instruct the Chair to sign fifteen Joint Occupancy Agreements setting the terms and conditions for the shared use of the fifteen courthouses by the County and the Superior Court, along with the other State parties.
 4. 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 those included in each Transfer Agreement for the thirteen courthouses where title is to be transferred.
 5. Instruct the Auditor-Controller to make quarterly installments of the County Facilities Payment (CFP) associated with the sixteen facilities, to the State Controller in accordance with the Government Code for transferred facilities and the instructions of the State Controller, in the amount of \$5,980,244 for the remainder of 2008-09 and \$9,652,321 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 occupancy agreements, and to terminate those agreements that cannot be assigned, for third-party tenants if the responsibility for those agreements is transferred to the Judicial Council under the Transfer Agreements, in accordance with the Transfer Agreements.
 7. Authorize the CEO to execute any other documents, upon approval as to form by County Counsel, and to take other related actions necessary to complete the transfers and implement their purposes.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Trial Court Facilities Act (SB 1732, Chapter 1082 of 2002—the Act) established the authority for 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 Act has been subsequently amended, including by AB 1491 (Jones, Chapter 9 of 2008), which extends the transfer period through December 31, 2008.

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 Superior Court share of local trial courts. Transfer of the court facilities will relieve the County of its responsibility for operation and management 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.

County work on the transfers of all 50 court facilities is virtually complete, including efforts related to assessment and documentation of present conditions, space and parking allocations, providing information to the Administrative Office of the Courts (AOC) in support of their due diligence process, documentation of legal descriptions, 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. Because penalties to counties required by AB 1491 increase the annual CFP with each month's delay in transfers, this office is diligently pursuing the completion of all transfers by December 2008. (Note that the count of 50 court facilities assumes that Van Nuys East and Van Nuys West, treated separately in this Board letter, are counted as one court facility.)

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 these sixteen court facilities to the State will support the County's efforts to maintain court services in those 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, excluding upgrades, associated with the Superior Court's share of each court facility, including payment of utilities, building maintenance, permitting of equipment, grounds maintenance, certain property claims and losses, and management of leases and licenses both with lessors, such as for the Monrovia Warehouse and for parking at the Santa Monica and West Covina Courthouses, and with third-party tenants in the Superior Court's area or whose responsibility is being transferred. 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 for the calculated CFP amounts to be adjusted, on a one-time basis, for the actual rate of inflation, once it becomes known.

The CFP for 2008-09 will be a reduced amount, providing funding only for that portion of the year that the facilities are transferred, that is, from Board approval through June 30, 2009.

After transfer of responsibility for the State's share of each facility, the State and the County will each be responsible for their respective shares of all facilities operations costs. For 2008-09 only, 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 for upgrades and utilities, which will be paid by the State based on the actual costs incurred at each courthouse. 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 annual CFP payment.

Under SB 10 (Chapter 444 of 2006), earthquake damage becomes the responsibility of the State for buildings, such as Edelman Children's Court, 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 Alhambra, and other, older courthouses. 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 on behalf of the State, as part of a "soft landing" negotiated to lessen the impact on Internal Services Department employees of the reduced workload. In our experience, such property losses have rarely occurred in courthouses. Because the Alhambra and Edelman 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 insured courthouses.

There will be a recommendation later in the current fiscal year, to adjust appropriations among various General Fund budget units to accommodate the new financing structure, with no net County cost impact. This Appropriation Adjustment will affect not only the court facilities in this Board letter, but also those facilities that have already transferred in the current fiscal year and those that will be transferred in December 2008.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Act, 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 for the joint occupancy of those court facilities. The Transfer Agreements and Joint Occupancy Agreements have been approved as to form by County Counsel. The cities where these courthouses are located have been provided notice of the transfers pursuant to Government Code Section 65402.

Under the Transfer Agreements, the State will become financially responsible for facilities operations in the Superior Court share of each courthouse, including the areas that house 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 County share of each courthouse that houses the District Attorney, Public Defender, Alternate Public Defender, Probation Department, County-funded Sheriff Civil Management services, and other miscellaneous County spaces, as well as the County's share of the common area. Title will be transferred for those courthouses in which the Superior Court is the majority occupant, except in facilities that are on an integrated campus, including East Los Angeles and West Covina. For the bond-funded courthouses, including Alhambra and Edelman, the title transfer will be delayed until the bonds are paid off. For the Norwalk Courthouse, the title transfer will be delayed until the Option held by the County pursuant to the Option Agreement with the City of Norwalk Redevelopment Agency is exercised or terminated.

Under the Joint Occupancy Agreements, the AOC will become the manager in those buildings where the Superior Court is the majority occupant, after a period of one to three years wherein management will be delegated to the County. The County will retain management control of all buildings where the County is the majority occupant. The County will also retain management control of the West Covina Courthouse, which shares a campus with other County buildings. Specific information relating to each courthouse's Transfer Agreement and Joint Occupancy Agreement is as follows:

- Alhambra Courthouse (Attachments A and B)

Superior Court share: 86.00 percent
County share: 24.00 percent
Title transfer expected by December 1, 2031, including building, on-site parking, and grounds; both title transfer and responsibility transfer will exclude the child care center and associated parking, located to the south of the courthouse
Seismic responsibility will be retained by the County
CFP: \$364,868 in 2008-09 (part-year); \$588,909 in future years (full years)
Management: AOC after delegation period
Tenants to be terminated (agreement to be replaced by AOC): California Department of Rehabilitation (snack bar), and First Class Vending

- Beverly Hills Courthouse (Attachments C and D)

Superior Court share: 79.52 percent
County share: 20.48 percent
Title transfer expected within one year, including building and grounds
Seismic responsibility will be retained by County
CFP: \$210,816 in 2008-09 (part-year); \$340,264 in future years (full years)
Management: AOC after delegation period
Tenants assigned to AOC: none
Tenants to be terminated (agreement to be replaced by AOC): First Class Vending

- Compton Courthouse (Attachments E and F)

Superior Court share: 66.13 percent
County share: 33.87 percent
Title transfer expected within one year, including building, parking structure, other ancillary buildings, Martin Luther King, Jr., monument, and grounds
Seismic responsibility will be retained by County
CFP: \$620,850 in 2008-09 (part-year); \$1,002,074 in future years (full years)
Management: AOC after delegation period, including management of parking
Tenants assigned to AOC: Children's Creative Learning Centers (formerly Children's Discovery Centers), Los Angeles County Law Library, City of Compton (for conduit in underground parking and for space for communications equipment)
Tenants to be terminated (agreement to be replaced by AOC): California Department of Rehabilitation (cafeteria and snack bar)

- Edmund D. Edelman Children's Courthouse (Attachments G and H)

Superior Court share: 69.99 percent
County share: 30.01 percent
Title transfer expected by December 1, 2031, including building, parking structure, and grounds
Seismic responsibility will be transferred to the State
CFP: \$300,596 in 2008-09 (part-year); \$485,172 in future years (full years)
Management: AOC after delegation period, including management of parking
Tenants assigned to AOC: CulinArt, Inc. (cafeteria), Children's Law Center (formerly Dependency Court Legal Services), the Information and Referral Corporation of Los Angeles ("211-L.A."), Comfort for Court Kids, Friends of the Child Advocates, Los Angeles Dependency Lawyers, Inc., Free Arts for Abused Children, Alliance for Children's Rights, Shields for Families, Learning Rights Law Center, and Public Counsel
Tenants terminated: none

- East Los Angeles Courthouse (Attachments I and J)

Superior Court share: 77.72 percent
County share: 22.28 percent
Title will be retained by County
Seismic responsibility will be retained by County
CFP: \$376,386 in 2008-09 (part-year); \$607,500 in future years (full years)
Management: AOC after delegation period, for building only; grounds management will be retained by County; parking, except within the building, will be retained by County and provided for Superior Court use, but no responsibility transferred to AOC
Tenants assigned to AOC: none
Tenants to be terminated (agreement to be replaced by AOC): First Class Vending

- El Monte Courthouse (Attachments K and L)

Superior Court share: 58.12 percent
County share: 41.88 percent
Title transfer expected within one year, including building, parking structure, and grounds
CFP: \$247,013 in 2008-09 (part-year); \$398,687 in future years (full years)
Management: AOC after delegation period
Seismic responsibility will be retained by County
Tenants assigned to AOC: none

Tenants terminated (agreement to be replaced by AOC): Southern California Edison Company, California Department of Rehabilitation (snack bar)

- Inglewood Courthouse (Attachments M and N)

Superior Court share: 74.56 percent

County share: 25.44 percent

Title transfer expected within one year, including building, two parking structures, and grounds

Seismic responsibility will be retained by County

CFP: \$174,807 in 2008-09 (part-year); \$282,144 in future years (full years)

Management: AOC after delegation period

Tenants assigned to AOC: none

Tenants terminated (agreement to be replaced by AOC): California Department of Rehabilitation (snack bar), Neighborhood Legal Services (self-help)

- Metropolitan Courthouse (Attachments O and P)

Superior Court share: 94.54 percent of the courthouse building only

County share: 5.46 percent of main courthouse building, and entirety of the vehicle inspection station

Title transfer expected within one year, including building, parking structure, vehicle inspection station, and grounds

Seismic responsibility will be retained by County

CFP: \$218,673 in 2008-09 (part-year); \$352,946 in future years (full years)

Management: AOC after delegation period, for building, parking structure, and grounds, but not for vehicle inspection station

Tenants assigned to AOC: City of Los Angeles (city attorney)

Tenants terminated (agreement to be replaced by AOC): Volunteer Center of Los Angeles, California Department of Rehabilitation (snack bar), and Compass Group (vending machines)

- Monrovia Warehouse (Attachment Q)

Superior Court share: 100 percent

Lease to be replaced by AOC

Seismic responsibility will be transferred to the State

CFP: \$155,489 in 2008-09 (part-year); \$250,964 in future years (full years)

- Norwalk Courthouse (Attachments R and S)

Superior Court share: 85.03 percent

County share: 14.97 percent

Title transfer is anticipated when the Option held by the County pursuant to the Option Agreement between the County and the City of Norwalk Redevelopment Agency is exercised or terminated. If the Option is exercised, then title will include the building, the surface parking, the grounds, and the new "Option Parking Structure" (to be constructed pursuant to the Option Agreement to provide for secured judges parking), but not the portion of the property designated "Parcel 4." If the Option is terminated, then title will include the building, the surface parking, and the grounds, including the property designated "Parcel 4," but not the "Option Parking Structure." The existing parking structure and its access driveway (both under a ground lease to the City of Norwalk) will not transfer to the State in either case. Responsibility for parking in the parking structure will be retained by the County (via sublease from the City of Norwalk) and provided for Superior Court use.

Seismic responsibility will be retained by County

CFP: \$535,514 in 2008-09 (part-year); \$864,339 in future years (full years)

Management: AOC after delegation period for building, surface parking, and grounds only (not for parking in the parking structure, which is the management responsibility of the City of Norwalk)

Tenants assigned to AOC: Los Angeles County Law Library, City of Norwalk (for communications and for juvenile hearings), and Norwalk-La Mirada School District (juvenile hearings)

Tenants terminated (agreement to be replaced by AOC): California Department of Rehabilitation (snack bar)

- Santa Monica Courthouse (Attachments T and U)

Superior Court share: 78.49 percent

County share: 21.51 percent

Title transfer expected within one year, including building, certain on-site parking, and grounds

Seismic responsibility will be retained by County

CFP: \$577,027 in 2008-09 (part-year); \$931,342 in future years (full years)

Management: AOC after delegation period; parking lease with the City of Santa Monica may be transferred to the AOC at that time, or divided between the parties, based on each party's parking requirements

Tenants assigned to AOC: Los Angeles County Law Library

Tenants terminated (agreement to be replaced by AOC): Neighborhood Legal

Services (self-help), and Compass Group (vending machines)

- Torrance Courthouse (Attachments V and W)

Superior Court share: 85.14 percent of courthouse buildings and land, and 70.00 percent of vacant property to the north (which was purchased by the County for a new courthouse and Probation office)

County share: 14.86 percent of courthouse buildings and land, and 30.00 percent of vacant property to the north

Title transfer expected within one year, including all court buildings on the site, parking, and grounds, as well as the vacant property to the north

Seismic responsibility will be retained by County

CFP: \$521,013 in 2008-09 (part-year); \$840,933 in future years (full years)

Management: AOC after delegation period

Tenants assigned to AOC: Los Angeles County Law Library, City of Torrance (for drainage, parking, and landscape maintenance)

Tenants terminated (agreement to be replaced by AOC): Southern California Edison Company and California Department of Rehabilitation (snack bar)

- Van Nuys Courthouse East (Attachments X and Y)

Superior Court share: 89.74 percent

County share: 10.26 percent

Title transfer expected within one year, including courthouse, parking structure, and grounds

Seismic responsibility will be retained by County

CFP: \$332,312 in 2008-09 (part-year); \$536,364 in future years (full years)

Management: AOC after delegation period

Tenants assigned to AOC: Los Angeles County Law Library

Tenants terminated (agreement to be replaced by AOC): Neighborhood Legal Services (self-help), California Department of Rehabilitation (snack bar)

- Van Nuys Courthouse West (Attachments Z and AA)

Superior Court share: 80.48 percent

County share: 19.52 percent

Title transfer expected within one year, including courthouse and grounds

Seismic responsibility will be retained by County

CFP: \$689,102 in 2008-09 (part-year); \$1,112,235 in future years (full years)

Management: AOC after delegation period

- West Covina Courthouse (Attachments BB and CC)

Superior Court share: 83.01 percent of courthouse only
County share: 16.99 percent of courthouse, and entirety of East Valley Community Health Center and other County buildings on campus
Title will be retained by County
Seismic responsibility will be retained by County
CFP: \$354,251 in 2008-09 (part-year); \$571,773 in future years (full years)
Management will be retained by County
Tenants assigned to AOC: none
Tenants to be terminated (agreement to be replaced by AOC): California Department of Rehabilitation (snack bar)

- Whittier Courthouse (Attachments DD and EE)

Superior Court share: 86.43 percent
County share: 13.57 percent
Title transfer expected within one year, including building, parking structure, and grounds
Seismic responsibility will be retained by County
CFP: \$301,527 in 2008-09 (part-year); \$486,675 in future years (full years)
Management: AOC after delegation period
Tenants assigned to AOC: Howard Hong (snack bar), Whittier Union High School District (juvenile hearings)
Tenants terminated: none

ENVIRONMENTAL DOCUMENTATION

The recommended actions are categorically exempt from the provisions of California Environmental Quality Act (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 various Superior Courts in the facilities being transferred, the transfers will result in no significant impact in the level or quality of services provided to County constituents.

The Honorable Board of Supervisors
November 18, 2008
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CONCLUSION

Please return one adopted 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

- c: County Counsel
- Auditor-Controller
- Alternate Public Defender
- District Attorney
- Health Services
- Probation Department
- Public Defender
- Sheriff
- Los Angeles Superior Court

AOC Facility # 19-I-01
County LACO # 5883, L125
Alhambra Courthouse TA
150 Commonwealth Avenue, Alhambra, California 91801

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 ALHAMBRA COURTHOUSE

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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 November 18, 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 Alhambra 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.

“**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 Alhambra Courthouse, located at 150 Commonwealth Avenue, Alhambra, California, 91801, 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.

“City Parking License” means that certain License Agreement #L-0996, dated May 1, 2007, between County, as licensee, and the City of Alhambra, as licensor.

“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 Lot. 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 9,167 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 14.00 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 40 parking spaces in the 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 56,327 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 86.00 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 Lot 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 Lot are located, comprising approximately 3.2 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.

“**Licensed Parking**” means 108 parking spaces in the surface parking lot located on land owned by the City of Alhambra with a street address of 102 Monterey Street, Alhambra, California, pursuant to the City Parking License.

“**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 written agreement 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 under 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 Lot” means the surface parking lot, also known as County Auto Park 77, located on the Land to the south of the Building, as shown on **Exhibit “C”** to this Agreement, containing 268 parking spaces, along with 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 date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) 228 parking spaces in the Parking Lot, as shown on **Exhibit “C”** to this Agreement; and (ii) the Licensed Parking..

“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.

4.3.8.2 Unassigned Occupancy Agreement. The Parties acknowledge that certain of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not be assigned to the Council (the “**Unassigned Occupancy Agreement**”). The Parties have agreed to an alternate mechanism for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreement, as follows:

(a) First Class Vending is the Occupant of various spaces in the Building, for the provision of Vending Facilities, specifically vending machines, pursuant to County Concession Agreement #73939. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the expedient transfer or replacement of such Vending Facilities and the continuity of vending services in the Building. If County Concession Agreement #73939 has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County Concession Agreement #73939.

(b) The State Department of Rehabilitation is the Occupant of various spaces on the first floor of the Building, for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (“**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of

the termination of the Building from the list of approved locations in the Master License Agreement.

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. With respect to the Occupants under the Unassigned Occupancy Agreements, the Council will be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreements, the Council and the AOC shall also be entitled to any rights and benefits accruing to the County thereunder including, if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.9 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.

4.3.10 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, except

only those telecommunication services and systems directly related to the jury notification and information system (1-800-SRV-JURY). 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.

4.3.11 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 “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.

4.3.11.2 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 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 Lot, 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, except that on days where over 30 jurors are expected at the Court Facility, the Council shall ensure that jurors are directed to the Licensed Parking. 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.

4.3.12.1 City Parking License. On the Effective Date, the County, as licensee, and the City of Alhambra, as licensor, are parties to the City Parking License under which the County licenses from the City the Licensed Parking for use by jurors of the Superior Court. On and after the Responsibility Transfer Date, the Parties will work cooperatively together and with the City of Alhambra to assign the County's rights and obligations under the City Parking License to the Council effective no later than the termination of the Common Area Delegation Period (as defined in the JOA), and to ensure the continuity of the Superior Court's use of the Licensed Parking.

4.3.13 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.

4.3.14 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.

4.3.15 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.

4.3.15.1 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 4.3.14.2, 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.

4.3.15.2 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 4.3.14.3, below.

4.3.15.3 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.

4.3.15.4 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 4.3.14 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.

4.3.16 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 on 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 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.

5.1.4 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, 2031. 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, 2031 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 approved by the DOF is \$588,909, 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 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.

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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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: *Dianne Barry*
Name: Dianne Barry, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Stonnie Johnson*
Deputy

By: *Vonne B. Burke*
VONNE 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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Ray Fortner*
Principal Deputy County Counsel

By: *Stonnie Johnson*
Deputy

76821

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Alhambra TA
AOC Court Facility #19-I-01
County LACO #5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1122902v7

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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

Lots 1 to 14, inclusive, Block E, Del Go Shar Tract, as shown on map recorded in Book 14, page 67, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and those portions of Lots 10 and 11, Block B, said tract, together with that portion of Beacon Street, 60 feet wide, now vacated, as shown on said map, described as a whole as follows:

Beginning at the most northerly corner of Lot 7, said Block E; thence southeasterly along the northeasterly line, and its southeasterly prolongation, of said Lot 7 to the southeasterly line of the northwesterly 72 feet of Lot 10, said Block B; thence southwesterly along said southeasterly line to the northeasterly line of Lot 11, said Block B; thence North 29°43'59" West along said last mentioned northeasterly line, a distance of 29.94 feet; thence South 61°01'55" West 149.96 feet to the southwesterly line of said last mentioned Lot 11; thence northwesterly along said last mentioned southwesterly line, and its northwesterly prolongation to the most westerly corner of Lot 8, said Block E; thence northeasterly along the northwesterly lines of Lots 8 and 7, said Block E, to the point of beginning.

A-1

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

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:
5344-027-909 (portion) and 5344-028-
905 (portion)

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 Alhambra, 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

ALHAMBRA COURTHOUSE
(File: Alhambra Municipal Courts
Bldg. (1))
I.M. 144-237
S.D. 5

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

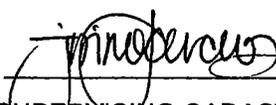
ALHAMBRA COURTHOUSE

File with: Alhambra Municipal Courts BLDG. (1)
A.I.N. 5344-027-909, 5344-028-905
T.G. 596-B5
I.M. 144-237
Fifth District

LEGAL DESCRIPTION

Lots 1 to 14, inclusive, Block E, Del Go Shar Tract, as shown on map recorded in Book 14, page 67, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and those portions of Lots 10 and 11, Block B, said tract, together with that portion of Beacon Street, 60 feet wide, now vacated, as shown on said map, described as a whole as follows:

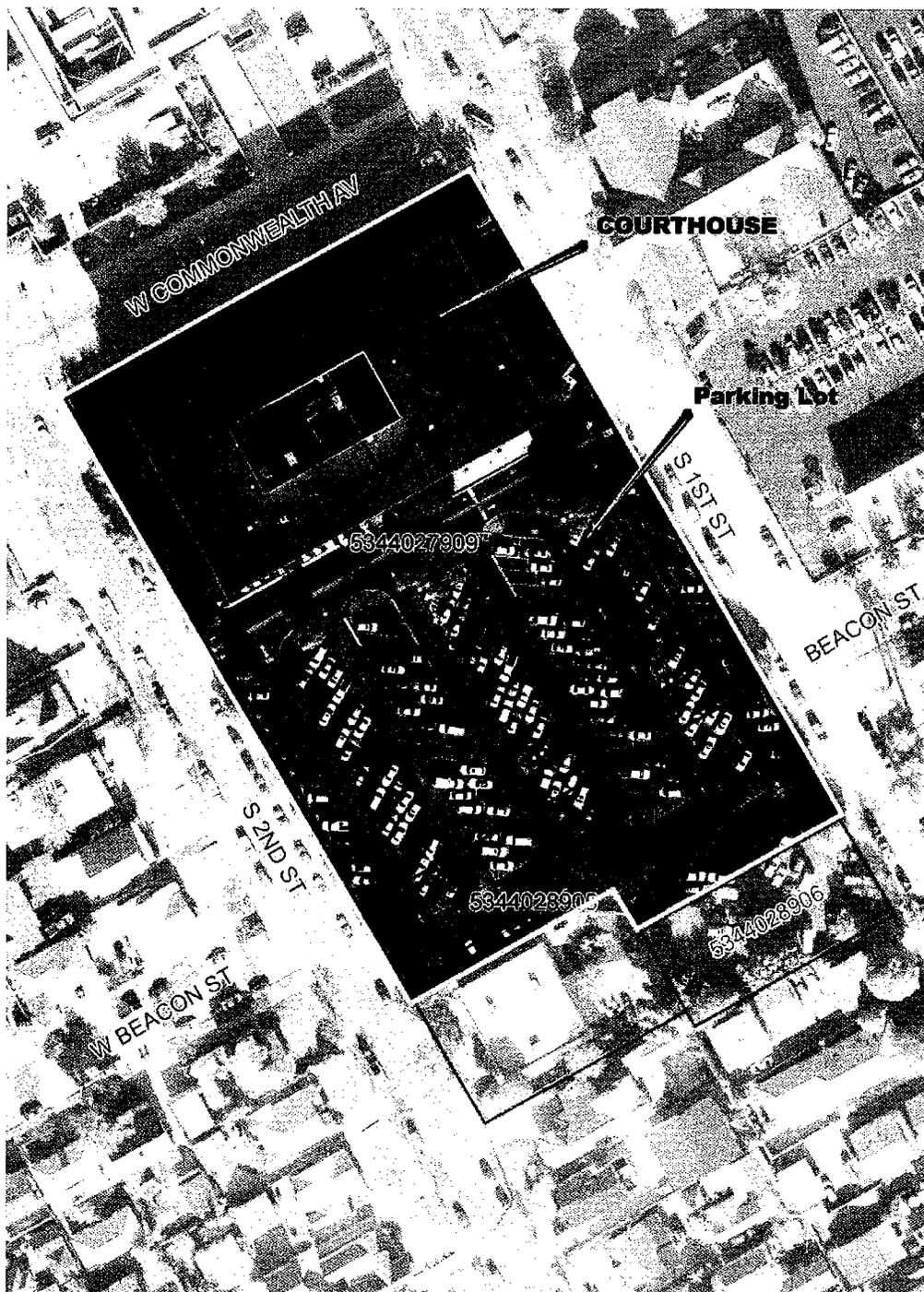
Beginning at the most northerly corner of Lot 7, said Block E; thence southeasterly along the northeasterly line, and its southeasterly prolongation, of said Lot 7 to the southeasterly line of the northwesterly 72 feet of Lot 10, said Block B; thence southwesterly along said southeasterly line to the northeasterly line of Lot 11, said Block B; thence North 29°43'59" West along said last mentioned northeasterly line, a distance of 29.94 feet; thence South 61°01'55" West 149.96 feet to the southwesterly line of said last mentioned Lot 11; thence northwesterly along said last mentioned southwesterly line, and its northwesterly prolongation to the most westerly corner of Lot 8, said Block E; thence northeasterly along the northwesterly lines of Lots 8 and 7, said Block E, to the point of beginning.

APPROVED AS TO DESCRIPTION	
May 13, 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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

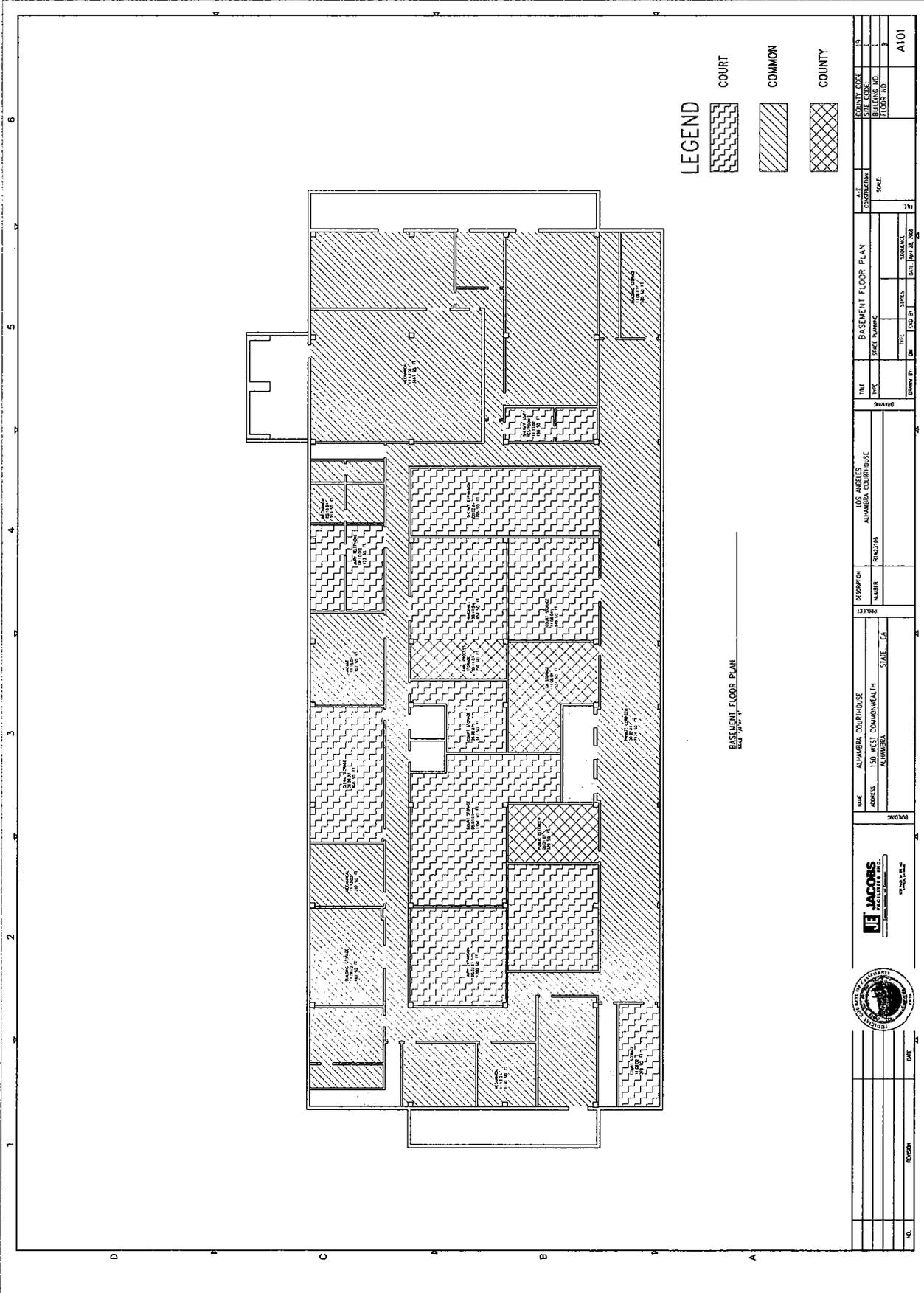
EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7



LEGEND

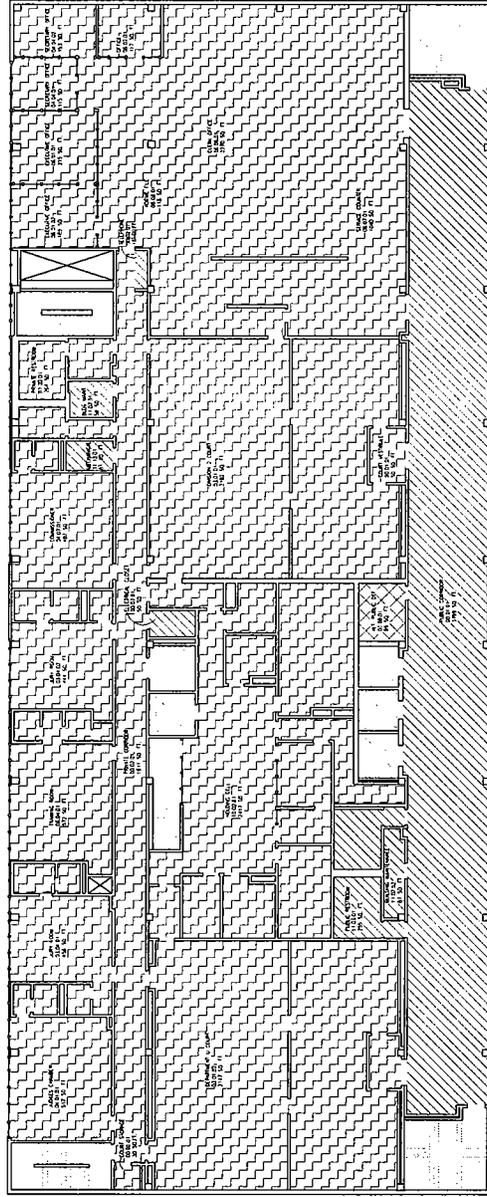
-  COURT
-  COMMON
-  COUNTY

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

NO.	REVISION	DATE			NAME: ALHAMBRA COURTHOUSE ADDRESS: 150 WEST COMMERCE BLVD. ALHAMBRA, CALIFORNIA		PROJECT: STATE, CA		RECEPTION NUMBER: 150316		US ANGELES ALHAMBRA COURTHOUSE		DRAWING TITLE: BASEMENT FLOOR PLAN		A-1 CONSTRUCTION		COUNTY CODE: 13 SITE CODE: 1 FLOOR NO.: 3		A101
					SHEET NO.: 3 TOTAL SHEETS: 3	DATE: 11/17/11	DRAWN BY: [blank]	CHECKED BY: [blank]	DATE: 11/17/11	SCALE: 1/8" = 1'-0"	DATE: 11/17/11	DATE: 11/17/11							

1 2 3 4 5 6

D C B A

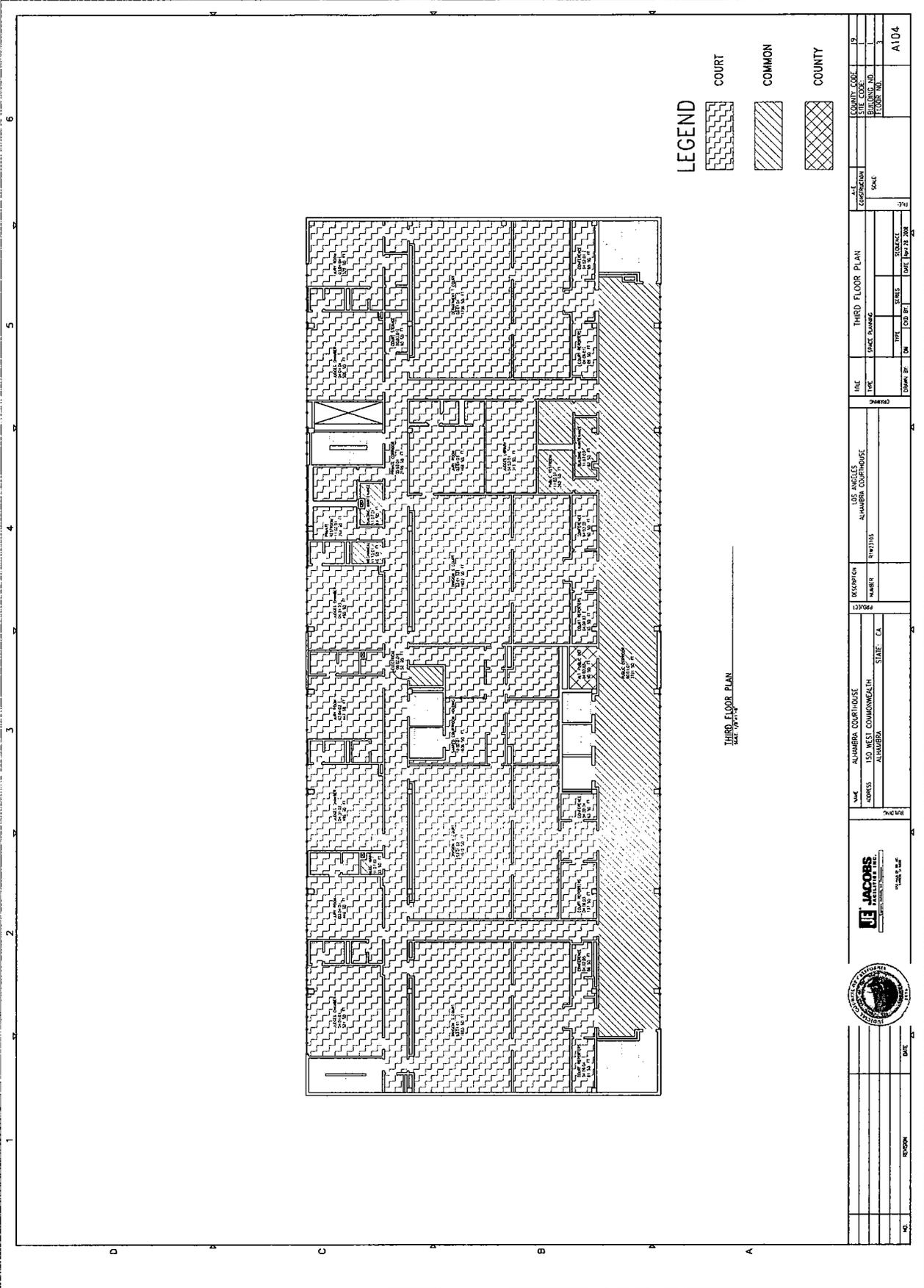


LEGEND

-  COURT
-  COMMON
-  COUNTY

SECOND FLOOR PLAN

NO.	REVISION	DATE	 JACOBS ARCHITECTURE INC. 1100 15th St., Suite 1000 San Francisco, CA 94103		PROJECT NAME: ALHAMBRA COURTHOUSE ADDRESS: 100 WEST COMMERCIAL IN ALHAMBRA STATE: CA	EXHIBITION NUMBER: 10/27/16	OS ANGELES ALHAMBRA COURTHOUSE	CLIENT NAME: [Blank] TYPE: [Blank]	SECOND FLOOR PLAN DATE: 10/27/16	FILE NUMBER: 10/27/16	COUNTY CODE: 19 SITE CODE: 1 FLOOR: 2 A103
											SHEET NO. 1 TOTAL SHEETS: 2



LEGEND

-  COURT
-  COMMON
-  COUNTY

THIRD FLOOR PLAN
DATE: 11/11/11

NO.	ROOM	DATE			PROJECT NAME: ALHAMBRA COURTHOUSE ADDRESS: 150 WEST COMMERCE STREET, ALHAMBRA, CALIFORNIA STATE: CA	RECEPTION NUMBER: 1142115 US ANGELES ALHAMBRA COURTHOUSE	OWNER:	TITLE:	TYPE:	THIRD FLOOR PLAN	SCALE:	COUNTY CODE: 19	SITE CODE:	SHEET NO.: 3	FLOOR NO.: 3	A104
								DRAWN BY: DM	CHECKED BY:	DATE: 11/11/11	DATE: 11/11/11	DATE: 11/11/11	DATE: 11/11/11	DATE: 11/11/11	DATE: 11/11/11	

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.]

F-1

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

**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 GOVT. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APNs: 5344-027-909 and 5344-028-905 (por.)

**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 Alhambra, County of Los Angeles, State of California, having a street address of 150 Commonwealth Avenue, 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 Alhambra 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**”);

F-2

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

B. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the Alhambra Courthouse dated as of _____, 2008 (“TA”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Alhambra Courthouse, of even date therewith (“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.

(SIGNATURE PAGE TO FOLLOW)

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Dianne Barry, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Lots 1 to 14, inclusive, Block E, Del Go Shar Tract, as shown on map recorded in Book 14, page 67, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and those portions of Lots 10 and 11, Block B, said tract, together with that portion of Beacon Street, 60 feet wide, now vacated, as shown on said map, described as a whole as follows:

Beginning at the most northerly corner of Lot 7, said Block E; thence southeasterly along the northeasterly line, and its southeasterly prolongation, of said Lot 7 to the southeasterly line of the northwesterly 72 feet of Lot 10, said Block B; thence southwesterly along said southeasterly line to the northeasterly line of Lot 11, said Block B; thence North 29°43'59" West along said last mentioned northeasterly line, a distance of 29.94 feet; thence South 61°01'55" West 149.96 feet to the southwesterly line of said last mentioned Lot 11; thence northwesterly along said last mentioned southwesterly line, and its northwesterly prolongation to the most westerly corner of Lot 8, said Block E; thence northeasterly along the northwesterly lines of Lots 8 and 7, said Block E, to the point of beginning.

F-7

EXHIBIT "G"

LIST OF KEY BONDED INDEBTEDNESS DOCUMENTS

1. Lease, dated as of March 1, 2005 between the County of Los Angeles and the Los Angeles County Public Works Financing Authority Pertaining to \$393,315,000 Los Angeles County Public Works Financing Authority Lease Revenue Refunding Bonds (2005 Master Refunding Project) Series A, as amended by Amendment No. 1 to Lease, dated as of March 15, 2005 and Amendment No. 2 to Lease, dated as of July 1, 2005.
2. Sublease and Option to Purchase, dated as of March 1, 2005, between the County of Los Angeles and the Los Angeles County Public Works Financing Authority Pertaining to \$393,315,000 Los Angeles County Public Works Financing Authority Lease Revenue Refunding Bonds (2005 Master Refunding Project) Series A, as amended by Amendment No. 1 to Sublease and Option to Purchase, dated as of July 1, 2005.
3. Indenture of Trust, dated as of March 1, 2005, among the County of Los Angeles, the Los Angeles County Public Works Financing Authority and U.S. Bank National Association as Trustee relating to the Los Angeles County Public Works Financing Authority Lease Revenue Refunding Bonds (2005 Master Refunding Project) Series A.
4. Agency Agreement, dated March 1, 2005, by and between the County of Los Angeles and the Los Angeles County Public Works Financing Authority.

G-1

EXHIBIT "H"
DATEDOWN CERTIFICATE

[See attached.]

H-1

Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

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 and Title To the Alhambra 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

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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

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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]

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: _____

Title: _____

By: _____

Name: _____

APPROVED AS TO FORM:

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

County Counsel

By: _____

Name: _____

Title: Chief Executive Officer

By: _____

Deputy

Schedule "1" to Datedown Certificate

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

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Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

Schedule "2" to Datedown Certificate

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

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Alhambra TA
AOC Court Facility # 19-I-01
County LACO # 5883, L125
Owned/Shared w/BI (TOR/DTOT)
October 29, 2008
IMANDB/1203031v7

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-I-01
County LACO # 5883, L125
Alhambra Courthouse JOA
150 Commonwealth Avenue, Alhambra, California 91801

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 ALHAMBRA 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 November 18, 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 Alhambra Courthouse, located at 150 Commonwealth Avenue, Alhambra, California, 91801, 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.

“City Parking License” means that certain License Agreement #L-0996, dated May 1, 2007, between County, as licensee, and the City of Alhambra, as licensor.

“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 Lot. 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 86.00 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 9,167 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 14.00 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 40 parking spaces in the 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 14.00 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 56,327 square feet of the Building interior 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 86.00 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 Lot are located, comprising approximately 3.2 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.

“Licensed Parking” means 108 parking spaces in the surface parking lot located on land owned by the City of Alhambra with a street address of 102 Monterey Street, Alhambra, California, pursuant to the City Parking License.

“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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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 Lot” means the surface parking lot, also known as County Auto Park 77, located on the Land to the south of the Building, as shown on **Exhibit “C”** to the Transfer Agreement, containing 268 parking spaces, along with 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.

“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, 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) 228 parking spaces in the Parking Lot, as shown on Exhibit “C” to the Transfer Agreement; and (ii) the Licensed Parking.

“**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 Alhambra 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.

“**Vending Facility**” has the meaning given to it in section 19626 of the Welfare and Institutions Code.

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 at least through June 30, 2009, 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 at least through June 30, 2009, 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 Lot, which is included in the Common Area, and the Party that is the licensee under the City Parking License is responsible for the Licensed Parking under the terms of the City Parking License. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Lot. Upon the earlier of : (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, the Council shall be solely entitled to all revenues arising from the Operation, leasing, or licensing of the Parking Lot. 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, except that on days where over 30 jurors are expected at the Court Facility, the Council shall ensure that jurors are directed to the Licensed Parking. Up to three of the parking spaces allocated to the County Parking in the Parking Lot, and up to 11 of the parking spaces allocated to the Superior Court Parking in the 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 Lot and the Council is solely responsible for all costs associated with the Licensed Parking, 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 Contract Parking Management. Upon the termination of the Common Area Delegation Period, the Council shall assume responsibility for management and Operation of the Parking Lot, and the County shall terminate its contract with any parking manager as it relates to management of the Parking Lot.

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-Ownning Party, and ensure that the Non-Ownning 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 except as otherwise provided in section 3.4 of this JOA, 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 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, except only those telecommunication services and systems directly related to the jury notification and information system (1-800-SRV-JURY). 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) \$270,077, (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) \$270,077, 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 4.3.14 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-Ownning 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-Ownning Party for its Equity rights in the uninhabitable part of the Non-Ownning 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-Ownning 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-Ownning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Ownning 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-Ownning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Ownning Party will no longer occupy any space in the Building and the Non-Ownning 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: *Dianne Barry*
Name: Dianne Barry, Attorney

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
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: *Sachi A. Hamai*
Deputy

76836

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Alhambra Courthouse, which is located in a building on certain real property in the City of Alhambra, County of Los Angeles, State of California and having a street address of 150 Commonwealth Avenue (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: _____

Title: _____

Administrative Office of the Courts

By: _____

Name: _____

Title: _____

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____

Deputy

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
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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							
	X	X	X	X	X	X	X
Air conditioning systems	X	X	X	X	X	X	X
Control air systems (compressor units, filters, regulators, safety devices)	X	X	X	X	X	X	X
Fan systems	X	X	X	X	X	X	X
Cleaning of HVAC ducts -- as needed	X	X	X	X	X	X	X
Boilers	X	X	X	X	X	X	X
Water treatment	X	X	X	X	X	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	X	X	X
Roof drains free of debris and free flowing	X	X	X	X	X	X	X
Roof decks	X	X	X	X	X	X	X
Sheetmetal							
HVAC ducts	X	X	X	X	X	X	X
Door/window frames except those included under Carpentry	X	X	X	X	X	X	X
Toilet partitions/doors	X	X	X	X	X	X	X
Metal/glass doors	X	X	X	X	X	X	X
Flagpoles and halyards	X	X	X	X	X	X	X
Fences/gates	X	X	X	X	X	X	X
Roll-up doors	X	X	X	X	X	X	X
Gutters/spouts/flashings	X	X	X	X	X	X	X
Hazardous Materials							
Handling/storage/disposal of FOS-generated materials	X	X	X	X	X	X	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
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	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										
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
	X								

Concrete Areas/Hard Courts/Parking Lots

- Sweeping/washing, except parking lots
- Maintenance of parking lot surfaces

Vermis/Pest/Disease Control

- Areas maintained free of rodents and insects
- Landscaped areas free of disease that could damage plant materials

Cultivation (Retaining/Maintaining Original Conditions)

Beds

- Planter areas
- Turf Reseeding/Restoration of Bare Areas

Trash Removal

- Collect and remove all clippings (when work performed)
- 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: (a) 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-AQ-01
County LACO # 5421, L027
Beverly Hills Courthouse TA
9355 Burton Way, Beverly Hills, California 90210

ATTACHMENT C

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 BEVERLY HILLS COURTHOUSE

76822

Beverly Hills TA
Court Facility #19-AQ-01
County LACO # 5421, L027
Owned/Shared (TOR/DTOT)
October 22, 2008
IMANDB/1172769v6

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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 November 18, 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 Beverly Hills 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 Beverly Hills Courthouse, located at 9355 Burton Way, Beverly Hills, California, 90210, 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, restrooms, and the Parking Garage, 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 Lot. 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 9,748 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 20.48 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) one parking space in the Parking Lot, and (ii) 50 parking spaces in the Parking Garage, as shown on **Exhibits “C”** and **“D”** to this Agreement.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 37,859 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 79.52 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 Lot 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.

“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 Lot are located, comprising approximately 0.9 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.

“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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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 Areas” 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.

“Parking Garage” means the three-level subterranean parking garage located within the Building, containing 242 parking spaces, as shown on **Exhibit “D”** to this Agreement.

“Parking Lot” means the parking lot located on the Land directly to the north of the Building, containing six secured parking spaces and two unsecured parking spaces, as shown on **Exhibit “C”** to this Agreement.

“**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 date on which the Transfer of Responsibility will take place, which is the Effective Date.

“**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, 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) six secured parking spaces and one unsecured parking space in the Parking Lot, and (ii) 192 parking spaces in the Parking Garage, as shown on Exhibits **“C”** and **“D”** 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.

“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. 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, 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 County 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 County 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 Agreement. The Parties acknowledge that the one Occupancy Agreement under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not be assigned to the Council (the “**Unassigned Occupancy Agreement**”). The Parties have agreed to an alternate mechanism for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreement, as follows:

(a) First Class Vending, as successor to the R.J. Bradberry Company, is the occupant of various spaces in the Building, for the provision of Vending Facilities, specifically vending machines, pursuant to County Concession Agreement #73939. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the expedient transfer or replacement of the Vending Facilities and the continuity of vending services in the Building. If County Concession Agreement #73939 has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County Concession Agreement #73939.

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. With respect to the Occupant under the Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreement related to the Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by the Occupant. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 Areas, 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 are 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 Real Property. 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-Ownning Party for its Equity interest in the Real Property 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-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 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 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.

5.1.4 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 approved by the DOF is \$340,264, 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, and the Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) of the Act. The Building is not an "historical building" as defined in section 70301(f) of the Act. Subject to section 3.11 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: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Yvonne B. Burke*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Beverly Hills TA
Court Facility #19-AQ-01
County LACO # 5421, L027
Owned/Shared (TOR/DTOT)
October 22, 2008
IMANDB/1172769v6

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76822

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" – Copy of Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Lots 1, 2, 3, 4, 5, 6, and 7, Block 18, Tract No. 5647, as shown on map recorded in Book 60, Page 88, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

A-1

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

EXHIBIT "B"
FORM OF QUITCLAIM DEED

[See attached.]

B-1

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

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.

Assessor's Identification Number:
4342-011-903

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

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 Beverly Hills, 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

BEVERLY HILLS COURTHOUSE
(File: Beverly Hills Municipal Court
Building Site (1))
I.M. 129-157
S.D. 3

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

BEVERLY HILLS COURTHOUSE

File with: Beverly Hills Municipal Court Bldg. Site (1)
A.I.N. 4342-011-903
T.G. 632-G1
I.M. 129-157
Third District
A320SBAC

LEGAL DESCRIPTION

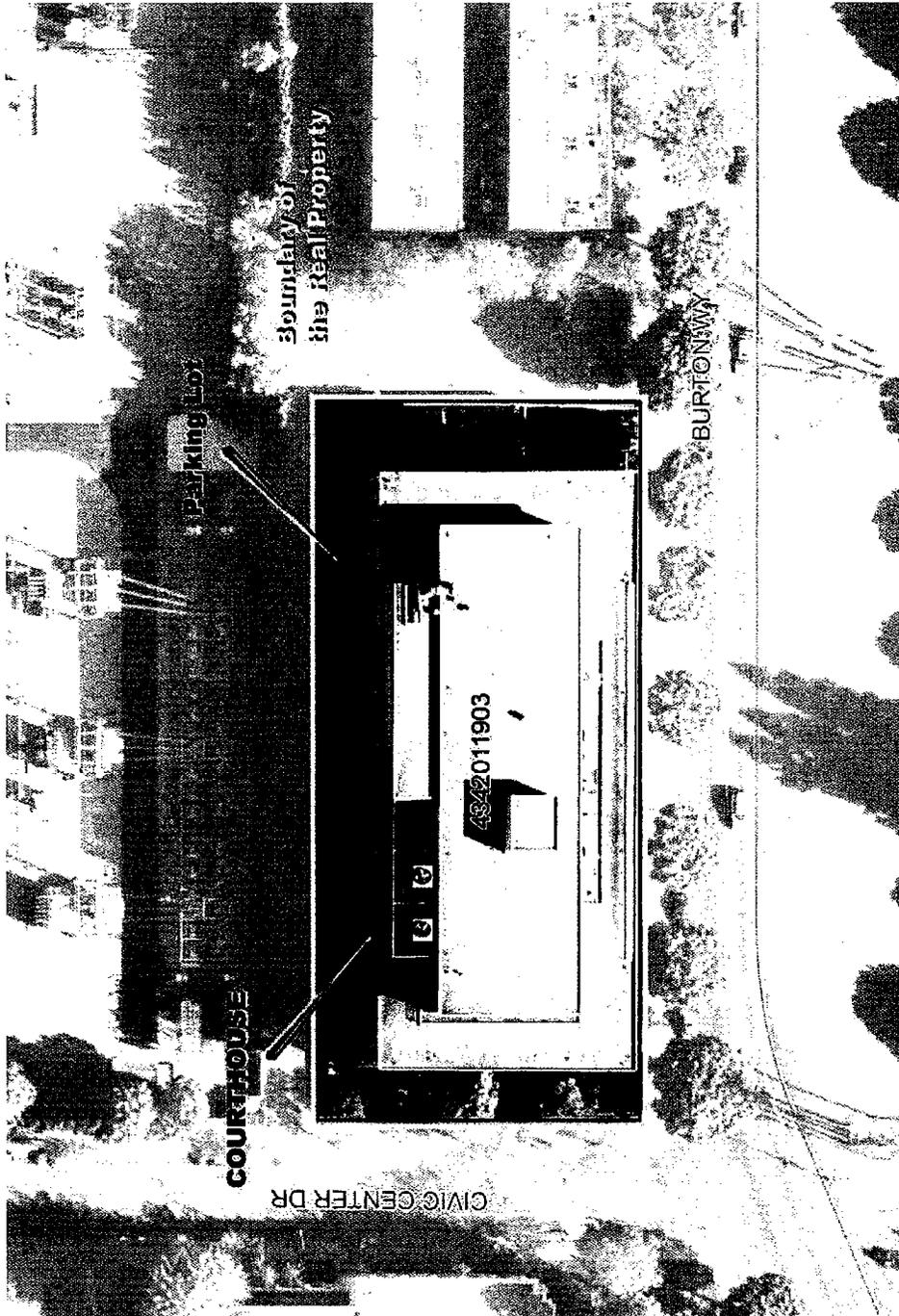
Lots 1, 2, 3, 4, 5, 6, and 7, Block 18, Tract No. 5647, as shown on map recorded in Book 60, page 88, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

APPROVED AS TO DESCRIPTION
February 20, 2008
COUNTY OF LOS ANGELES
By <u>Jimotaurus</u>
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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

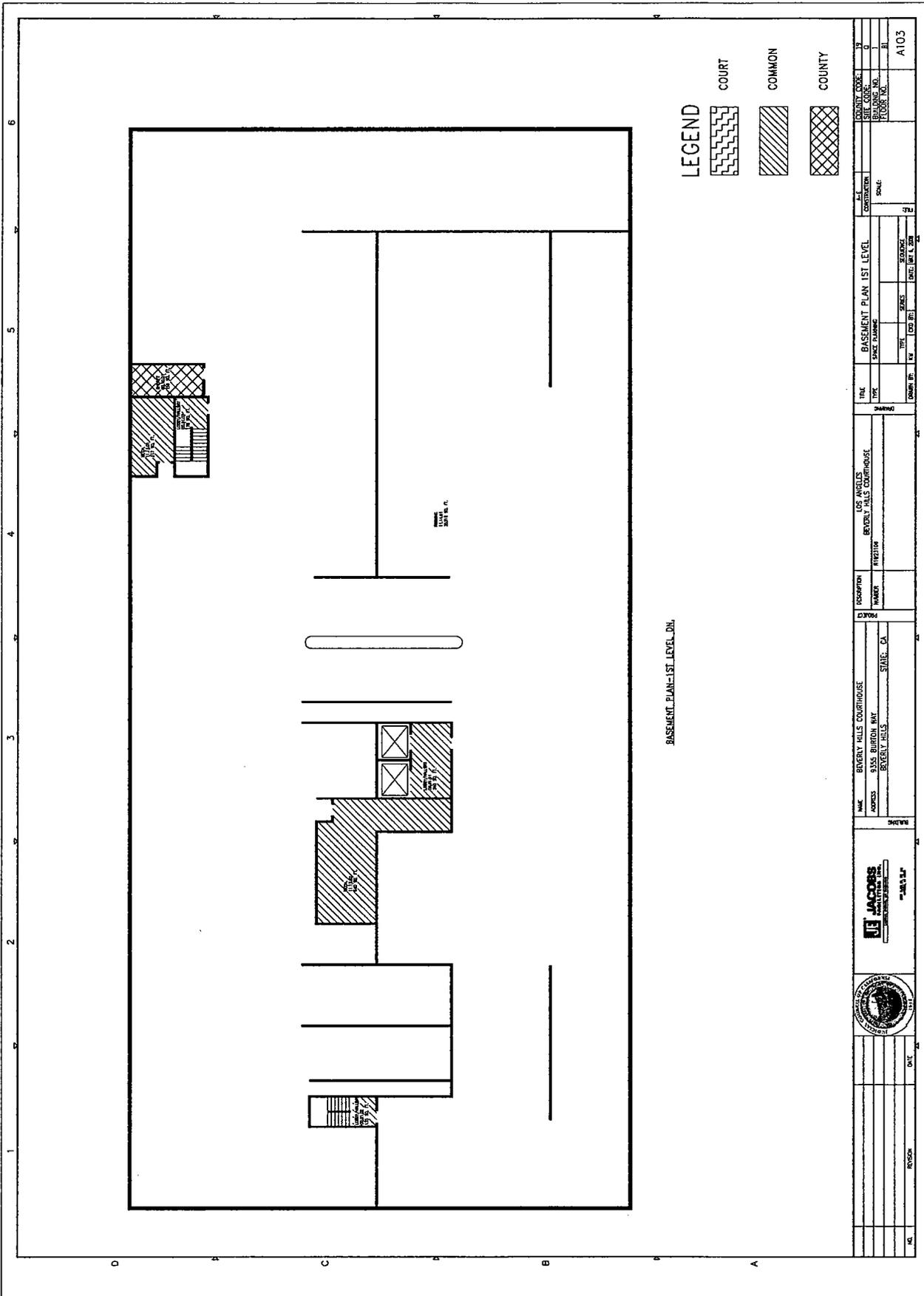
EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

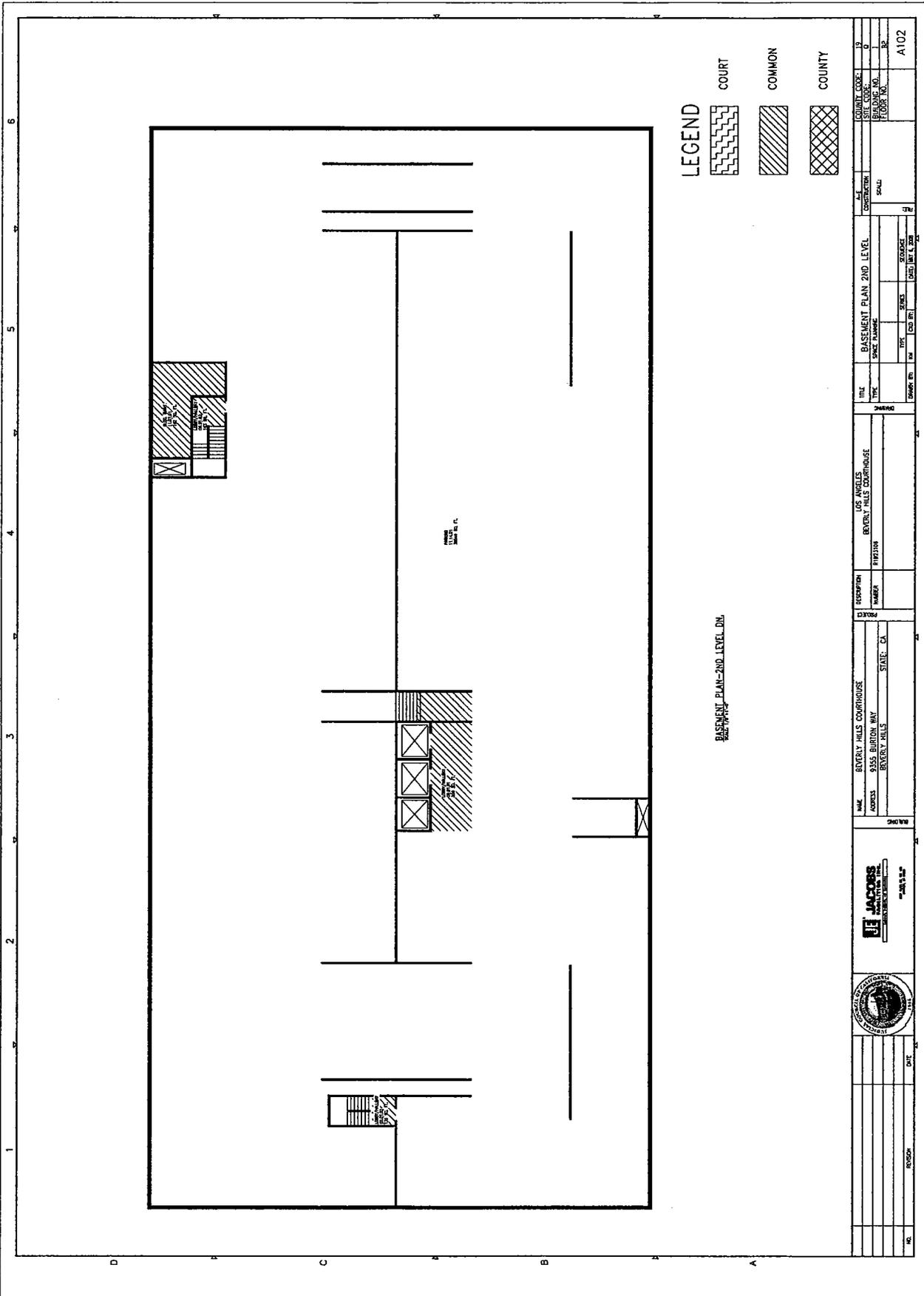


LEGEND

- COURT
- COMMON
- COUNTY

BASEMENT PLAN-1ST LEVEL-DIM.

		J. JACOBS ARCHITECT 12345 MAIN ST. BEVERLY HILLS, CA 90210 TEL: (310) 123-4567		NAME: BEVERLY HILLS COURTHOUSE ADDRESS: 5555 BURBON WAY BEVERLY HILLS, CALIFORNIA		DESCRIPTION: BEVERLY HILLS COURTHOUSE NUMBER: 12345 SHEET: 12345		TITLE: ARCHITECT DATE: 12/31/2024		COUNTY CODE: 33 CITY CODE: 0 DISTRICT: 0 COUNTY: 0103	
SCALE: 1/8" = 1'-0"		SHEET: 12345		TOTAL SHEETS: 12345		PROJECT NO.: 12345		DRAWING NO.: 12345		DATE: 12/31/2024	

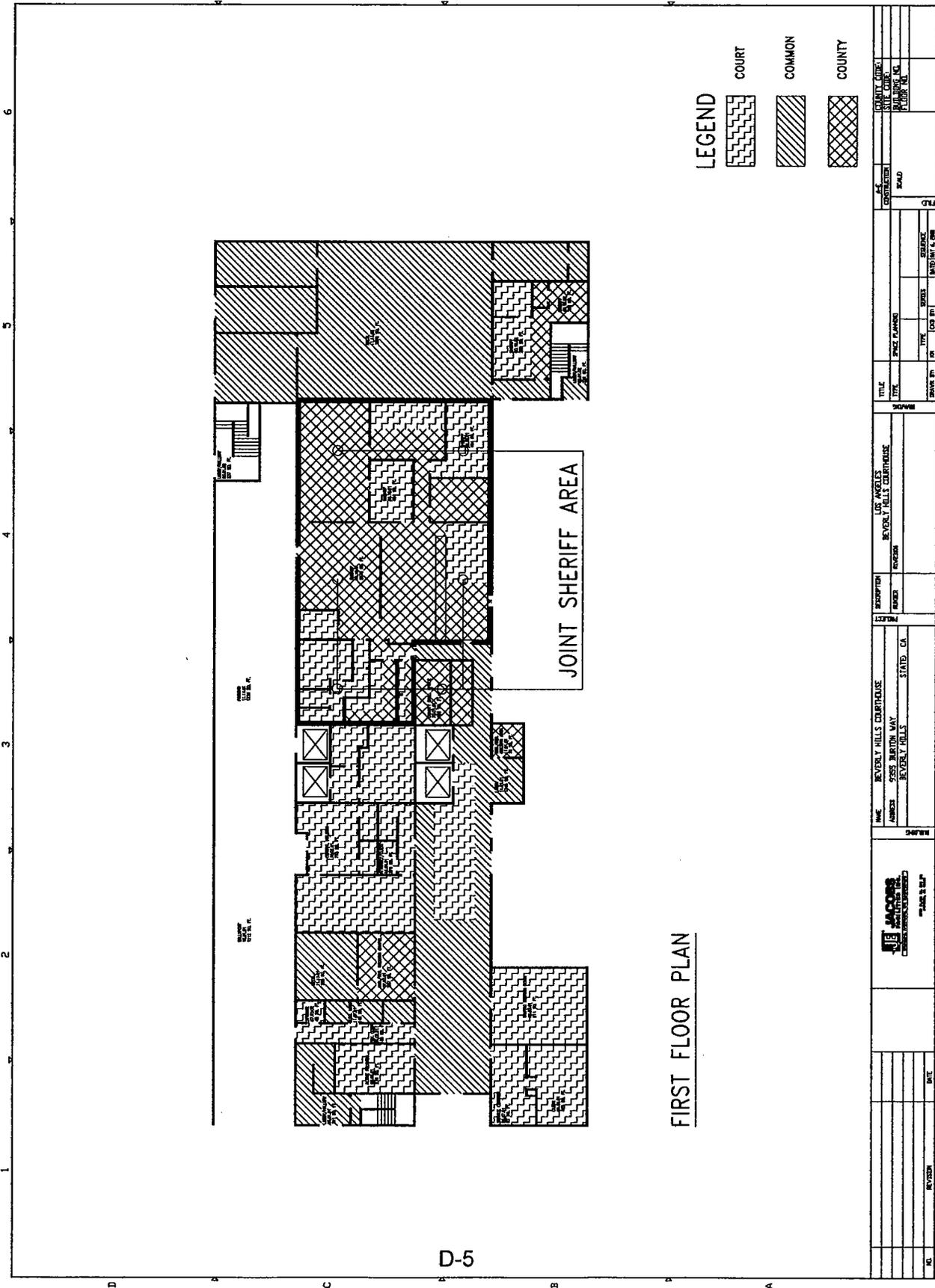


LEGEND

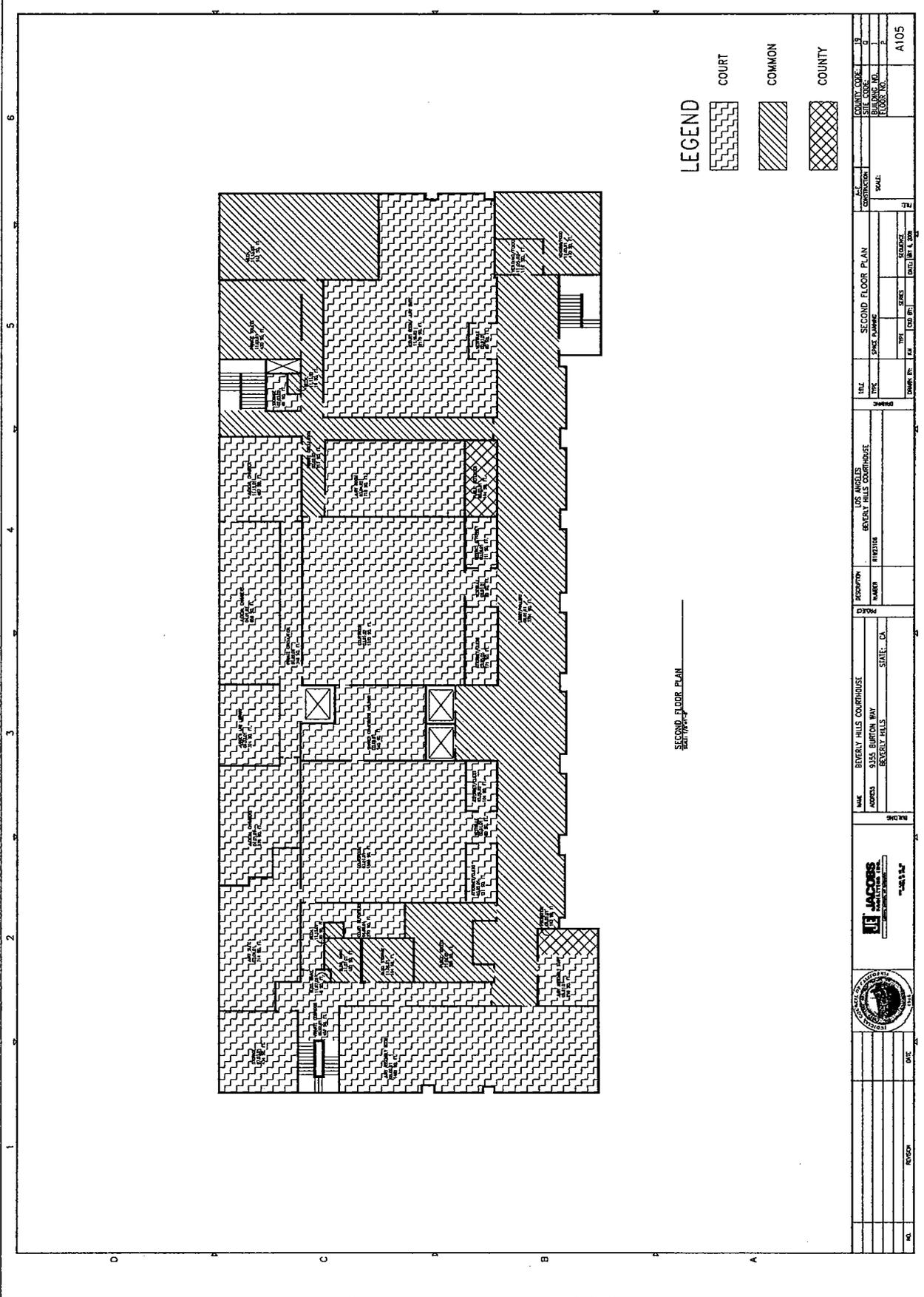
-  COURT
-  COMMON
-  COUNTY

BASEMENT PLAN-2ND LEVEL DN.

				PROJECT: BEVERLY HILLS COURTHOUSE ADDRESS: 9455 BURTON WAY BEVERLY HILLS, STATE, CA		DESCRIPTION: BEVERLY HILLS COURTHOUSE NUMBER: 17121014		LOCATION: LOS ANGELES BEVERLY HILLS COURTHOUSE		SHEET: 11 TOTAL SHEETS: 12	
NO. _____ REVISION _____ DATE _____		TITLE: BASEMENT PLAN 2ND LEVEL TYPE: SPACE HOUSE		DRAWING NO. _____ DATE: _____		COUNTY CODE: 19 SITE CODE: 0 PROJECT NO. 17121014		COUNTY: A102		SHEET NO. 11 TOTAL SHEETS 12	



D-5

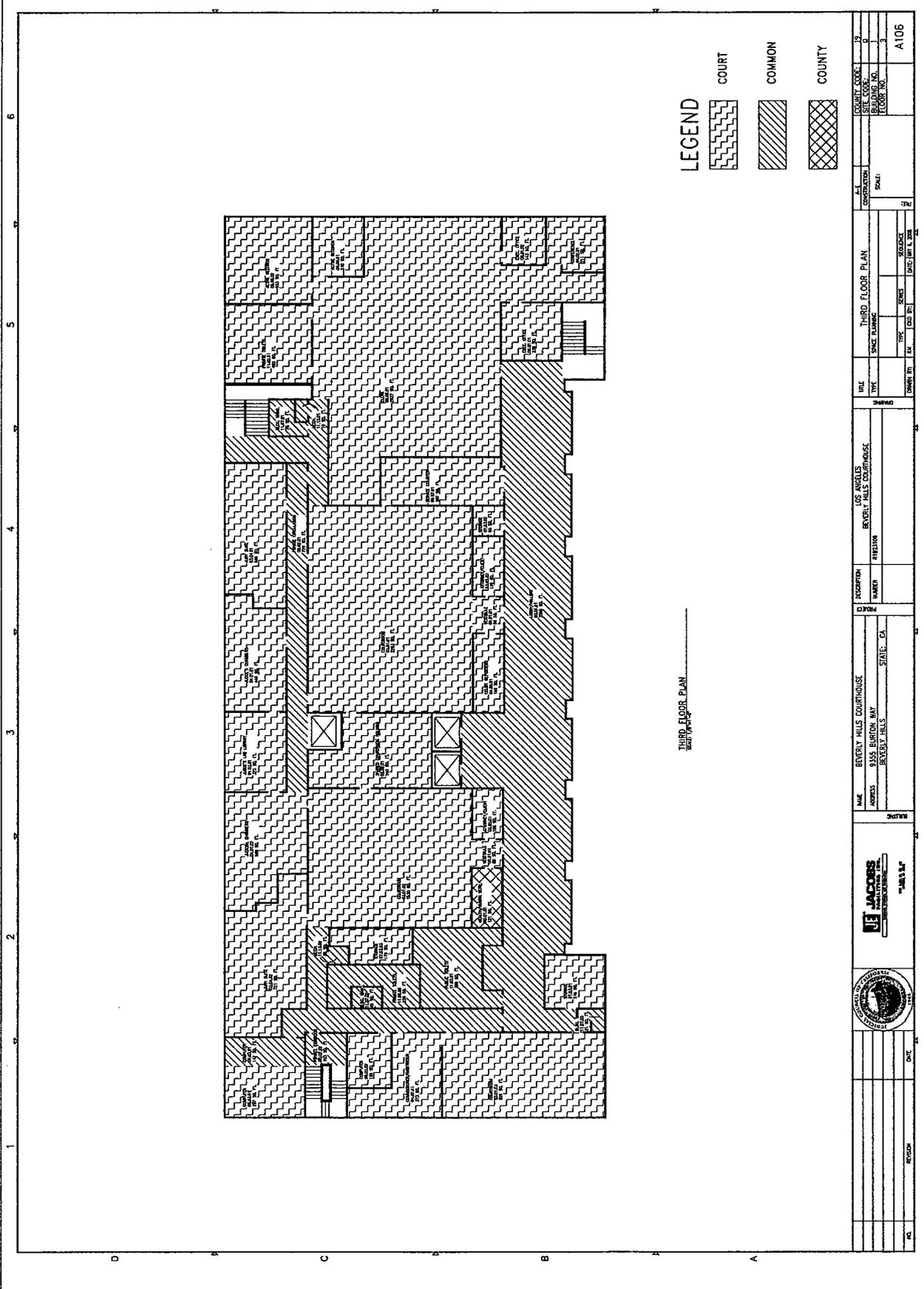


LEGEND

-  COURT
-  COMMON
-  COUNTY

SECOND FLOOR PLAN
BIRMINGHAM

NO.	REVISION	DATE			PROJECT NAME: BEVERLY HILLS COURTHOUSE ADDRESS: 9155 BURTON WAY BEVERLY HILLS, CALIF.		LOCATION COUNTY: LOS ANGELES CITY: BEVERLY HILLS		DRAWING TITLE: SECOND FLOOR PLAN TYPE: SPACE CHANGES		SCALE:		SHEET NO.: 19 TOTAL SHEETS: 20	
					STATE: CA		COUNTY: LOS ANGELES		DRAWN BY:		CHECKED BY:		DATE:	



LEGEND

-  COURT
-  COMMON
-  COUNTY

THIRD FLOOR PLAN
SCALE: 1/8"

NO.	REVISION	DATE			NAME BEVERLY HILLS COURTHOUSE ADDRESS 9455 BURTON WAY BEVERLY HILLS STATE, CA		PROJECT DESCRIPTION BEVERLY HILLS COURTHOUSE		TITLE TYPE THIRD FLOOR PLAN		COUNTY CODE 19 SITE CODE 0 SHEET NO. 3 FLOOR NO. 3 A106	
					DRAWN BY CHECKED BY DATE	SCALE 1/8"	SHEETS 3	REVISIONS 1				

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.]

F-1

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

**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 GOVT. CODE SECTION 27383 AND
DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN: 4342-011-903

**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 Beverly Hills, County of Los Angeles, State of California, having a street address of 9355 Burton Way, 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 Beverly Hills 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**”);

F-2

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

B. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the Beverly Hills Courthouse dated _____, 2008 (“TA”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Beverly Hills Courthouse of even date therewith (“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 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"
LEGAL DESCRIPTION OF THE PROPERTY

Lots 1, 2, 3, 4, 5, 6, and 7, Block 18, Tract No. 5647, as shown on map recorded in Book 60, Page 88, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

F-7

Beverly Hills TA
AOC Court Facility # 19-AQ-01
County LACO #5421, L027
Owned-Shared (TOR/DTOT)
October 22, 2008
IMANDB/1197328v5

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-AQ-01
County LACO # 5421, L027
Beverly Hills Courthouse JOA
9355 Burton Way, Beverly Hills, California 90210

ATTACHMENT D

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 BEVERLY HILLS COURTHOUSE

76837

Beverly Hills JOA
AOC Court Facility # 19-AQ-01
County LACO # 5421, L027
October 22, 2008
IMANDB/1172770v6

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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 November 18, 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 Beverly Hills Courthouse, located at 9355 Burton Way, Beverly Hills, California, 90210, 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, restrooms, and the Parking Garage, 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 Lot. 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 79.52 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 9,748 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 20.48 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) one parking space in the Parking Lot, and (ii) 50 parking spaces in the Parking Garage, as shown on Exhibits “C” and “D” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 20.48 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 37,859 square feet of the Building interior 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 79.52 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 on the first floor and labeled **“Joint Sheriff Area”** on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Building and the Parking Lot are located, comprising approximately 0.9 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.

“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-Ownning 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 Areas” 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.

“Parking Garage” means the three-level subterranean parking garage located within the Building containing 242 parking spaces, as shown on Exhibit “D” to the Transfer Agreement.

“Parking Lot” means the parking lot located on the Land directly to the north of the Building containing six secured parking spaces and two unsecured parking spaces, as shown on Exhibit “C” to the Transfer Agreement.

“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, 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.

"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) six secured parking spaces and one unsecured parking space in the Parking Lot, and (ii) 192 parking spaces in the Parking Garage, 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 Beverly Hills 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.

“**Vending Facility**” has the meaning given to it in section 19626 of the Welfare and Institutions Code.

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 at least through June 30, 2009, 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 at least through June 30, 2009, 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 the 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 28.16 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 71.84 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 28.16 percent Court Exclusive-Use Area and 71.84 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 Areas, which are included in Common Area. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Areas. Upon the earlier of: (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, the Council shall be solely entitled to all revenues arising from the Operation of the Parking Areas. 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 five of the parking spaces allocated to the County Parking, and up to eight of the parking spaces allocated to the Superior Court Parking, 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 Responsibility Transfer Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Areas, 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 Contract Parking Management. Upon the termination of the Common Area Delegation Period, the Council shall assume responsibility for management and Operation of the Parking Areas, and the County shall terminate its contract with any parking manager as it relates to management of the Parking Garage.

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-Ownning Party, and ensure that the Non-Ownning 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 except as otherwise provided in section 3.4 of this JOA, the Council is solely entitled to all revenues arising from the Parking Areas and from Vending Facilities in the Common Area and the Exclusive-Use Areas, 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) \$135,930 (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) \$135,930, 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 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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.

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
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: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Yvonne B. Burke*
Deputy

76837

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Beverly Hills Courthouse, which is located in a building on certain real property in the City of Beverly Hills, County of Los Angeles, State of California and having a street address of 9355 Burton Way (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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
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
Escalators	X		X		X	X	X	X
Dumbwaiters	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	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	X	
Roll-up doors	X					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
	X								

Concrete Areas/Hard Courts/Parking Lots									
Sweeping/washing, except parking lots									
Maintenance of parking lot surfaces	X								X
Vermi/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: (a) 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-AG1
County LACO # 6420, Y250, Y302, Y303, Y304, Y305
Compton Courthouse
200 West Compton Blvd., Compton, California 90220

ATTACHMENT E

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 COMPTON COURTHOUSE

76823

Compton TA
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1102288v10

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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 November 18, 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 Compton 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.

“**Amphitheater**” means the amphitheater area north of the Building, as shown on Exhibit “C” to this Agreement.

“**Assignments of Occupancy Agreements**” means the documents titled Assignment and Assumption of Occupancy Agreement that are attached to this Agreement as Exhibit “H”.

Compton TA
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1102288v10

76823

“Building” means the building commonly known as the Compton Courthouse, located at 200 West Compton Blvd., Compton, California 90220, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements. The Building includes the Underground Parking Area, but not the Parking Structure.

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

“Comfort Stations” means the male and female comfort station buildings that are located south of the Building, as shown on **Exhibit “C”** to this Agreement.

“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 Structure, the Underground Parking Area, the Comfort Stations, the Amphitheater, and the MLK Monument. 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 87,114 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 33.87 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) 93 parking spaces in the Secured Underground Parking Area; and (ii) 369 parking spaces in the Parking Structure, 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 170,103 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 66.13 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, 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.

“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, the Parking Structure, and other improvements are located, comprising approximately 10.2 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.

“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.

“MLK Monument” means the Martin Luther King, Jr. Memorial Monument located in the center of the Amphitheater, as shown on **Exhibit “C”** to this Agreement.

“Non-Owning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“**Parking Structure**” means the parking structure located on the Land south of the Building as shown on **Exhibit “C”** to this Agreement.

“**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, the Building, the Parking Structure, and all other fixtures on and improvements to the Land.

“**Responsibility Transfer Date**” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

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

“**Secured Underground Parking Area**” means the underground parking structure located beneath the surface of the Land surrounding the basement area of the Building.

“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) 226 parking spaces in the Secured Underground Parking Area; and (ii) 675 parking spaces in the Parking Structure, 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.

“**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. 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, 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 an 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 Assigned Occupancy Agreements. The Parties agree that certain 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 pursuant to the Assignments of Occupancy Agreements, as follows:

(a) The Los Angeles County Law Library is the Occupant of space on the second floor of the Building under County Lease #75510. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease #75510;

(b) Children's Discovery Centers of America, Inc., Doing Business As Knowledge Learning Corporation, is the Occupant of space in Room 1103 of the Building, under County License #COL-442. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #COL-442;

(c) The City of Compton is the Occupant of certain radio rack and antenna spaces on the Building under County Communications Site License #COL-310 for radio communication purposes. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept the assignment of, County Communications Site License #COL-310; and

(d) The City of Compton is the Occupant of certain portions of the Secured Underground Parking Area under County License #57016 for

purposes of maintaining telecommunications conduit. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept the assignment of, County License #57016.

4.3.8.3 Unassigned Occupancy Agreement. The Parties acknowledge that certain of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area will not be assigned to the Council (the “**Unassigned Occupancy Agreement**”). The Parties have agreed to alternate mechanisms for transferring to the Council responsibility for the Unassigned Occupancy Agreement, as follows:

(a) The State Department of Rehabilitation is the Occupant of various spaces in the Building, for the provision of Vending Facilities, specifically a cafeteria and a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the expedient transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

4.3.8.4 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. With respect to the Occupant under the Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreement related to such Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including, if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupant. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 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 or the Parking Structure in order to bring the portions of the Building or the Parking Structure 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 or the Parking Structure that are required by Law as a result of the repair of the seismic-related damage to the Building or the Parking Structure; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building or the Parking Structure 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 the Parking Structure, 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 or the Parking Structure if the Building or the Parking Structure 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 on 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;
- (b) the Assignments of Occupancy Agreements; and
- (c) 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 and the Assignments of Occupancy Agreements within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 approved by the DOF is \$1,002,074, 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 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 the 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.

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 CFDRRC.

12.2 Referral to CFDRRC. 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 CFDRRC for hearing and recommendation to the Director of Finance, as contemplated in the Act and in accordance with the CFDRRC 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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: CR Martel
Name: Charles R. Martel, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: Yvonne B. Burke
Deputy

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

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: Raymond G. Fortner, Jr.
Principal Deputy County Counsel

By: Yvonne B. Burke
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76823

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" – Copy of Section 70324 of the Act

Exhibit "H" – Assignments and Assumptions of Occupancy Agreements

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Part A

All of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 6, all of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 10, and all of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 14 of the Town of Compton, as shown on map recorded in Book 11, page 68, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part B

That portion of Palm Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the southeasterly corner of Lot 4, Block 2, said map; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 6; thence westerly along the southerly sideline of said Palm Street to the northwesterly corner of above-mentioned Lot 1, Block 6; thence northerly in a direct line to the southwest corner of Lot 1, said Block 2; thence easterly along the northerly sideline of said Palm Street to the point of beginning.

Part C

That portion of Almond Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the southeasterly corner of above-mentioned Lot 10, Block 6; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 10; thence westerly along the southerly sideline of said Almond Street to the northwesterly corner of above-mentioned Lot 1, Block 10; thence northerly in a direct line to the southwest corner of above-mentioned Lot 7, Block 6; thence easterly along the northerly sideline of said Almond Street to the point of beginning.

Part D

That portion of Laurel Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the

A-1

southeasterly corner of above-mentioned Lot 10, Block 10; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 14; thence westerly along the southerly sideline of said Laurel Street to the northwesterly corner of above-mentioned Lot 1, Block 14; thence northerly in a direct line to the southwesterly corner of above-mentioned Lot 7, Block 10; thence easterly along the northerly sideline of said Laurel Street to the point of beginning.

A-2

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

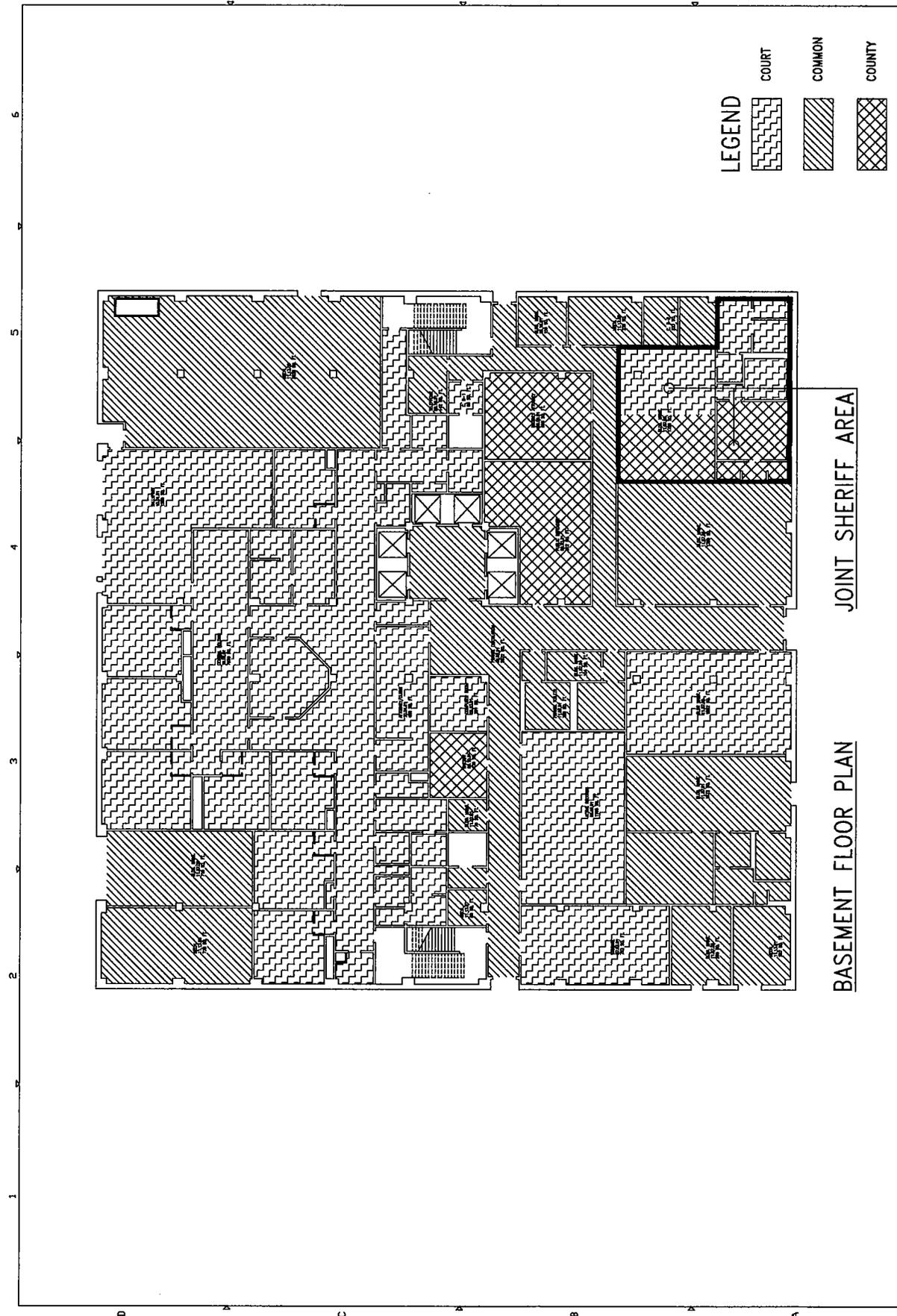
Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1



LEGEND

COURT

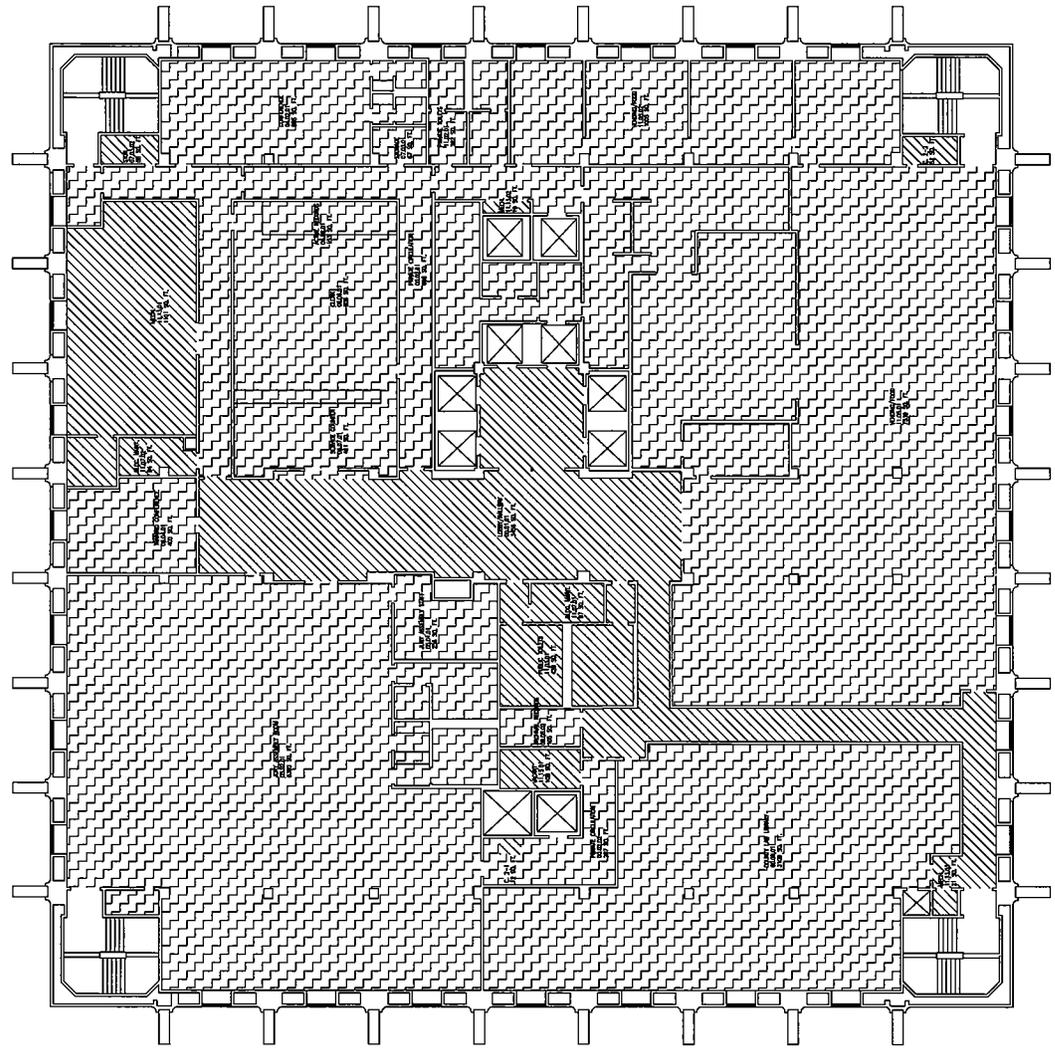
COMMON

COUNTY

BASEMENT FLOOR PLAN **JOINT SHERIFF AREA**

NO.	REV.	DATE			PROJECT NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA 90221		COUNTY: LOS ANGELES CITY: COMPTON		TITLE: ARCHITECT DRAWING NO.: 100		SCALE: AS SHOWN DATE: 10/15/00	
			PROJECT NO.: 00-0000-0000		SHEET NO.: 100		TOTAL SHEETS: 100		PROJECT MANAGER:		ARCHITECT:	

1 2 3 4 5 6



LEGEND

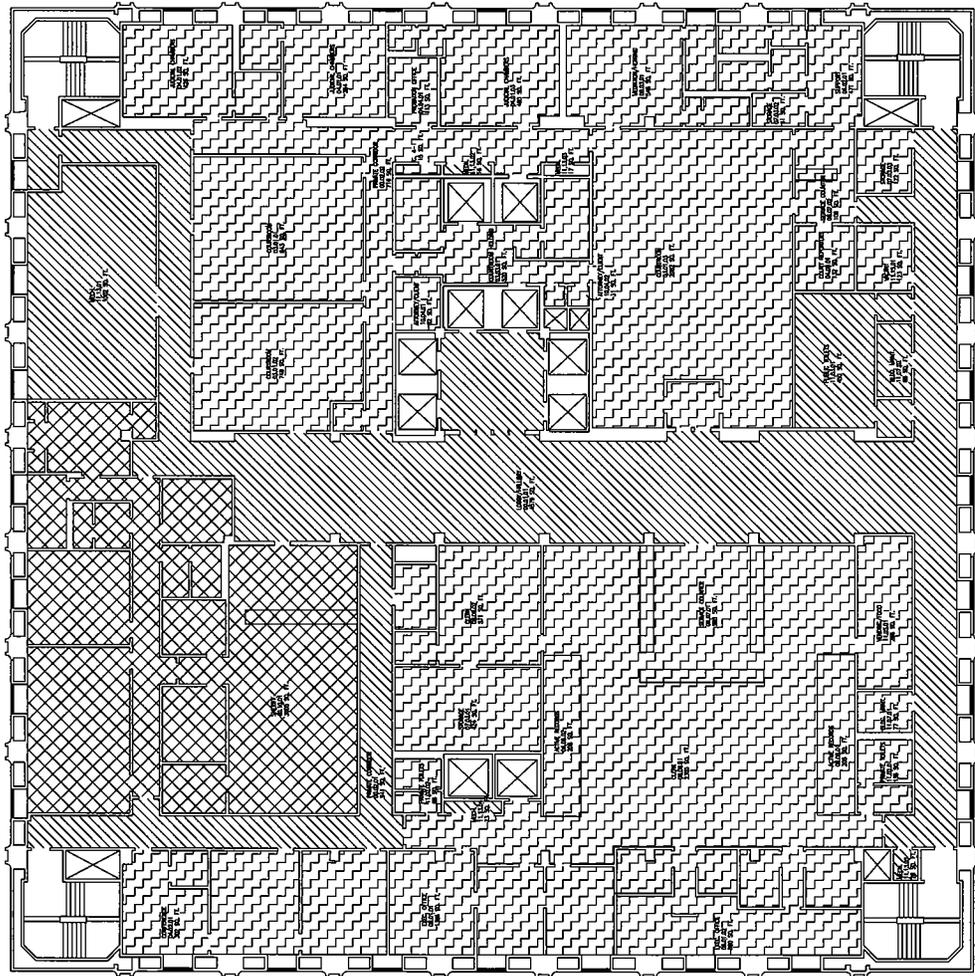
	COURT
	COMMON
	COUNTY

SECOND FLOOR PLAN

COUNTY: SACRAMENTO SITE CODE: 1 BUILDING NO.: 1 FLOOR NO.: 2 A103	
TITLE: SECOND FLOOR PLAN TYPE: SPACE PLANNING DRAWN BY: FSC DATE: JAN 22, 2008	PROJECT: LOS ANGELES COUNTY COURTHOUSE REVISION:
NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA	DESCRIPTION: WALKER COUNTY: LOS ANGELES CITY: COMPTON
STATE: CA	COUNTY: LOS ANGELES
DATE:	DATE:



1 2 3 4 5 6



LEGEND

COURT

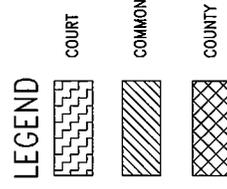
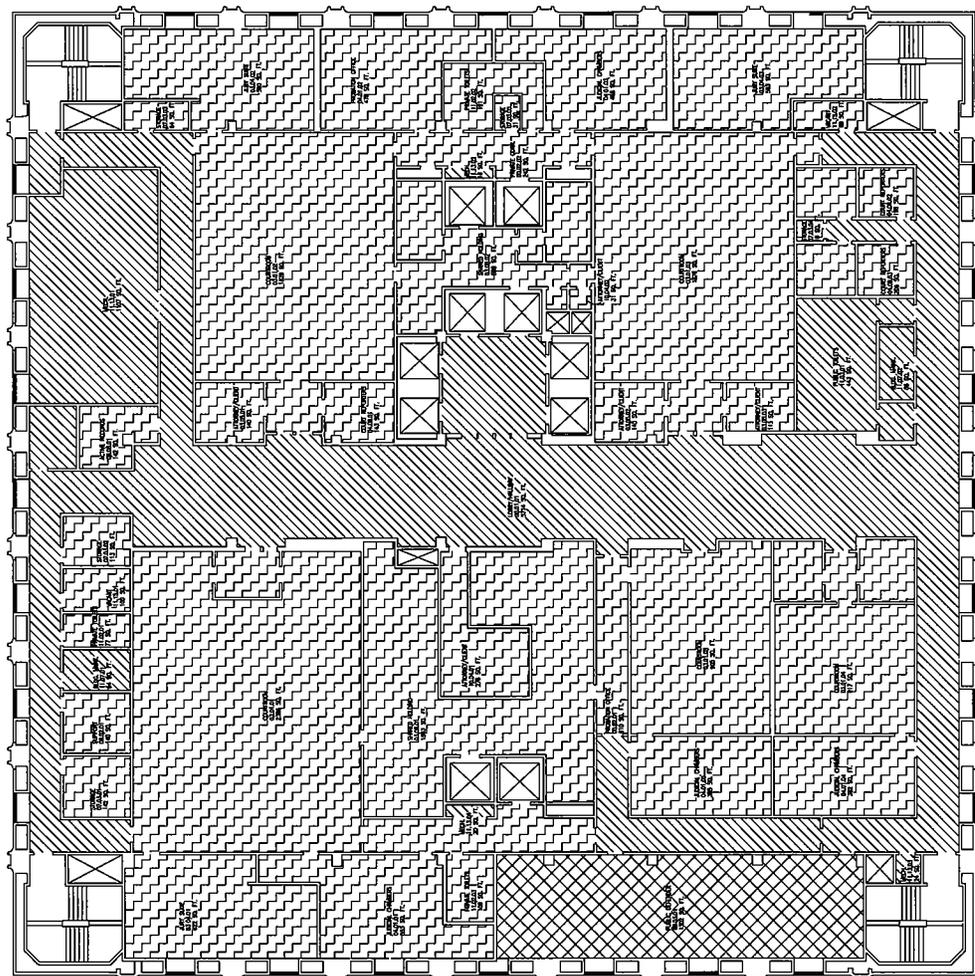
COMMON

COUNTY

FOURTH FLOOR PLAN

NO.	REGION	DATE			NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD., COMPTON, CA		DESCRIPTION: COURTHOUSE NUMBER: 11121314		CITY: LOS ANGELES STATE: CA		COUNTY: LOS ANGELES COUNTY CODE: 01	
					FILE: FOURTH FLOOR PLAN TYPE: SPACE PLANNING		DRAWN BY: JAC CHECKED BY: JAC		SCALE: 1/8" = 1'-0" DATE: 10/15/88		SHEET NO.: 4 BUILDING NO.: 11121314 FLOOR NO.: 4	

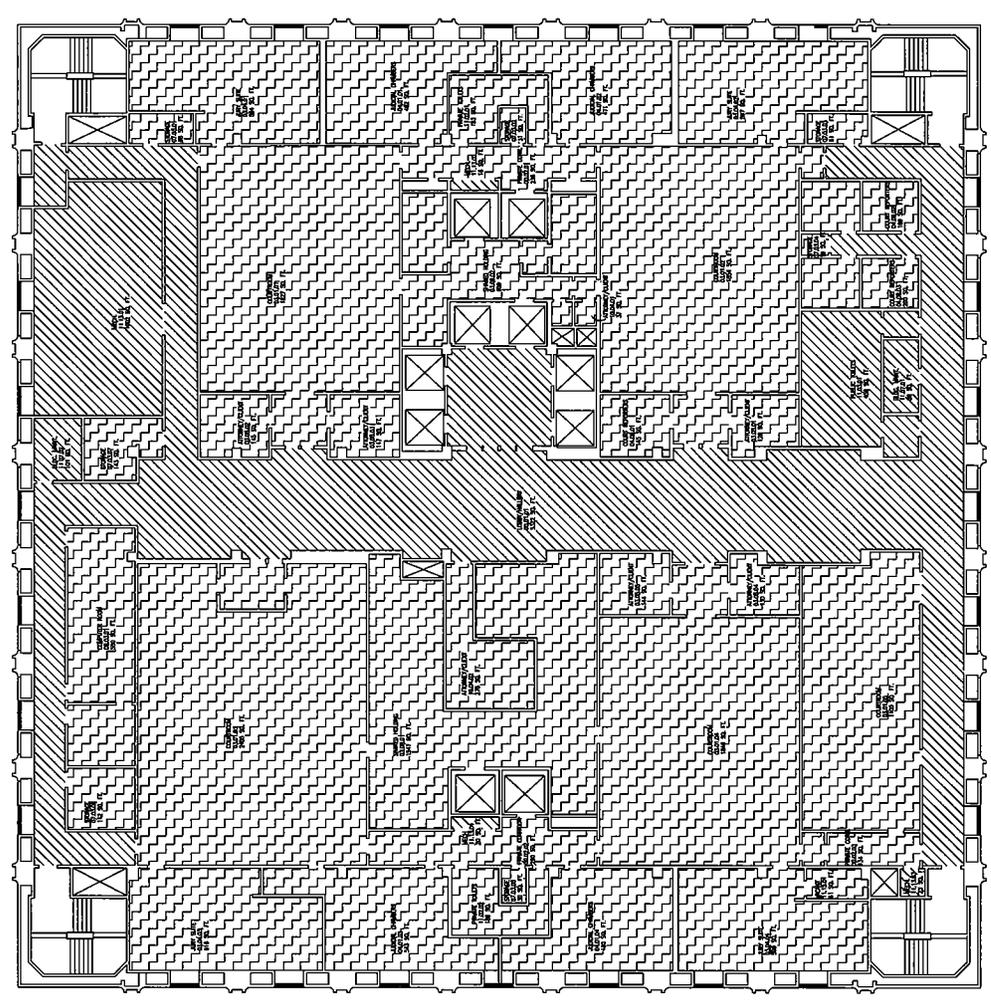
1 2 3 4 5 6



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

NO.	EXCISE	DATE			BUILDING NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA	DESCRIPTION NUMBER: FIFTH FLOOR DRAWING NUMBER: 5	TITLE TYPE: ARCHITECTURAL DRAWING NO.: 5	DATE: JAN 15, 2000	SCALE: AS SHOWN	COUNTY: LOS ANGELES CITY: COMPTON FLOOR NO.: 5	SHEET NO.: A106

1 2 3 4 5 6



LEGEND

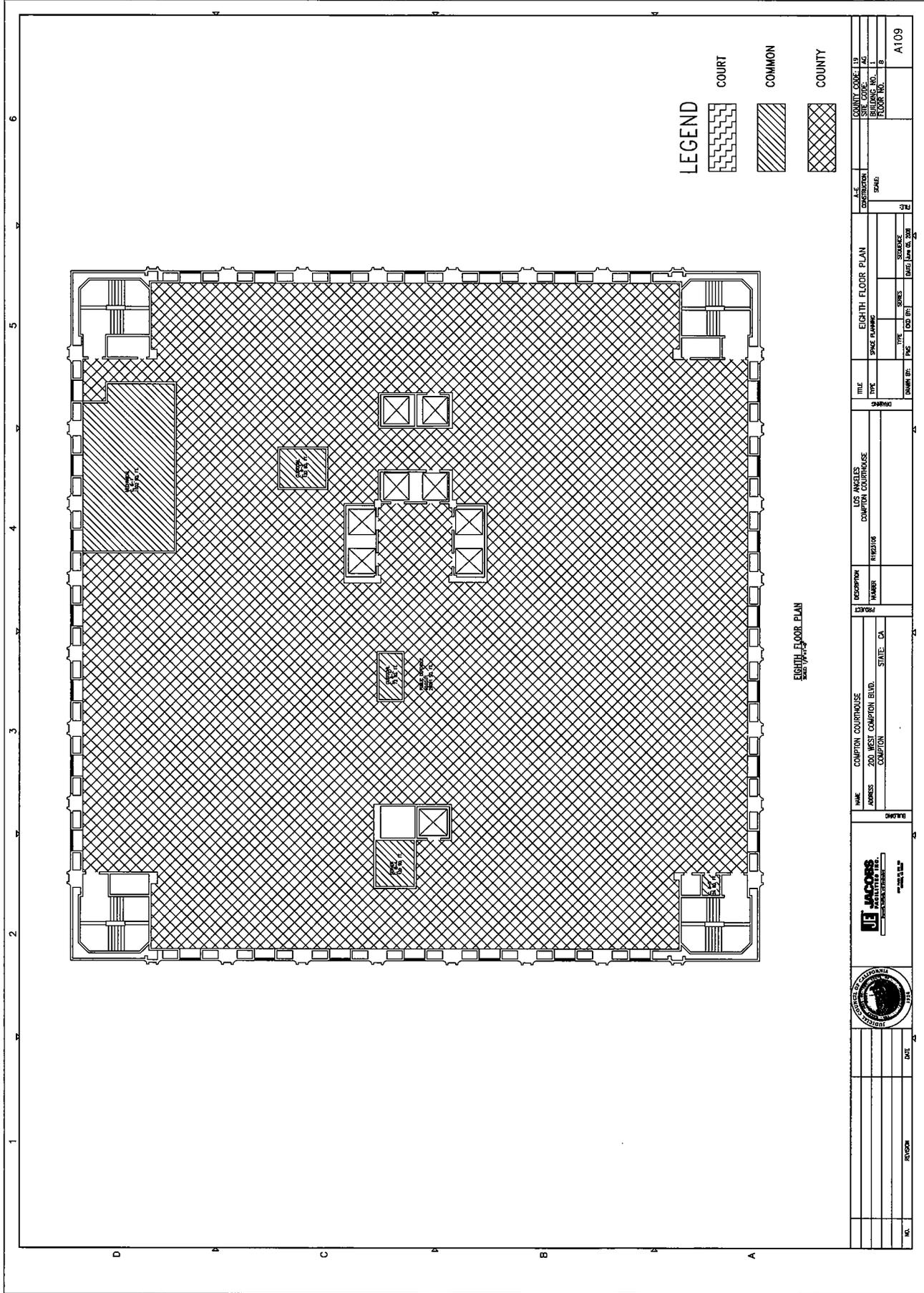
COURT

COMMON

COUNTY

SIXTH FLOOR PLAN

NO.	REVISION	DATE
J. J. JACOBS REGISTERED PROFESSIONAL ENGINEER MECHANICAL ENGINEERING STATE OF CALIFORNIA		
PROJECT: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA STATE: CA		
DESCRIPTION: LOS ANGELES COMPUTER COURTHOUSE ARCHITECT: HOK		
TITLE: SIXTH FLOOR PLAN TYPE: SPACE PLANNING DRAWN BY: PMS CHECKED BY: PMS DATE: JAN. 10, 2008		
I.L. CONSTRUCTION: S.M.C. COUNTY CODE: 10 SUB-DIVISION: 10 BUILDING NO.: 1 FLOOR NO.: 6 COUNTY: A107		



LEGEND

COURT

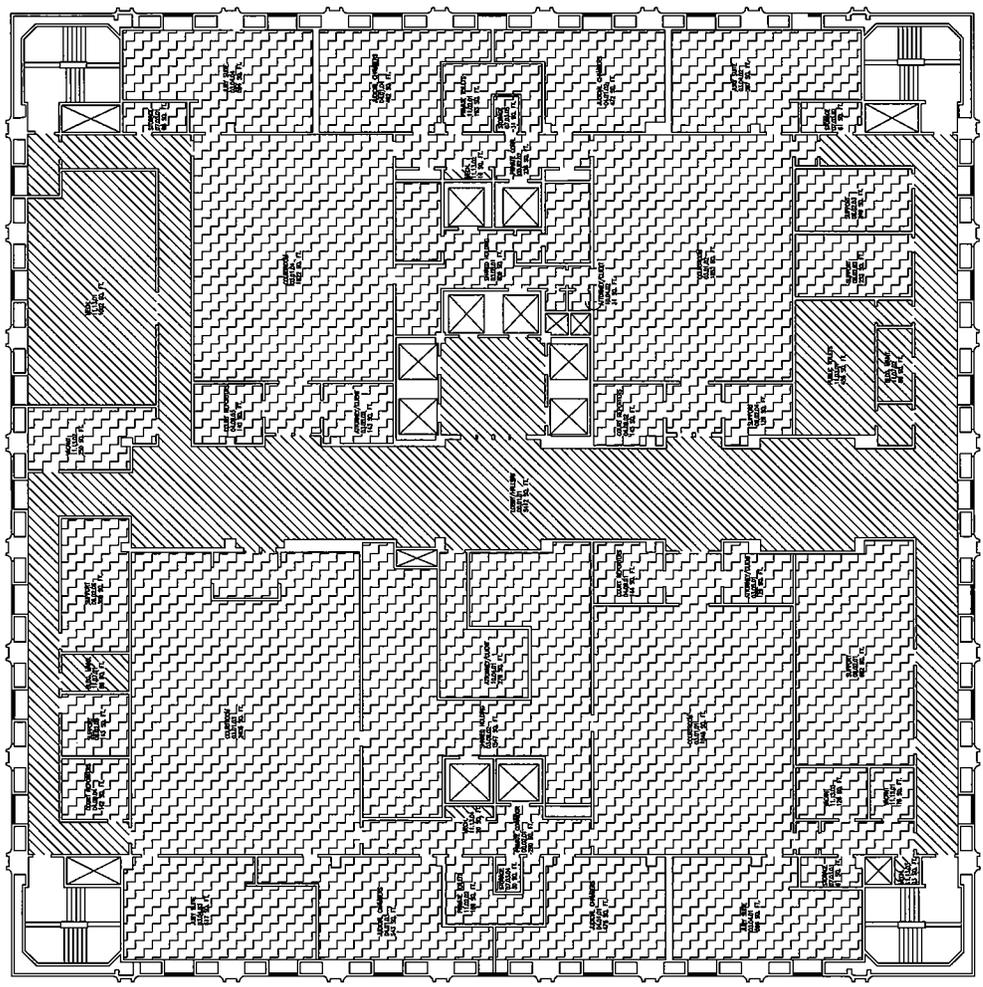
COMMON

COUNTY

EIGHTH FLOOR PLAN

NO.	EXCISE	DATE			PROJECT NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA STATE: CA		DESCRIPTION NAME: EIGHTH FLOOR NUMBER: 1		TITLE TYPE: SPACE PLANNING DRAWN BY: JAC CHECKED BY: JAC		SCALE SHEET: 9 OF 9		COUNTY CODE: 19 BUILDING NO.: 1 FLOOR NO.: 8 A109	
					PROJECT NAME: LOS ANGELES COMPTON COURTHOUSE		TITLE TYPE: EIGHTH FLOOR PLAN		SCALE SHEET: 9 OF 9		COUNTY CODE: 19 BUILDING NO.: 1 FLOOR NO.: 8 A109			

1 2 3 4 5 6



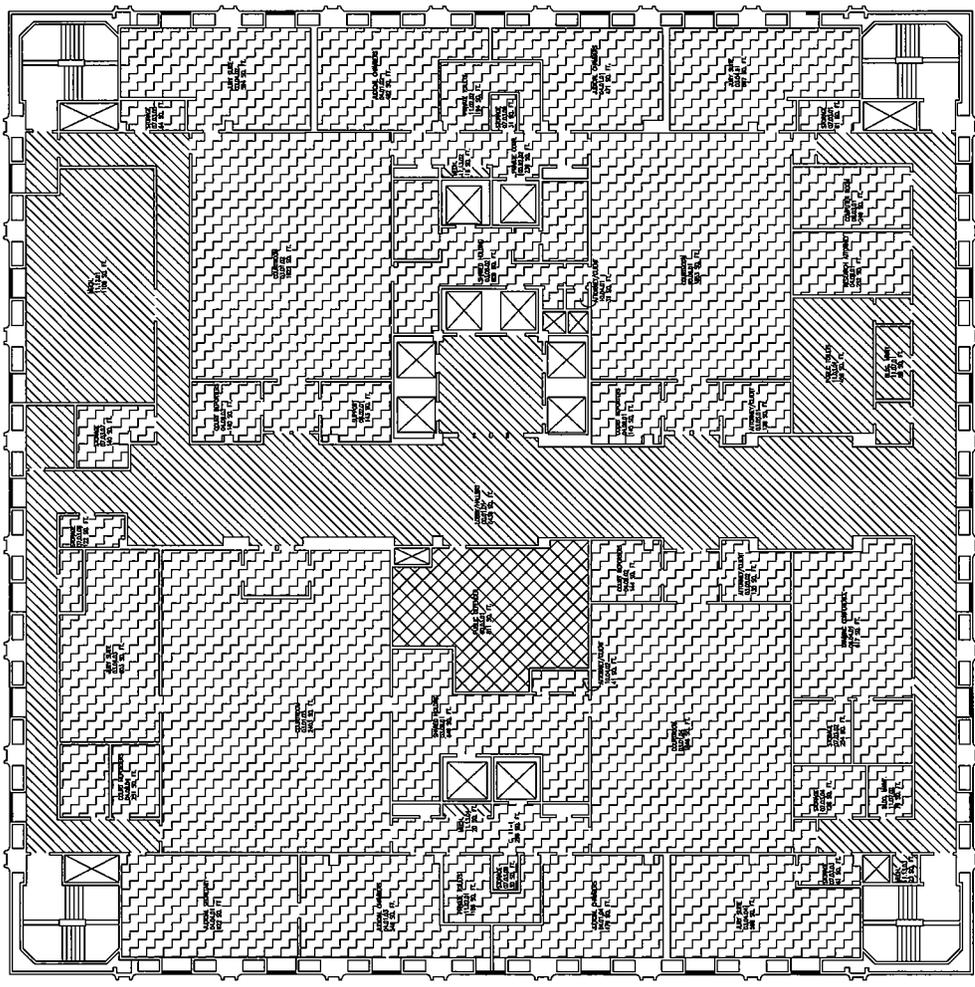
LEGEND

	COURT
	COMMON
	COUNTY

TENTH FLOOR PLAN
REV. 10/17/03

NO.	EXTENSION	DATE		NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON, CALIFORNIA		CITY: COMPTON STATE: CA		OCCUPATION NUMBER: 1 PROJECT NUMBER: 10000		TITLE: TENTH FLOOR PLAN TYPE: SPACE PLANNING		I.P.C. CONSTRUCTION: SPACE SCALE: 1/8" = 1'-0"		COUNTY CODE: 19 SITE CODE: 41 BUILDING NO.: 1 FLOOR NO.: 10		A111
				DRAWN BY: PAK CHECKED BY: J.E.J.	DATE: JAN 16, 2004	ISSUES: 1 REVISIONS: 0										

1 2 3 4 5 6



LEGEND

 **COURT**

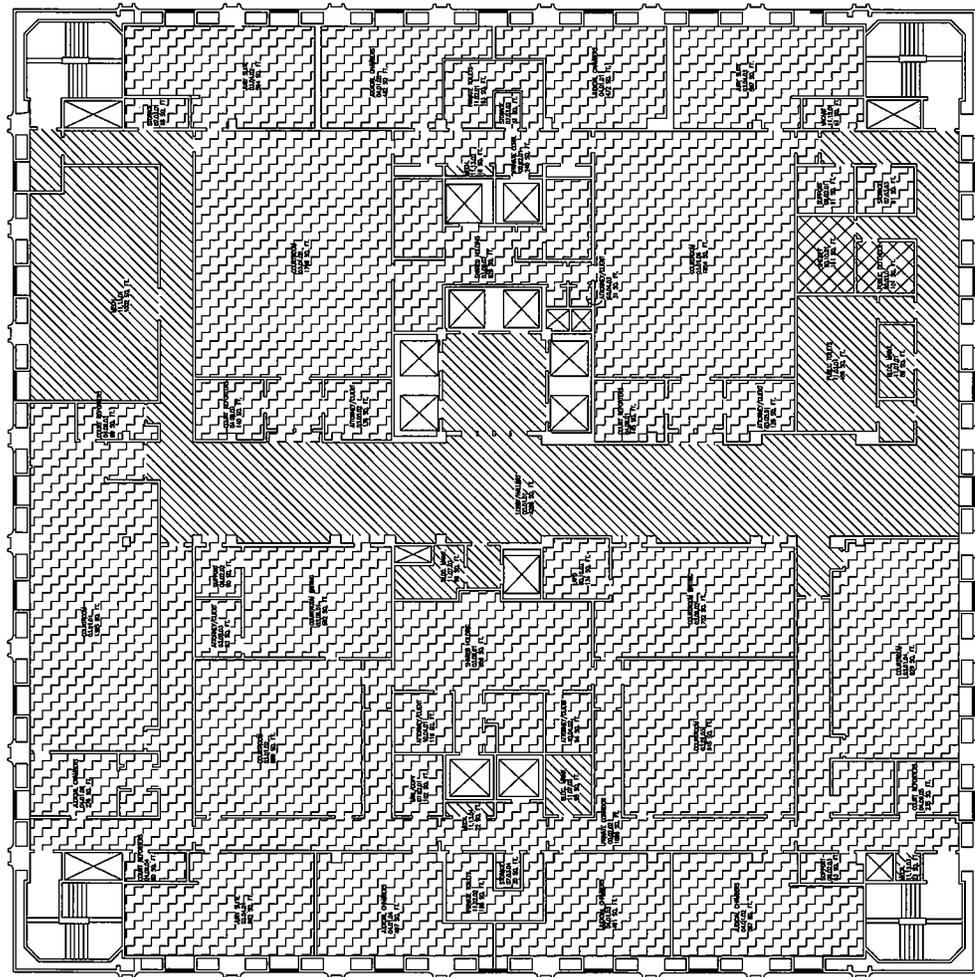
 **COMMON**

 **COUNTY**

ELEVENTH FLOOR PLAN

NO.	BOOK	DATE			NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD., STATE: CA		PROJECT: LOS ANGELES COMPTON COURTHOUSE		TITLE: ELEVATION FLOOR PLAN SCALE:		COUNTY: LOS ANGELES BUILDING NO.: 1 FLOOR NO.: 11 A112	
					DESIGNER:	CHECKER:	DATE:	DRAWN BY:	TYPE:	DATE:	REVISION:	

1 2 3 4 5 6

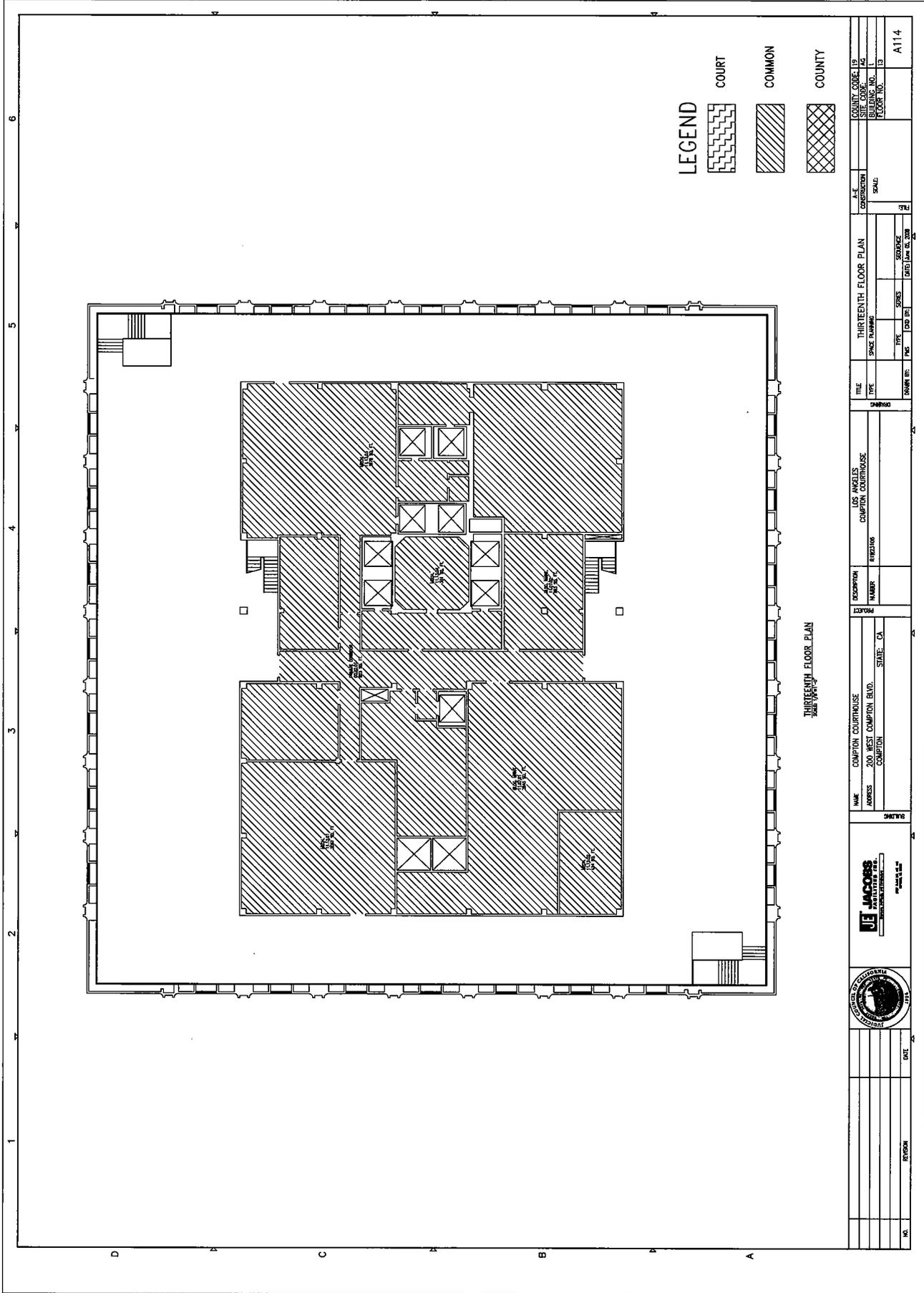


LEGEND

	COURT
	COMMON
	COUNTY

TWELFTH FLOOR PLAN
MAY 1974

NO.	REVISION	DATE		J. JACOBS ARCHITECT 1000 MARKET STREET, SUITE 100 SAN FRANCISCO, CALIF. 94102	BUILDING NAME COMPTON COURTHOUSE		PROJECT NUMBER 12345		DESCRIPTION TWELFTH FLOOR COURTHOUSE		DRAWING TYPE SPACE PLANNING		TITLE TWELFTH FLOOR PLAN		SCALE 1/8" = 1'-0"		SHEET NO. A113	
					NAME COMPTON COURTHOUSE		ADDRESS 200 WEST COMPTON BLVD. COMPTON		CITY COMPTON		STATE CA		COUNTY LOS ANGELES		DRAWN BY JAC		CHECKED BY JAC	



LEGEND

COURT

COMMON

COUNTY

THIRTEENTH FLOOR PLAN

NO.	DATE	REVISION	DATE
J.E. JACOBS REGISTERED PROFESSIONAL ENGINEER 10000		J.E. JACOBS REGISTERED PROFESSIONAL ENGINEER 10000	
NAME: COMPTON COURTHOUSE ADDRESS: 200 WEST COMPTON BLVD. COMPTON		CITY: COMPTON STATE: CA	
DESCRIPTION: US POST OFFICE NUMBER: COMPTON COURTHOUSE		DRAWN BY: [] CHECKED BY: [] DATE: []	
TITLE: THIRTEENTH FLOOR PLAN TYPE: SPACE PLANNING		SCALE: [] SHEET: []	
COUNTY: LOS ANGELES BUILDING NO.: 13		COUNTY: LOS ANGELES FLOOR NO.: 13	
COUNTY: LOS ANGELES CASE NO.: A114		COUNTY: LOS ANGELES CASE NO.: A114	

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**

**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 No. 6160-011-929, 6160-012-906, -907, -908,
-910, -912, -913, -915, -916, -918, -919,
-920, and -921, 6160-013-904, and
a portion only of 6160-014-910

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 Compton, County of Los Angeles, State of California, having a street address of 200

F-1

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

West Compton Boulevard, 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 Compton 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 Compton Courthouse dated _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Compton Courthouse of even date therewith (“**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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Charles R. Martel, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____) SS.

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

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Part A

All of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 6, all of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 10, and all of Lots 1, 2, 3, 4, 7, 8, 9 and 10, Block 14 of the Town of Compton, as shown on map recorded in Book 11, page 68, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

Part B

That portion of Palm Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the southeasterly corner of Lot 4, Block 2, said map; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 6; thence westerly along the southerly sideline of said Palm Street to the northwesterly corner of above-mentioned Lot 1, Block 6; thence northerly in a direct line to the southwest corner of Lot 1, said Block 2; thence easterly along the northerly sideline of said Palm Street to the point of beginning.

Part C

That portion of Almond Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the southeasterly corner of above-mentioned Lot 10, Block 6; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 10; thence westerly along the southerly sideline of said Almond Street to the northwesterly corner of above-mentioned Lot 1, Block 10; thence northerly in a direct line to the southwest corner of above-mentioned Lot 7, Block 6; thence easterly along the northerly sideline of said Almond Street to the point of beginning.

Part D

That portion of Laurel Street (now vacated), 60 feet wide, as shown on the above-mentioned map, within the following described boundaries: Beginning at the southeasterly corner of above-mentioned Lot 10, Block 10; thence southerly in a direct line to the northeasterly corner of above-mentioned Lot 4, Block 14; thence westerly along the southerly sideline of said Laurel Street to the northwesterly corner of above-

mentioned Lot 1, Block 14; thence northerly in a direct line to the southwesterly corner of above-mentioned Lot 7, Block 10; thence easterly along the northerly sideline of said Laurel Street to the point of beginning.

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Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

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.

G-1

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

- (1) The facilities covered by this section are seismically-rated at any level lower than level V.
- (2) The facilities are no longer used as court facilities.
- (3) Thirty-five years from the date of transfer of the facilities.
- (4) The county has complied with the conditions for relief from liability contained in an agreement pursuant to paragraph (4) of subdivision (a) addressing the seismic issue with regard to the facility, and the agreement has been approved by the Director of Finance.

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

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

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

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

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

EXHIBIT "H"

ASSIGNMENTS AND ASSUMPTIONS OF OCCUPANCY AGREEMENTS

[See attached.]

H-1

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

**LOS ANGELES COUNTY LAW LIBRARY
County Lease #75510**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Compton Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Compton Courthouse, located at 200 West Compton Boulevard, Compton, California 90220 (the “**Real Property**”).

C. The County is a party to County Lease #75510, between the County, as lessor, and the Los Angeles County Law Library (“**Law Library**”), as lessee, under which the Law Library has the right to occupy and use approximately 3,910 square feet in Room 201 on the second floor of the Compton Courthouse (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

H-2

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the Lease.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

H-3

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Charles R. Martel, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

H-4

ATTACHMENT 1

COPY OF COUNTY LEASE NO. 75510

Attached to original, but not to this Exhibit "H" to the Transfer Agreement

H-5

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CITY OF COMPTON County License #57016

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Compton Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Compton Courthouse, located at 200 West Compton Boulevard, Compton, California 90220 (the “**Real Property**”).

C. The County is a party to County License Agreement #57016 between the County, as licensor, and the City of Compton (“**City**”), as licensee, under which the City has the right to occupy and use certain portions of the secured underground parking lot located underneath the surface of the Real Property surrounding the basement of the Compton Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License.

H-6

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the City of its intention to assign the License to the Council, and the City has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

H-7

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Charles R. Martel, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

H-8

ATTACHMENT 1

COPY OF COUNTY LICENSE # 57016

Attached to original, but not to this Exhibit "H" of the Transfer Agreement

H-9

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CITY OF COMPTON
County Communications Site License #COL-310

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301 – 70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Compton Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Compton Courthouse, located at 200 West Compton Boulevard, Compton, California 90220 (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-310 between the County, as licensor, and the City of Compton (“**City**”), as licensee, under which the City has the right to use certain radio rack and antenna spaces on the Compton Courthouse for radio communication purposes (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License.

H-10

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the City of its intention to assign the License to the Council, and the City has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Charles R. Martel, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

H-12

ATTACHMENT 1

COPY OF COUNTY COMMUNICATIONS SITE LICENSE #COL-310

Attached to original, but not to this Exhibit "H" of the Transfer Agreement

H-13

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CHILDREN'S DISCOVERY CENTERS OF AMERICA, INC.
Doing Business As KNOWLEDGE LEARNING CORPORATION
County License Agreement #COL-442

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT ("**Assignment**") is made effective as of the ____ day of _____, 2008 (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), and the JUDICIAL COUNCIL OF CALIFORNIA ("**Council**"), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the "**Act**"), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Compton Courthouse, dated _____, 2008 (the "**Transfer Agreement**").

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Compton Courthouse, located at 200 West Compton Boulevard, Compton, California 90220 (the "**Real Property**").

C. The County is a party to County License Agreement #COL-442 between the County, as licensor, and the Children's Discovery Centers of America, Inc. DBA Knowledge Learning Corporation ("**Licensee**"), as licensee, under which Licensee has the right to occupy and use approximately 600 square feet in Room 1103 on the 11th floor of the Compton Courthouse (the "**License**"). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County's right, title, and interest in and to, and all of the County's obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

H-14

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. The County has notified Licensee of its intention to assign the License to the Council, and Licensee has consented in writing to the assignment and delegation of the License to the Council.
6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

H-15

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Charles R. Martel, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

H-16

ATTACHMENT 1

COPY OF COUNTY LICENSE #COL-442

Attached to original, but not to this Exhibit "H" of the Transfer Agreement

H-17

Compton TA Exhs.
AOC Court Facility #19-AG1
County LACO #6420, Y250, Y302, Y303, Y304, Y305
Owned/Shared (TOR/DTOT)
October 16, 2008
IMANDB/1187621v9

AOC Facility # 19-AG1
County LACO # 6420, Y250, Y302, Y303, Y304, Y305
Compton Courthouse JOA
200 West Compton Blvd., Compton, California 90220

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 COMPTON COURTHOUSE

76838

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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 November 10, 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.

“**Amphitheater**” means the amphitheater area north of the Building, as shown on Exhibit “C” to the Transfer Agreement.

“**Building**” means the building commonly known as the Compton Courthouse, located at 200 West Compton Blvd., Compton, California 90220, 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. The Building includes the Underground Parking Area, but not the Parking Structure.

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

“**Comfort Stations**” means the male and female comfort station buildings that are located south of the Building, as shown on Exhibit “C” to the Transfer Agreement.

“**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 Structure, the Underground Parking Area, the Comfort Stations, the Amphitheater, and the MLK Monument. 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 3.2.2.1 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 66.13 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 87,114 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 33.87 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) 93 parking spaces in the Secured Underground Parking Area; and (ii) 369 parking spaces in the Parking Structure, as shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 33.87 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 170,103 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 66.13 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 labeled “Joint Sheriff Area” on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Building, the Parking Structure, and other improvements are located, comprising approximately 10.2 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 3.2.2.1 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.

“MLK Monument” means the Martin Luther King, Jr. Memorial Monument located in the center of the Amphitheater, as shown on Exhibit “C” to the Transfer Agreement.

“Non-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“Parking Structure” means the parking structure located on the Land south of the Building as shown on Exhibit “C” to the Transfer Agreement.

“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, the Building, the Parking Structure, and all other fixtures on and improvements to the Land.

“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 Underground Parking Area” means the underground parking structure located beneath the surface of the Land surrounding the basement area of the Building.

“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.

“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) 226 parking spaces in the Secured Underground Parking Area; and (ii) 675 parking spaces in the Parking Structure, 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 Compton 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.

“**Vending Facility**” has the meaning given to it in section 19626 of the Welfare and Institutions Code.

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 at least through June 30, 2009, 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 at least through June 30, 2009, 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 50.00 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 50.00 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 50.00 percent Court Exclusive-Use Area and 50.00 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. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Area, and the Council shall be solely entitled to all revenues arising from leasing or licensing of the Parking Area. Upon the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, 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 six of the parking spaces allocated to the County Parking and up to 34 of the parking spaces allocated to the Superior Court Parking in the Secured Underground Parking Area 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 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-Ownning Party, and ensure that the Non-Ownning 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 except as otherwise provided in section 3.4 of this JOA, the Council is solely entitled to all revenues arising from the Parking Area and from vending machines in the Common Area and the 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 3.2.8 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 3.10, 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) \$277,229 (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) \$277,229, 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 4.3.14 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 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-Ownning 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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.

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts, Office of the General Counsel

By: [Signature]

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: [Signature]
Name: Charles R. Martel, Attorney

ATTEST:

COUNTY OF LOS ANGELES, a body corporate and politic

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: [Signature]
Deputy

By: [Signature]
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.

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: [Signature]
Principal Deputy County Counsel

By: [Signature]
Deputy

76838

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Compton Courthouse, which is located on certain real property in the City of Compton, County of Los Angeles, State of California and has a street address of 200 West Compton Boulevard (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

_____, Executive Officer
Board of Supervisors

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

By: _____
Deputy

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
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
Escalators	X		X		X	X	X	X
Dumbwaiters	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.

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: (a) 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-Q-01
County LACO # X201, L752
Edmund D. Edelman Children's Courthouse TA
201 Centre Plaza Drive, Monterey Park, California 91754

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 EDMUND D. EDELMAN CHILDREN'S COURTHOUSE**

76824

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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 November 18, 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 Edmund D. Edelman Children’s 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.

“**Assignments of Occupancy Agreements**” means the documents titled Assignment and Assumption of Occupancy Agreement that are attached to this Agreement as **Exhibit “I”**.

“**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 Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, California, 91754, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements. The Building does not include the Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building or the Parking Structure 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 and the Parking Structure, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Parking Structure. 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 61,611 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 30.01 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) 123 parking spaces in the secured area of the Parking Structure; and (ii) 202 parking spaces in the unsecured area of the Parking Structure, which is shown on **Exhibit “C”** to this Agreement.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 143,669 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 69.99 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 Structure 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 Structure are located, comprising approximately 6.0 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-Ownning Party**” means the Party that is not the Owner.

“**Occupancy Agreement**” means any written agreement 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 under 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 Structure**” means the five-story parking structure located on the Land containing 1,080 parking spaces, walkways, driveways, points of ingress and egress, 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, the Building, and the Parking Structure.

“**Responsibility Transfer Date**” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“**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, 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) 91 parking spaces in the secured area of the Parking Structure; and (ii) 664 parking spaces in the unsecured area of the Parking Structure, which is 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 Real Property 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 Assigned Occupancy Agreements. The Parties agree that all of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area (the “**Assigned Occupancy Agreements**”) will be assigned to the Council pursuant to the Assignments of Occupancy Agreements, as follows:

(a) CulinArt, Inc., as successor-in-interest to P&A Food Systems, Inc., is the Occupant of space in the basement of the Building pursuant to County Concession Agreement #74111. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Concession Agreement #74111;

(b) Children’s Law Center of Los Angeles, formerly Dependency Court Legal Services, Inc., is the Occupant of space on the sixth floor of the Building under County Lease #72875. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease #72875;

(c) The Information and Referral Federation of Los Angeles County, DBA 211 L.A., is the Occupant of space on the first floor of the Building under County License #76504. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76504;

(d) Shields for Families is the Occupant of space on the fourth floor of the Building under County License #76505. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76505;

(e) Learning Rights Law Center is the Occupant of space on the fifth floor of the Building under County License #76506. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76506;

(f) Public Counsel is the Occupant of space on the fifth floor of the Building under County License #76507. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76507;

(g) Comfort for Court Kids is the Occupant of space on the fifth floor of the Building under County License #76508. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76508;

(h) Alliance for Children's Rights is the Occupant of space on the fifth floor of the Building under County License #76509. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76509;

(i) Free Arts for Abused Children is the Occupant of space on the fifth floor of the Building under County License #76510. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76510;

(j) Friends of the Child Advocates is the Occupant of space on the first floor of the Building under County License #76511. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76511; and

(k) Los Angeles Dependency Lawyers, Inc., is the Occupant of space on the third floor of the Building under County License #76512. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #76512.

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. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its and exercise its rights with respect to all Occupants under this section 4.3.8.

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 Structure, as provided in this Agreement and the JOA. The Superior Court Parking is available to Superior Court judges, staff, employees, 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 Real Property. 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 Real Property 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 on 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;
- (b) the Assignments of Occupancy Agreements; and
- (c) 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 and the Assignments of Occupancy Agreements within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 April 1, 2012. 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 April 1, 2012 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 approved by the DOF is \$485,172, 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 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.

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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: Frank P. Piana
Deputy

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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: Raymond G. Fortner, Jr.
Principal Deputy County Counsel

By: Frank P. Piana
Deputy

76824

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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" – Assignments and Assumptions of Occupancy Agreements

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

PART A: (A.I.N. 5225-031-915)

Parcel 2, as shown on map of Parcel Map No. 7095, filed in Book 72, page 23, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

PART B: (Portion of A.I.N. 5225-031-913)

All that portion of that certain parcel of land in Lot L, Grider and Hamilton's Floral Park, as shown on map recorded in Book 10, page 13, of Maps, in the office of the above mentioned Registrar-Recorder/County Clerk, described in EXHIBIT "A" in deed to County of Los Angeles, recorded on March 14, 1990, as Document No. 90-408840, of Official Records, in the office of said Registrar-Recorder/County Clerk, excepting any portion lying southerly of the easterly prolongation of the southerly line of the above mentioned Parcel 2.

A-1

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:
5225-031-915 and 5225-031-913 (Por.)

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 Los Angeles, 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

EDELMAN CHILDREN'S COURT
(File: L.A. County Children's Court
Facility (1))
I.M. 129-237
S.D. 1

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

EDELMAN CHILDREN'S COURT

File with: L.A. County Children's Court Facility (1)
A.I.N. 5225-031-915,
5225-031-913 (Por.)
T.G. 635 (F3, G3)
I.M. 129-237
First District

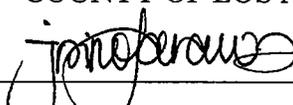
LEGAL DESCRIPTION

PART A: (A.I.N. 5225-031-915)

Parcel 2, as shown on map of Parcel Map No. 7095, filed in Book 72, page 23, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

PART B: (Portion of A.I.N. 5225-031-913)

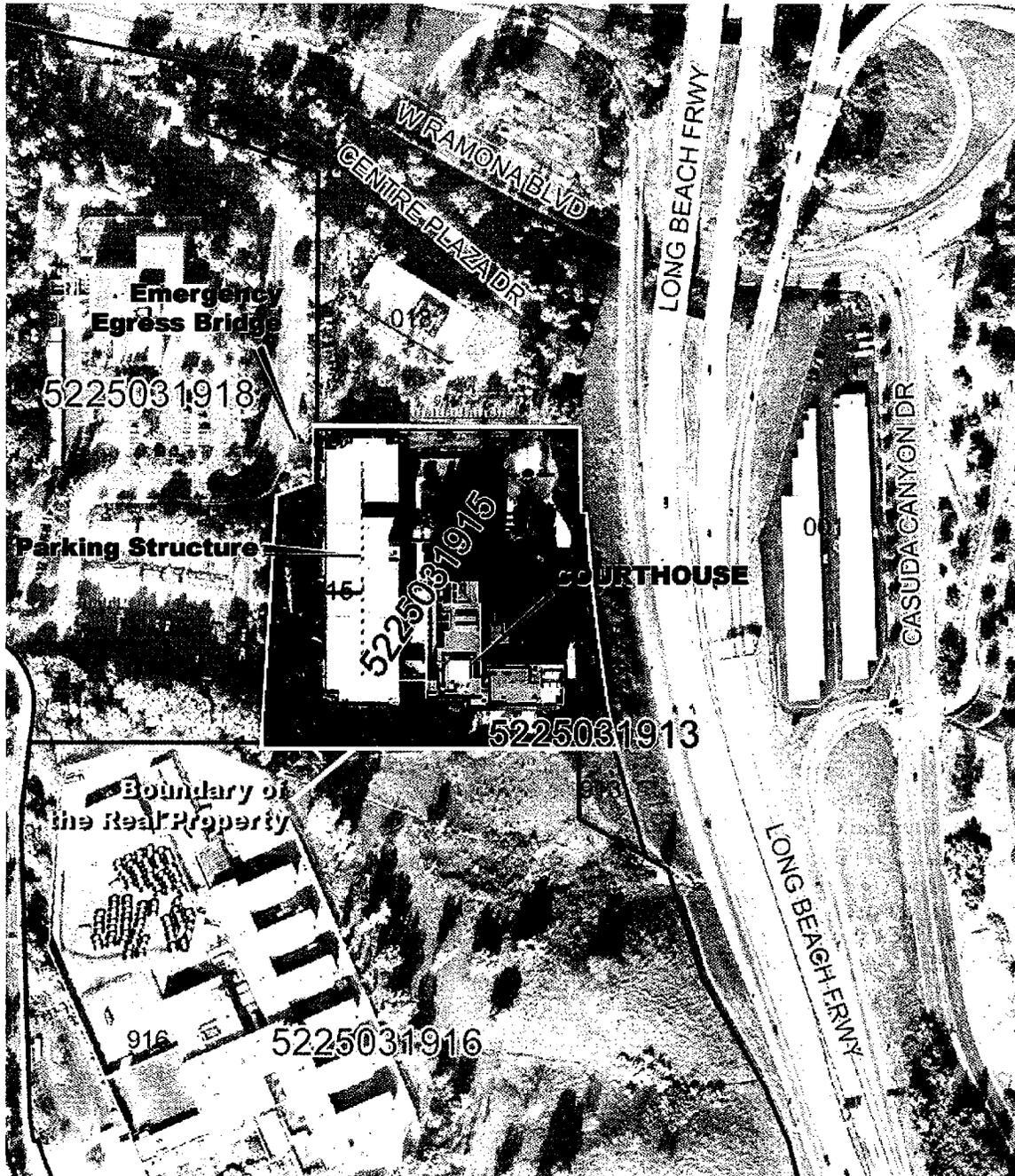
All that portion of that certain parcel of land in Lot L, Grider and Hamilton's Floral Park, as shown on map recorded in Book 10, page 13, of Maps, in the office of the above mentioned Registrar-Recorder/County Clerk, described in EXHIBIT "A" in deed to County of Los Angeles, recorded on March 14, 1990, as Document No. 90-408840, of Official Records, in the office of said Registrar-Recorder/County Clerk, excepting any portion lying southerly of the easterly prolongation of the southerly line of the above mentioned Parcel 2.

APPROVED AS TO DESCRIPTION
<u>March 20, 2008</u>
COUNTY OF LOS ANGELES
By <u></u>
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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
MANDB/1109127v8

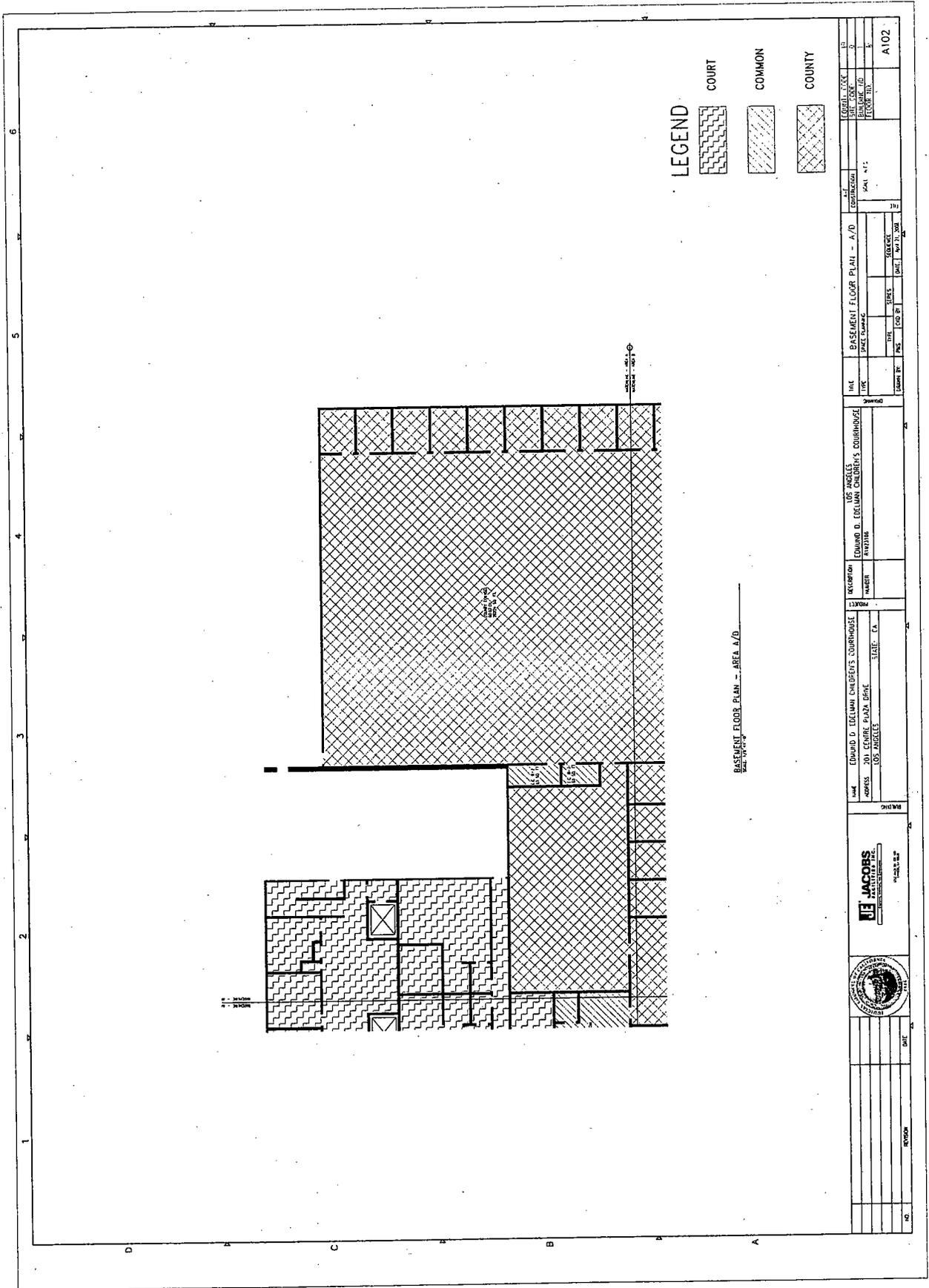
EXHIBIT "D"

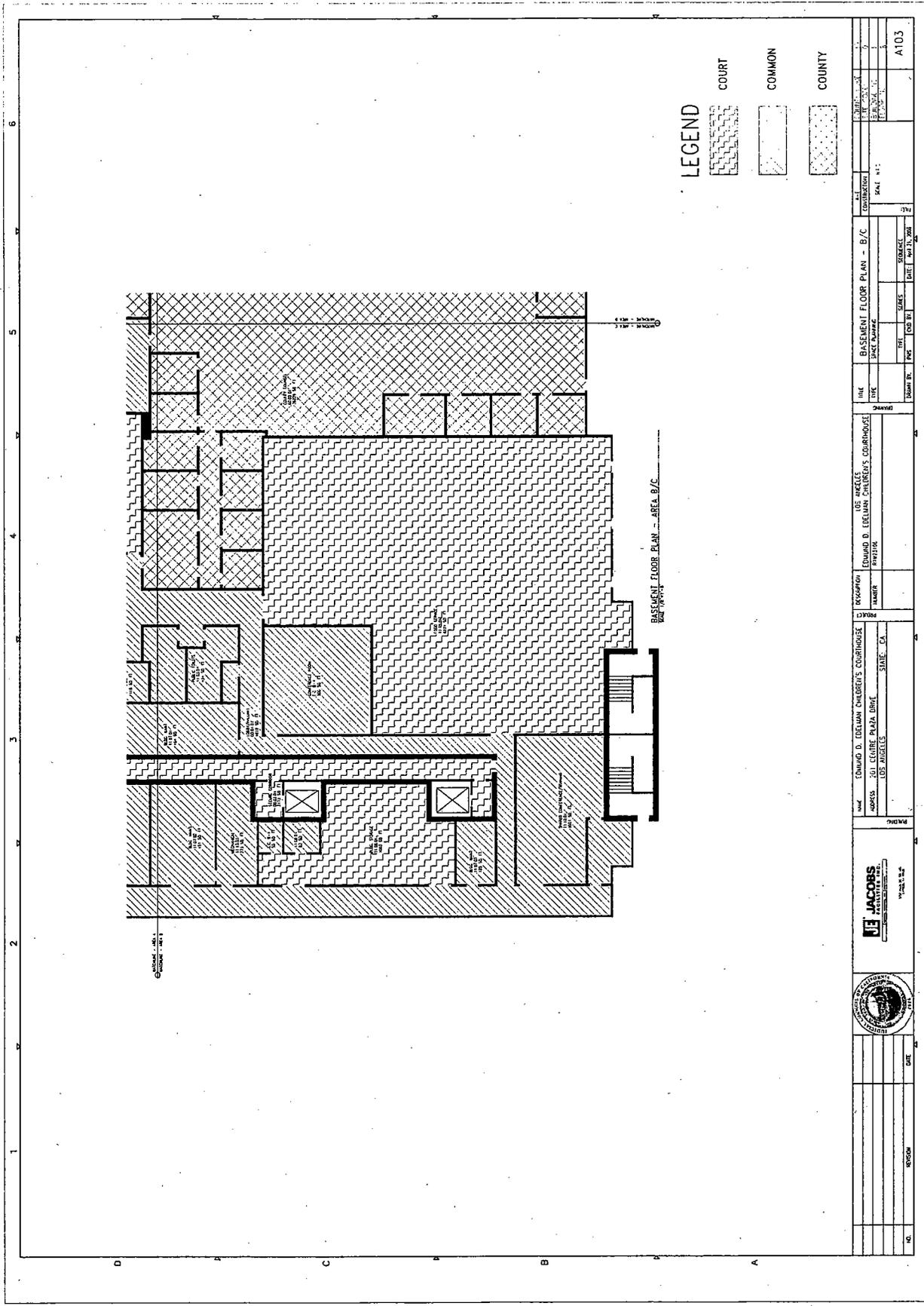
FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

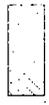
D-1

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

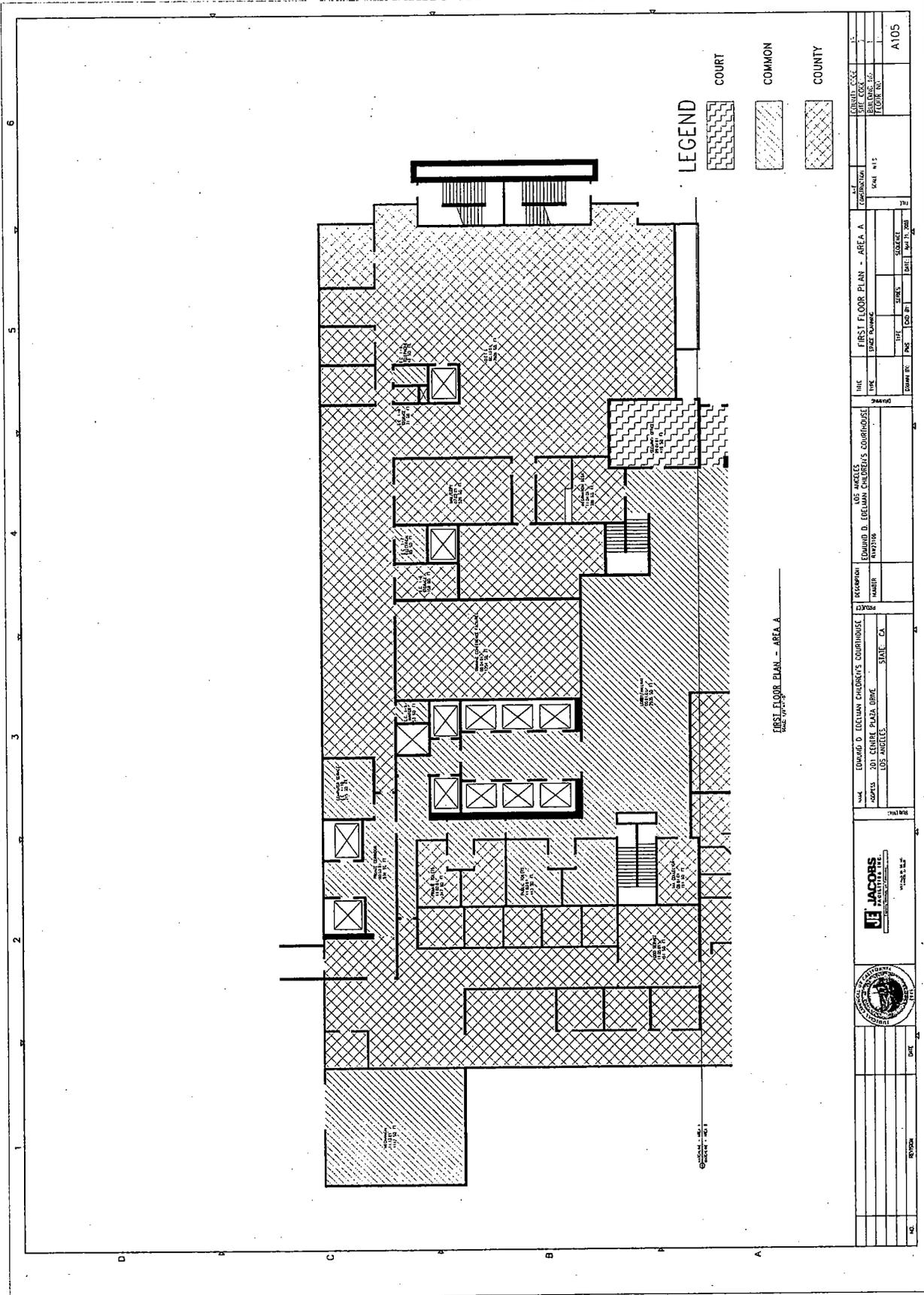


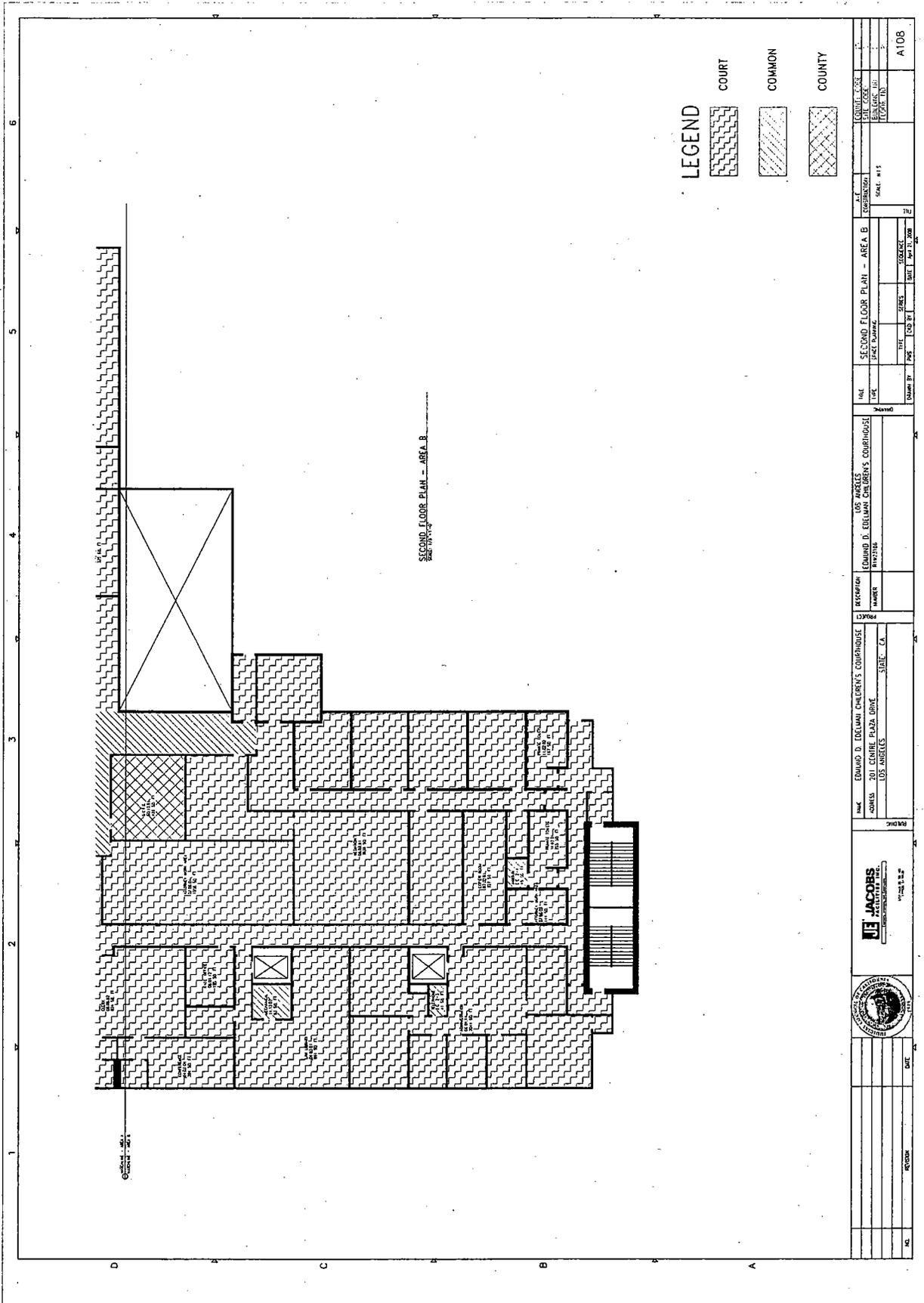


LEGEND

-  COURT
-  COMMON
-  COUNTY

				PROJECT NAME: EDWARD D. DELMAN CHILDREN'S COURTHOUSE ADDRESS: 514 LEAHY PLAZA, SUITE 200, LOS ANGELES, CA 90013 STATE: CA		RECEPTION NUMBER EDWARD D. DELMAN CHILDREN'S COURTHOUSE NUMBER:		PROJECT NUMBER BASEMENT FLOOR PLAN - B/C		SHEET NO.: A103	
DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE





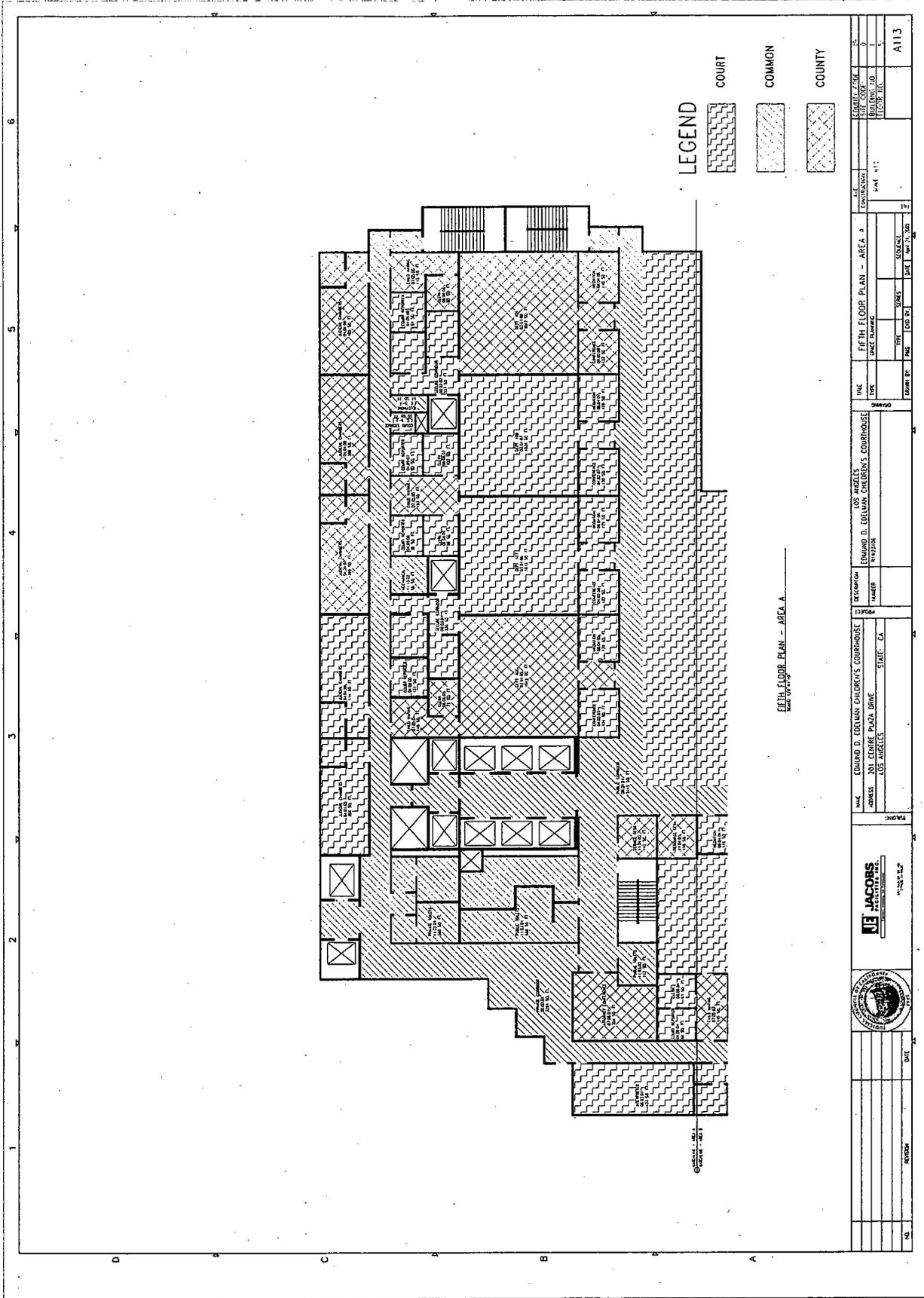


EXHIBIT "E"

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.]

F-1

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

**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.

APNs: 5225-031-915 and 5225-031-913 (Por.)

**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 Monterey Park, County of Los Angeles, State of California, having a street address of 201 Centre Plaza Drive, 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 Edmund D. Edelman Children’s 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 Edmund D. Edelman Children's Courthouse dated as of _____, 2008 ("TA"). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Edmund D. Edelman Children's Courthouse, of even date therewith ("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.

(Signature page follows.)

F-3

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

F-4

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

PART A: (A.I.N. 5225-031-915)

Parcel 2, as shown on map of Parcel Map No. 7095, filed in Book 72, page 23, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

PART B: (Portion of A.I.N. 5225-031-913)

All that portion of that certain parcel of land in Lot L, Grider and Hamilton's Floral Park, as shown on map recorded in Book 10, page 13, of Maps, in the office of the above mentioned Registrar-Recorder/County Clerk, described in EXHIBIT "A" in deed to County of Los Angeles, recorded on March 14, 1990, as Document No. 90-408840, of Official Records, in the office of said Registrar-Recorder/County Clerk, excepting any portion lying southerly of the easterly prolongation of the southerly line of the above mentioned Parcel 2.

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EXHIBIT "G"

LIST OF KEY BONDED INDEBTEDNESS DOCUMENTS

1. Indenture dated as of April 1, 2002 among the County of Los Angeles, State Street Bank and Trust Company of California, N.A., and the Los Angeles County Capital Asset Leasing Corporation
2. Site Lease Relating to Edmund D. Edelman Children's Court dated as of April 1, 2002 by and between County of Los Angeles and Los Angeles County Capital Asset Leasing Corporation
3. Sublease and Option to Purchase Relating to Edmund D. Edelman Children's Court dated as of April 1, 2002 by and between County of Los Angeles and Los Angeles County Capital Asset Leasing Corporation
4. Assignment Agreement Relating to Edmund D. Edelman Children's Court dated as of April 1, 2002 by and between Los Angeles County Capital Asset Leasing Corporation and State Street Bank & Trust Company of California, N.A.

EXHIBIT "H"
DATEDOWN CERTIFICATE

[See attached.]

H-1

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

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 Edmund D. Edelman Children’s 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.

H-2

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.

(Signature page follows.)

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: _____

Title: _____

By: _____

Name: _____

APPROVED AS TO FORM:

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

County Counsel

By: _____

Name: _____

Title: Chief Executive Officer

By: _____

Deputy

H-6

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

Schedule "1" to Datedown Certificate

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

H-7

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

Schedule "2" to Datedown Certificate

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

H-8

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

EXHIBIT "I"

**ASSIGNMENTS AND ASSUMPTIONS OF
OCCUPANCY AGREEMENTS**

[See attached.]

I-1

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CULINART, INC.,
(As Successor-in Interest to P&A Food Systems, Inc.)
County Concession Agreement #74111

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Concession Agreement #74111 between the County and Culinart, Inc., as successor-in-interest to P & A Food Systems, Inc. (“**Concessionaire**”), under which Concessionaire has the right to occupy and use the basement of the Edmund D. Edelman Children’s Courthouse for the provision of a Vending Facility, specifically a cafeteria (the “**Concession Agreement**”). A complete copy of the Concession Agreement is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Concession Agreement.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the Concession Agreement, together with the prorated amount of any rent, security deposit, and other consideration (collectively, "**Consideration**") that the County collects from Concessionaire under the Concession Agreement that is allocable to the period on and after the Effective Date.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Concession Agreement and the Consideration, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Concession Agreement. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Concession Agreement that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Concession Agreement.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Concession Agreement on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified Concessionaire of its intention to assign the Concession Agreement to the Council, and Concessionaire has consented in writing to the assignment and delegation of the Concession Agreement to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

(Signature page follows.)

I-4

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Dianne Barry, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY CONCESSION AGREEMENT #74111

Attached to original, but not to this Exhibit "I" of the Transfer Agreement

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

THE INFORMATION AND REFERRAL FEDERATION OF LOS ANGELES COUNTY, DBA 211, L.A. County Non-Exclusive License Agreement #76504

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76504, between the County, as licensor, and The Information and Referral Federation of Los Angeles County, dba 211, L.A. (“**Licensee**”), as licensee, under which Licensee has the right to occupy 179 square feet of office space located in the ground floor lobby area of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76504

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-10

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

SHIELDS FOR FAMILIES

County Non-Exclusive License Agreement #76505

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76505, between the County, as licensor, and Shields for Families (“**Licensee**”), as licensee, under which Licensee has the right to occupy 95 square feet of office space located in Department 416 of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76505

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

LEARNING RIGHTS LAW CENTER County Non-Exclusive License Agreement #76506

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76506, between the County, as licensor, and Learning Rights Law Center (“**Licensee**”), as licensee, under which Licensee has the right to occupy 242 square feet of office space located in Department 422 of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76506

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

PUBLIC COUNSEL

County Non-Exclusive License Agreement #76507

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made into effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76507, between the County, as licensor, and Public Counsel (“**Licensee**”), as licensee, under which Licensee has the right to occupy 583 square feet of office space located in Departments 422c, 423r, 423a, and 424r of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

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

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76507

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-22

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

COMFORT FOR COURT KIDS

County Non-Exclusive License Agreement #76508

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76508, between the County, as licensor, and Comfort for Court Kids (“**Licensee**”), as licensee, under which Licensee has the right to occupy 437 square feet of office space located in Department 423r and one half of Department 423c of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76508

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

ALLIANCE FOR CHILDREN'S RIGHTS County Non-Exclusive License Agreement #76509

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT ("**Assignment**") is made effective as of the ____ day of _____, 2008 (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), and the JUDICIAL COUNCIL OF CALIFORNIA ("**Council**"), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the "**Act**"), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children's Courthouse, dated _____, 2008 (the "**Transfer Agreement**").

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children's Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the "**Real Property**").

C. The County is a party to County Non-Exclusive License Agreement #76509, between the County, as licensor, and Alliance for Children's Rights ("**Licensee**"), as licensee, under which Licensee has the right to occupy 91 square feet of office space located in Department 424a of the Edmund D. Edelman Children's Courthouse (the "**License**"). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County's right, title, and interest in and to, and all of the County's obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76509

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-30

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

FREE ARTS FOR ABUSED CHILDREN County Non-Exclusive License Agreement #76510

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76510, between the County, as licensor, and Free Arts for Abused Children (“**Licensee**”), as licensee, under which Licensee has the right to occupy 1,490 square feet of office space located in Department 424, and in both the waiting area and Judicial Assistants’ Room of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76510

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-34

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

FRIENDS OF THE CHILD ADVOCATES County Non-Exclusive License Agreement #76511

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76511, between the County, as licensor, and Friends of the Child Advocates (“**Licensee**”), as licensee, under which Licensee has the right to use occupy 4,862 square feet of office space located on the ground floor of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76511

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-38

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

LOS ANGELES DEPENDENCY LAWYERS, INC. County Non-Exclusive License Agreement #76512

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children’s Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the “**Real Property**”).

C. The County is a party to County Non-Exclusive License Agreement #76512, between the County, as licensor, and Los Angeles Dependency Lawyers, Inc. (“**Licensee**”), as licensee, under which Licensee has the right to occupy 298 square feet of office space located in the Attorney Conference Room on the third floor of the Edmund D. Edelman Children’s Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY NON-EXCLUSIVE LICENSE AGREEMENT #76512

[Attached to original, but not to this Exhibit "I" to the Transfer Agreement.]

I-42

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CHILDREN'S LAW CENTER
(formerly known as DEPENDENCY COURT LEGAL SERVICES, INC.)
County Lease Agreement # 72875

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT ("**Assignment**") is made effective as of the ____ day of _____, 2008 (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), and the JUDICIAL COUNCIL OF CALIFORNIA ("**Council**"), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the "**Act**"), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Edmund D. Edelman Children's Courthouse, dated _____, 2008 (the "**Transfer Agreement**").

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Edmund D. Edelman Children's Courthouse, located at 201 Centre Plaza Drive, Monterey Park, California 91754 (the "**Real Property**").

C. The County is a party to County Lease Agreement # 72875 between the County, as lessor, and the Dependency Court Legal Services, Inc. ("**Lessee**"), as lessee, under which Lessee has the right to occupy and use the sixth floor of the Edmund D. Edelman Children's Courthouse (the "**Lease**"). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County's right, title, and interest in and to, and all of the County's obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the Lease.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.
4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Dianne Barry, Attorney

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

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY LEASE AGREEMENT #72875

Attached to original, but not to this Exhibit "I" of the Transfer Agreement

I-46

Edelman TA
AOC Court Facility # 19-Q-01
County LACO #X201, L752
Owned/Shared w/BI (TOR/DTOT)
October 24, 2008
IMANDB/1109127v8

AOC Facility # 19-Q-01
County LACO # X201, L752
Edmund D. Edelman Children's Courthouse JOA
201 Centre Plaza Drive, Monterey Park, California 91754

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 EDMUND D. EDELMAN CHILDREN'S COURTHOUSE

76839

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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 November 18, 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 Edmund D. Edelman Children’s Courthouse, located at 201 Centre Plaza Drive, Monterey Park, 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. The Building does not include the Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building or the Parking Structure 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 and the Parking Structure, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Parking Structure. 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 69.99 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 61,611 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 30.01 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) 123 parking spaces in the secured area of the Parking Structure; and (ii) 202 parking spaces in the unsecured area of the Parking Structure, which is shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 30.01 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 143,669 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 69.99 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.

“Emergency Egress Bridge” means the single-span concrete bridge that connects the third level of the Parking Structure to “Ameron Drive”, which is the driveway within the Sheriff’s office complex at 4700 Ramona Boulevard in the City of Monterey Park.

“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 Structure are located, comprising approximately 6.0 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 written agreement 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 under 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 Structure” means the five-story parking structure located on the Land containing 1,080 parking spaces, walkways, driveways, points of ingress and egress, 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.

“Real Property” means the Land, the Building, and the Parking Structure.

“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, sallyports, and secured elevators, staircases, and corridors.

“Security Services MOU” means the Memorandum of Understanding and Comprehensive Court Security Plan between the Sheriff 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.

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

"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) 91 parking spaces in the secured area of the Parking Structure; and (ii) 664 parking spaces in the unsecured area of the Parking Structure, which is 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 Edmund D. Edelman Children’s 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 at least through June 30, 2009, 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 Parking Structure, 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 at least through June 30, 2009, 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, Parking Structure, 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 Structure, which is included in the Common Area. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Structure. Upon the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, the Council shall be solely entitled to all revenues arising from the Operation of the Parking Structure. 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, 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 area of the Parking Structure, and up to 26 of the parking spaces allocated to the Superior Court Parking in

the secured area of the Parking Structure, 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 Structure, 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 Sheriff for all activities under the Security Services MOU.

3.4.1 Sheriff Overflow Parking. Notwithstanding section 3.4, the Sheriff shall have access to any and all available parking spaces after 10:00 a.m. on all days that the Sheriff is open for business, for purposes of overflow parking for staff working at the Sheriff's office complex located adjacent to the Real Property.

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 Structure, and the County shall terminate its contract with any parking manager as it relates to management of the Parking Structure.

3.5 Emergency Egress. In the event of an emergency evacuation from the Real Property, the Parties and their respective employees, invitees and visitors shall have access to, and egress across, the Emergency Egress Bridge, and thence over and across the County's land to the public streets as directed by the Sheriff. The Managing Party shall be responsible for the Emergency Egress Bridge and the costs for maintenance and repair of the Emergency Egress Bridge shall be considered a Shared Cost. The Managing Party shall have reasonable access to the County's land only to the extent required to maintain and repair the Emergency Egress Bridge.

3.6 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-Ownning Party, and ensure that the Non-Ownning 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.

3.7 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.

3.8 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 except as otherwise provided in section 3.4 of this JOA, the Council is solely entitled to all revenues arising from the Parking Structure 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.

3.9 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 (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).

3.9.1 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.

3.9.2 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.

3.10 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 3.10.2 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 3.10, and for all Security-Related Areas, the Security Services MOU.

3.10.1 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.

3.10.2 Exemptions. The following County employees and County Contractors are exempt from the requirements of this section 3.10: (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.

3.10.3 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.

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

3.12 Miles Court Order. Notwithstanding any other provision of this JOA, but subject to the terms of this section 3.12, 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:

3.12.1 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.

3.12.2 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) the Council Share of Utility Costs minus (ii) \$560 (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 (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 Inflation (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) the Council Share of Utility Costs, minus (ii) \$560, 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 (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 or the Parking Structure 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this 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: Grant Walker
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: Shonda B. Hanna
Deputy

COUNTY OF LOS ANGELES, a body
corporate and politic

By: Vivonne B. Burke
VIVONNE B. BURKE
Chair, Board of Supervisors



APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: Ray Fortner, Jr.
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: Shonda B. Hanna
Deputy

76839

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Edmund D. Edelman Children's Courthouse, which is located in a building on certain real property in the City of Monterey Park, County of Los Angeles, State of California and having a street address of 201 Centre Plaza Drive (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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
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
Escalators	X		X		X	X	X	X
Dumbwaiters	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		
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										
Weeding	X								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	

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 or the Parking Structure, 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 Parking Structure, or the property inside the Building or the Parking Structure, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Building or the Parking Structure 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 or the Parking Structure 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 or the Parking Structure 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 the Parking Structure, or property inside the Building or the Parking Structure, unless the roof or an outside wall of the Building or the Parking Structure 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 or the Parking Structure.

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 the Parking Structure; 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 or the Parking Structure 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-V1
County LACO # 3241
East Los Angeles Courthouse TA
4848 East Civic Center Way, East Los Angeles, California 90022

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
THE EAST LOS ANGELES COURTHOUSE

76825

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO # 3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1110611v7

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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 November 10, 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 East Los Angeles Courthouse.

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

“**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 East Los Angeles Courthouse, located at 4848 East Civic Center Way, East Los Angeles, California, 90022, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements on the Land, including the Judges’ Parking Lot. The Building does not include the Probation Building, the Edward R. Roybal Comprehensive Health Center, the East Los Angeles Public Library, the East Los Angeles County Hall, or any of the other buildings, parking structures, parking lots and other improvements located on the Campus outside the boundaries of the Land.

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“Building Equipment” means all installed equipment and systems that serve the Building generally, including the Chiller & Boiler, 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.

“Campus” means the approximately 26.1 acres of land, on which the Land, the Building, the Parking Structure, the Central Parking Lot, the Probation Building, and various other buildings and other improvements are situated, as shown on **Exhibit “B”** to this Agreement.

“Central Parking Lot” means the surface parking lot located on the Campus (outside the boundaries of the Land) to the east of the Building, containing 149 parking spaces.

“Chiller & Boiler” means the chiller and boiler located in the basement of the Building that provides hot and chilled water for heating and cooling to the Building and the Probation Building.

“Closing” means the performance of all acts required to complete the Transfer of Responsibility under this Agreement, the Responsibility 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 “C”**, 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 Judges’ Parking Lot. 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 Responsibility 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 Responsibility Transfer Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Responsibility Transfer Documents.

“County Board of Supervisors” means the governing body of the County.

“County Exclusive-Use Area” means the 15,149 square feet of the Building interior that are exclusively occupied and used by the County, as shown on **Exhibit “C”** to this Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 22.28 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 one parking space in the Judges’ Parking Lot, as shown on **Exhibit “B”** to this Agreement.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 52,854 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on **Exhibit “C”** to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 77.72 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 Judges’ Parking Lot on the Land, and the location of the Real Property, and other improvements on the Campus, and a set of floor plans showing the layout of the Court

Facility in the interior of the Building, are attached as **Exhibits “B”** and **“C”** to this Agreement.

“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 Real 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 Real 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 Real Property.

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

“Judges’ Parking Lot” means the secured, surface parking lot located on the Land under a canopy adjacent to the north side of the Building, containing nine parking

spaces, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

“**Land**” means the portion of the Campus comprising approximately 1.3 acres, that is described on **Exhibit “A”** and shown on **Exhibit “B”** to this Agreement, and on which the Building and the Judges’ Parking Lot are located, 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, (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 those portions of the Campus on which the Parking Structure, the Central Parking Lot, the Probation Building, and other related structures and improvements are located.

“**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 Real 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 “E”**.

“**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-Ownning Party**” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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 is the County.

“Parking Structure” means the East Los Angeles Civic Center Parking Structure (County Auto Park 76), located on the Campus (outside the boundaries of the Land) northeast of the Building, containing 318 parking spaces.

“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.

“Probation Building” means the County-owned building, known as the Probation Department East Los Angeles Area Office, located on the Campus, having a street address of 4849 East Civic Center Way, East Los Angeles, California 90022, and is served by the Chiller & Boiler.

“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 “D”**.

“Provided Superior Court Parking” means: (i) 146 parking spaces in the Parking Structure; and (ii) 58 parking spaces in the Central Parking Lot, as shown on **Exhibit “B”** to this Agreement, or parking spaces of comparable number, type, and convenience.

“Real Property” means the Land and the Building.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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, together, the Transferred Superior Court Parking and the Provided Superior Court Parking.

“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.

“Total Exclusive-Use Area” means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area.

“Transfer of Responsibility” or **“Transfer”** 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.

“Transferred Superior Court Parking” means eight parking spaces in the Judges' Parking Lot, as shown on **Exhibit “B”** to this Agreement.

“Utilities” means (i) all of the utilities provided to the Real Property, except for telecommunications services provided by the County or any Third Party, and (ii) all utilities generated by the Chiller & Boiler.

“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. 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.

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, 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 Responsibility 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 Responsibility 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 Agreement. The Parties acknowledge that the only Occupancy Agreement under which an Occupant occupies or

uses space in the Court Exclusive-Use Area or in the Common Area (the “**Unassigned Occupancy Agreement**”) will not be assigned to the Council. The Parties have agreed to an alternate mechanism for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreement, as follows:

(a) First Class Vending, Inc. (formerly known as R.J. Bradberry Company) is the Occupant of various spaces in the Building, for the provision of a Vending Facility, specifically vending machines, pursuant to County Concession Agreement #73939. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of such Vending Facility and the continuity of vending services in the Building. If County Concession Agreement #73939 has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County Concession Agreement #73939.

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 under an Occupancy Agreement. With respect to the Occupant under the Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreement, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 Transfer of Responsibility, 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 Transfer of Responsibility.

4.3.10 Parking. 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.

4.3.10.1 Transferred Superior Court Parking. The Transfer of Responsibility will include the Transferred Superior Court Parking, and commencing on the Responsibility Transfer Date, the Council will be responsible for the Council Share of the Shared Costs of Operation of the Judges’ Parking Lot, as provided in this Agreement and the JOA.

4.3.10.2 Provided Superior Court Parking. The County shall provide (but not Transfer) to the Council the Provided Superior Court Parking at no cost to the State Parties.

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 Building are as set forth in section 70324 of the Act, a copy of which is attached to this Agreement as **Exhibit "F"** 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 Building, the terms of section 70324 of the Act will prevail over any conflicting provisions of the Act, this Agreement, and the Responsibility 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 it 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-Ownning 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-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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.

4.3.13.5 Limitations on Equity Rights. For clarification, the State Parties have no Equity rights or interest in or with respect to any part of the Campus or the improvements on the Campus other than the Real Property, nor do the State Parties have any responsibilities, obligations, or liabilities in respect of any part of the Campus or the improvements on the Campus other than the Real Property, except for the Council's obligations to provide the Chiller & Boiler Utilities to the Probation Department Building, as set forth in the JOA. The State Parties will not be entitled to receive any proceeds of any sale, lease, or other disposition of any part of the Campus or the improvements thereon, including the Parking Structure, the Central Parking Lot, and the Probation Building, other than the Real Property.

5. THE CLOSING

5.1 The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur on 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 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.

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

6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment approved by the DOF is \$607,500, 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 Responsibility Transfer Date.

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.

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 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.

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 "B" and "C" 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 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.

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 Responsibility 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 Responsibility 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, would have been material to the County's completion of the Transfer of Responsibility 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 Responsibility 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, would have been material to the Council's acceptance of the Transfer of Responsibility 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 Responsibility 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, would have been material to the Council's acceptance of the Transfer of Responsibility 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 Responsibility 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 Responsibility 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 Transfer of Responsibility 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 Responsibility Transfer Documents 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 Responsibility 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 Responsibility Transfer Documents will not be construed against either Party as the principal draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 Integration. This Agreement and the Responsibility Transfer Documents contain the entire agreement of the Parties with respect to the Transfer of Responsibility, 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 Responsibility 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 Responsibility 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

JUDICIAL COUNCIL OF CALIFORNIA

By: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

By: *[Signature]*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *[Signature]*
Deputy

By: *[Signature]*
YVONNE B. BURKE
Chair, Board of Supervisors

Approved as to Form:

RAYMOND G. FORTNER, JR.
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: *[Signature]*
Principal Deputy County Counsel

By: *[Signature]*
Deputy

76825

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO # 3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1110611v7

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Site Plan of the Campus

Exhibit "C" – Floor Plan of Building Interior

Exhibit "D" – Categories of Property Disclosure Documents

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

Exhibit "F" – Copy of Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

All of Lots 16 to 26, inclusive, Block 10, MARAVILLA PARK, as shown on map recorded in Book 18, page 168, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, those portions of Lots 15 and 27, said Block 10, and that portion of the east half of Section 32, T. 1 S., R. 12 W., S.B.M., as shown on a map of a tract of land known as the REPETTO RANCHO, recorded in Book 759, pages 21 and 22, of Deeds, in the office of said Registrar-Recorder/County Clerk, together with that portion of Riverside Avenue, 60 feet wide, later known as Fetterly Avenue and now vacated by a resolution of the Board of Supervisors of said County, recorded on November 30, 2004, as Document No. 04-3089903, of Official Records, in the office of said Registrar-Recorder/County Clerk, described as a whole as follows:

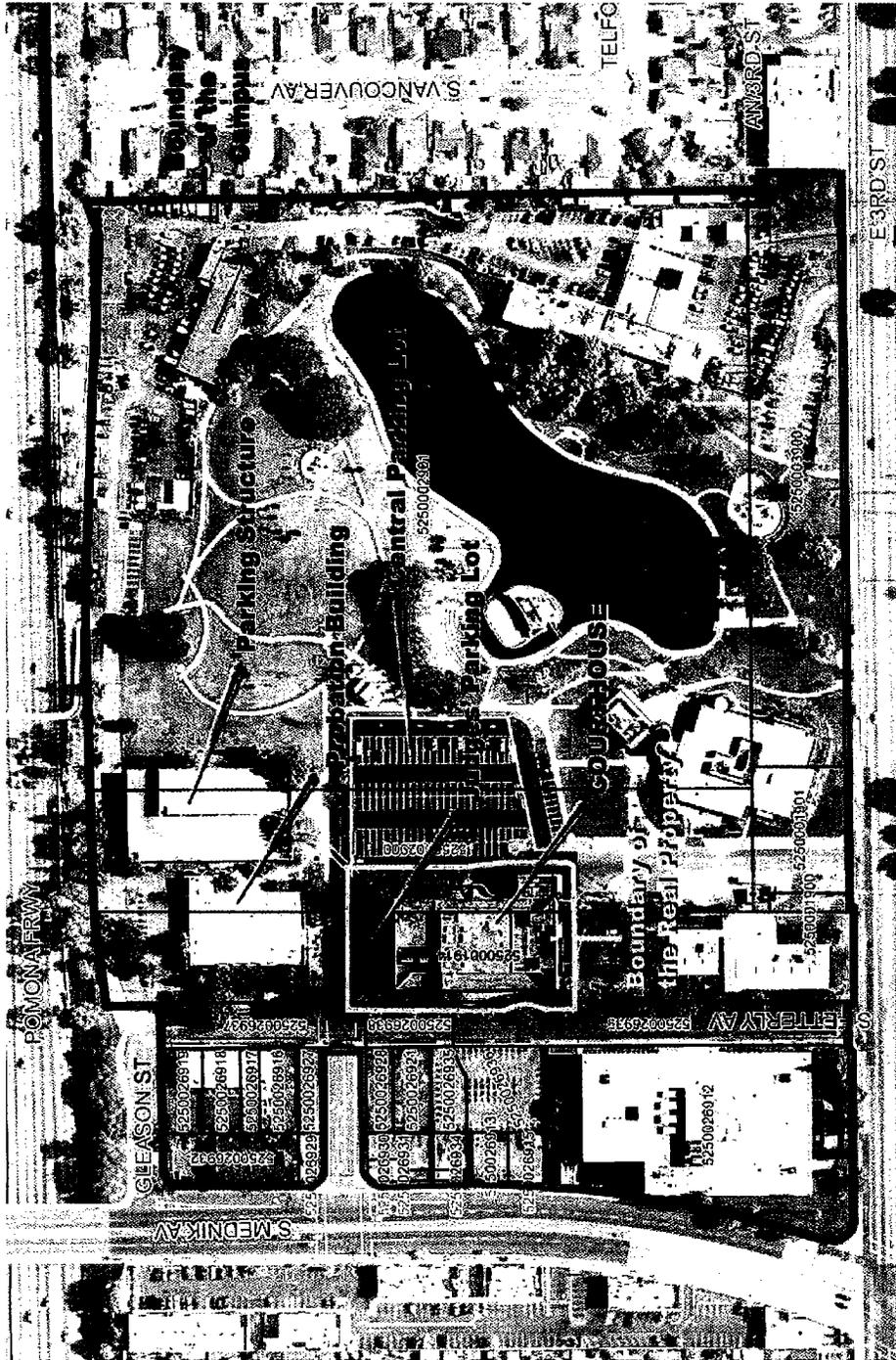
Commencing at the intersection of the centerline of said Fetterly Avenue and the centerline of 3rd Street, 100 feet wide, as both centerlines are shown on County Surveyor's Filed Map No. 11281-2, Sheet A3 of A3, on file in the office of the Director of the Department of Public Works of said County, said intersection being designated as station "102+49.71" on said last mentioned map; thence North 0°17'48" West along said centerline of Fetterly Avenue, a distance of 412.59 feet; thence North 89°09'48" East 15.55 feet to the True Point of Beginning; thence continuing North 89°09'48" East, a distance of 187.72 feet; thence North 0°10'49" West 84.97 feet; thence North 7°10'38" West 53.43 feet; thence North 0°06'40" West 154.70 feet; thence South 89°41'25" West 182.57 feet; thence South 0°24'40" East 207.15 feet to a point, said point being the beginning of a non-tangent curve concave to the west and having a radius of 56.00 feet, a radial of said curve to said point bears North 61°38'01" East; thence southerly along said curve through a central angle of 55°54'38", an arc distance of 54.65 feet; thence non-tangent to said curve, South 0°24'40" West 34.79 feet to the True Point of Beginning.

A-1

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO #3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1116133v6

EXHIBIT "B"

SITE PLAN OF THE CAMPUS



B-1

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO #3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1116133v6

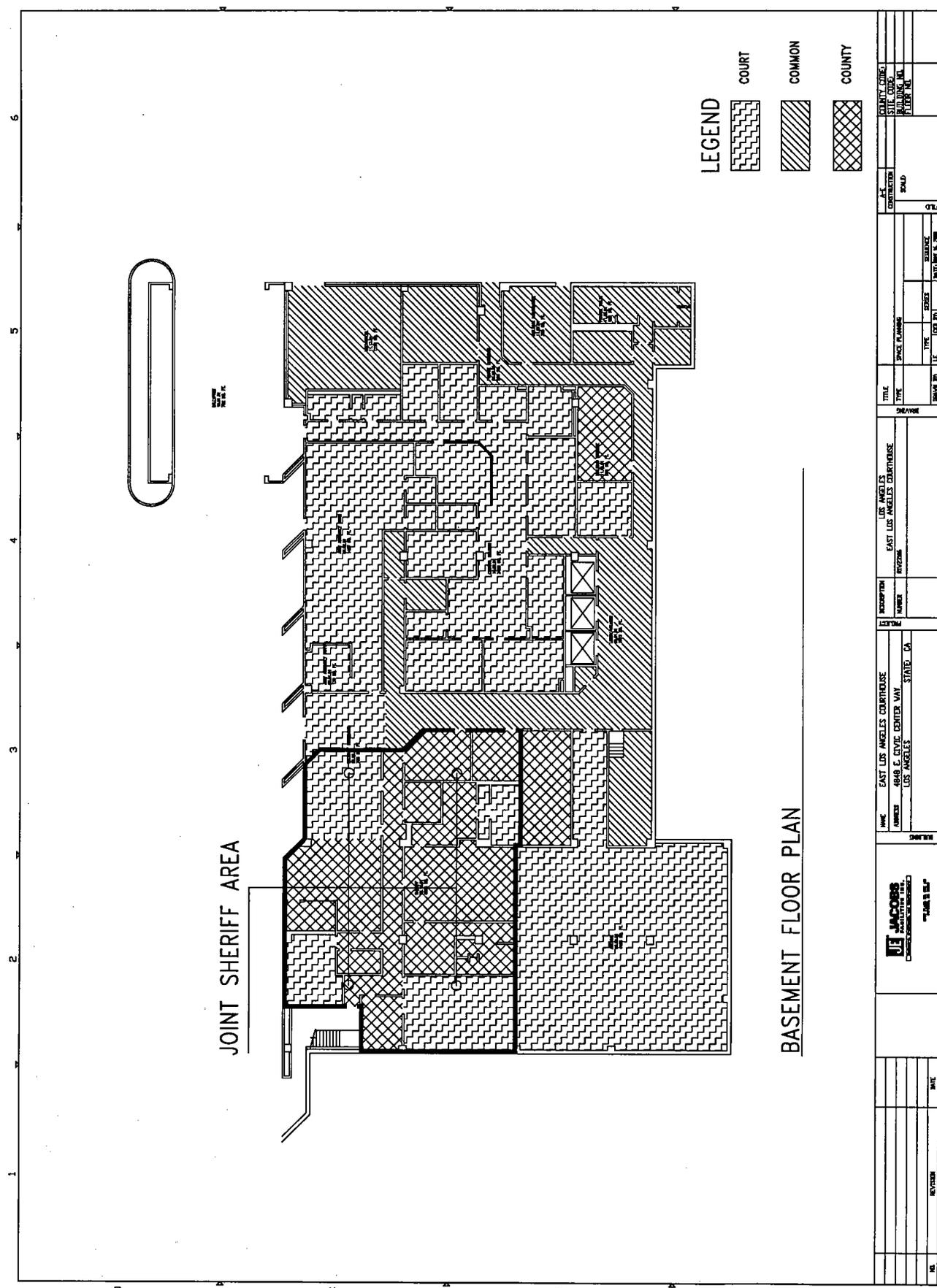
EXHIBIT "C"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

C-1

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO #3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1116133v6



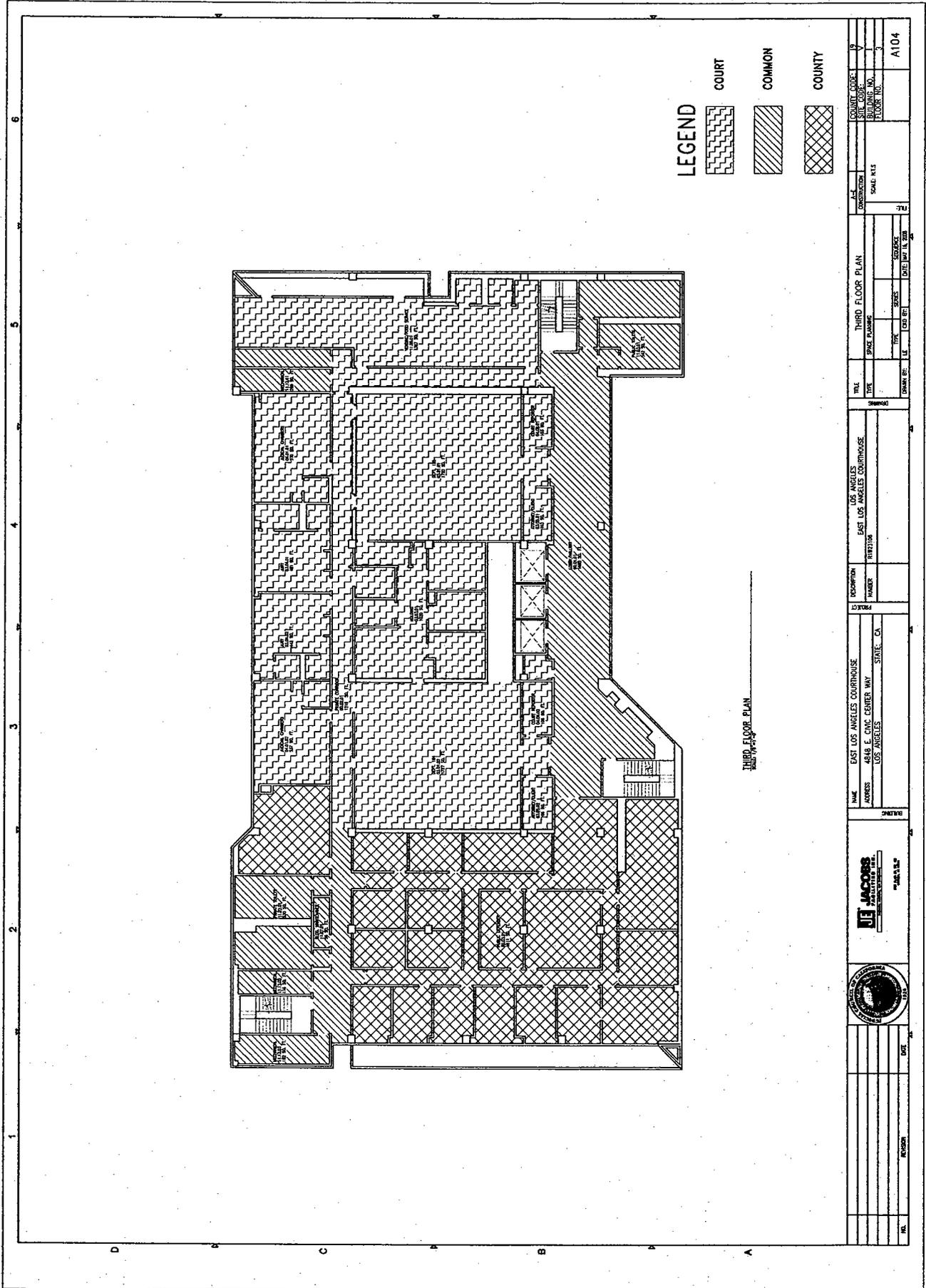
JOINT SHERIFF AREA

LEGEND

-  COURT
-  COMMON
-  COUNTY

BASEMENT FLOOR PLAN

 J.E. JACOBS ARCHITECTS 10000 WILSON BLVD. LOS ANGELES, CALIF. 90024		PROJECT EAST LOS ANGELES COURTHOUSE 4948 E. CIVIC CENTER WAY LOS ANGELES STATE, CA		REVISION DATE	
DESCRIPTION NUMBER EAST LOS ANGELES COURTHOUSE REVISION		SHEET NO. SHEETS		DATE 10/15/88	
TITLE TYPE SPACE PLANNING		DRAWN BY LE		CHECKED BY J.E.	
A.C. CONTRACTOR SAID		COUNTY SERIAL BUILDING NO. PLUMBING		DATE 10/15/88	

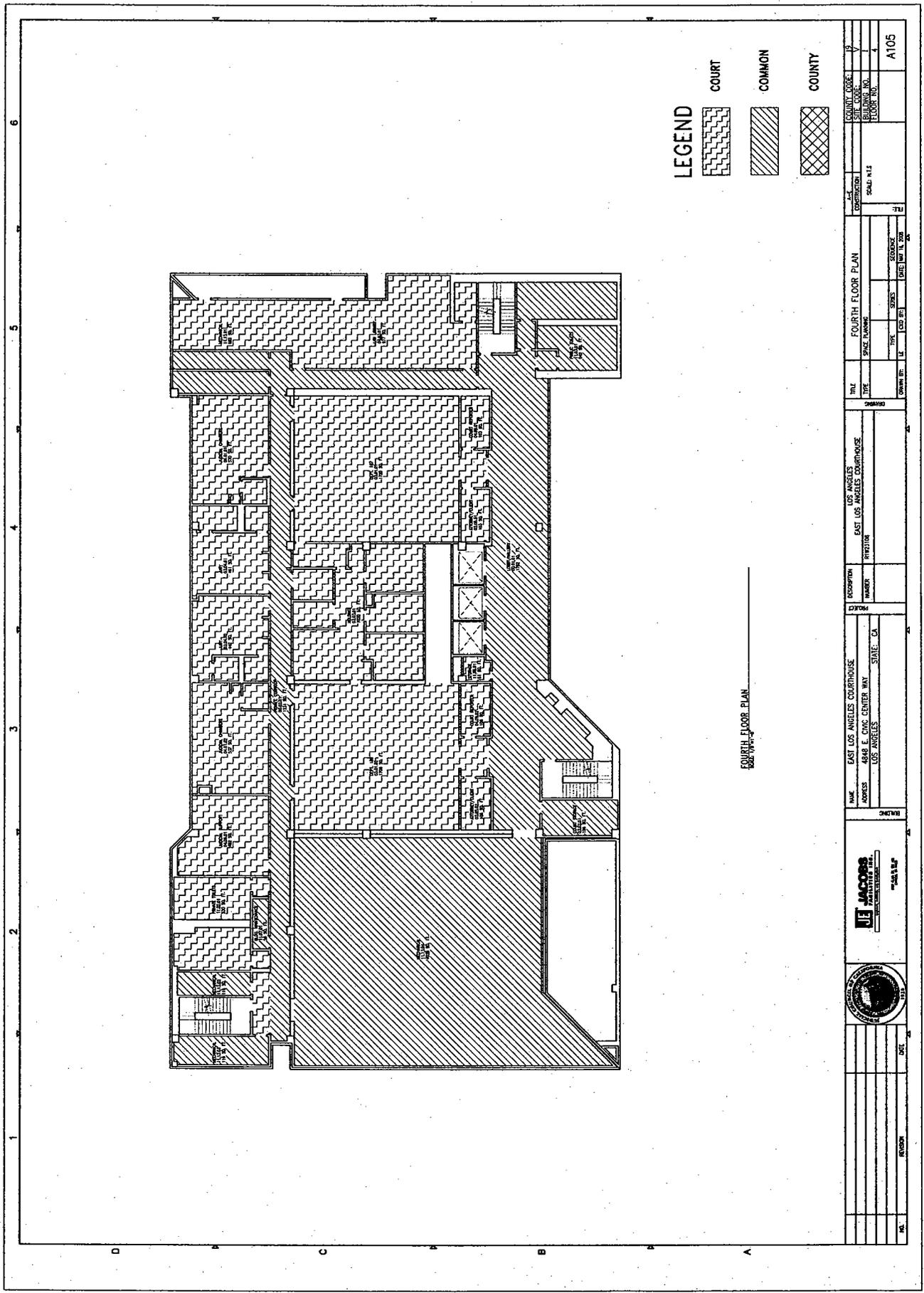


LEGEND

-  COURT
-  COMMON
-  COUNTY

THIRD FLOOR PLAN

 J.E. JACOBS PROFESSIONAL ENGINEER No. 12345 State of California	PROJECT EAST LOS ANGELES COURTHOUSE 4545 E. 45th CENTER WAY LOS ANGELES STATE, CA	OCCUPATION REPAIR LOS ANGELES COURTHOUSE EAST LOS ANGELES COURTHOUSE	TITLE ARCHITECT THIRD FLOOR PLAN SPACE PLANNING	COUNTY CODE: 19 SITE CODE: V BUILDING NO.: 1 FLOOR NO.: 3 A104
	DRAWN BY: J.E. CHECKED BY: J.E. DATE: MAY 14, 2008	SCALE: N.T.S.	DRAWN BY: J.E. CHECKED BY: J.E. DATE: MAY 14, 2008	SCALE: N.T.S.



LEGEND

COURT

COMMON

COUNTY

FOURTH FLOOR PLAN

NO.	REVISION	DATE
J. J. JACOBS ARCHITECT 1000 W. 10TH ST. LOS ANGELES, CALIF.		
EAST LOS ANGELES COURTHOUSE 1618 E. CHAS. CENTER WAY LOS ANGELES, CALIF.		
PROJECT	DESCRIPTION	DATE
	LOS ANGELES COURTHOUSE EAST LOS ANGELES COURTHOUSE	
NO.	DESCRIPTION	DATE
1	FOURTH FLOOR PLAN	
2	SCALE DRAWING	
3	SMALL PLS	
4	REVISION NO.	
5	DATE	
6	PROJECT NO.	
7	SCALE	
8	DATE	
9	PROJECT NO.	A105

EXHIBIT "D"

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

D-1

- (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 "E"

**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, 8th Floor
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 Nos.5250-001-914 (por.), 5250-002-900 (por.),
5252-026-937, -937, and -939 (por.)

**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 unincorporated East Los Angeles, County of Los Angeles, State of California, having a street address of 4848 East Civic Center Way, as more particularly described on

E-1

East Los Angeles TA
AOC Court Facility # 19-V1
County LACO #3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1116133v6

Attachment 1 to this Memorandum of TA and JOA (“**Land**”), together with the improvements located thereon containing the court facility commonly known as the East Los Angeles Courthouse, and certain other improvements located on and/or affixed to the Land (together with the Land, the “**Real Property**”);

B. County and Council have entered into that certain Transfer Agreement for the Transfer of Responsibility for the East Los Angeles Courthouse dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the East Los Angeles Courthouse, of even date therewith (“**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, that the Council’s equity interest in the Real Property will be compensated, should the County sell or release title to the Real Property after transfer of responsibility;

D. 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);

E. 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____
Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF _____

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ATTACHMENT 1 TO EXHIBIT "E"

LEGAL DESCRIPTION OF THE PROPERTY

All of Lots 16 to 26, inclusive, Block 10, MARAVILLA PARK, as shown on map recorded in Book 18, page 168, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, those portions of Lots 15 and 27, said Block 10, and that portion of the east half of Section 32, T. 1 S., R. 12 W., S.B.M., as shown on a map of a tract of land known as the REPETTO RANCHO, recorded in Book 759, pages 21 and 22, of Deeds, in the office of said Registrar-Recorder/County Clerk, together with that portion of Riverside Avenue, 60 feet wide, later known as Fetterly Avenue and now vacated by a resolution of the Board of Supervisors of said County, recorded on November 30, 2004, as Document No. 04-3089903, of Official Records, in the office of said Registrar-Recorder/County Clerk, described as a whole as follows:

Commencing at the intersection of the centerline of said Fetterly Avenue and the centerline of 3rd Street, 100 feet wide, as both centerlines are shown on County Surveyor's Filed Map No. 11281-2, Sheet A3 of A3, on file in the office of the Director of the Department of Public Works of said County, said intersection being designated as station "102+49.71" on said last mentioned map; thence North 0°17'48" West along said centerline of Fetterly Avenue, a distance of 412.59 feet; thence North 89°09'48" East 15.55 feet to the True Point of Beginning; thence continuing North 89°09'48" East, a distance of 187.72 feet; thence North 0°10'49" West 84.97 feet; thence North 7°10'38" West 53.43 feet; thence North 0°06'40" West 154.70 feet; thence South 89°41'25" West 182.57 feet; thence South 0°24'40" East 207.15 feet to a point, said point being the beginning of a non-tangent curve concave to the west and having a radius of 56.00 feet, a radial of said curve to said point bears North 61°38'01" East; thence southerly along said curve through a central angle of 55°54'38", an arc distance of 54.65 feet; thence non-tangent to said curve, South 0°24'40" West 34.79 feet to the True Point of Beginning.

EXHIBIT "F"

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-V1
County LACO # 3241
East Los Angeles Courthouse JOA
4848 Civic Center Way, East Los Angeles, California 90022

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 EAST LOS ANGELES COURTHOUSE

76840

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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 November 18, 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 East Los Angeles Courthouse, located at 4848 East Civic Center Way, East Los Angeles, California, 90022, 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 on the Land, including the Judges’ Parking Lot. The Building does not include the Probation Building, the Edward R. Roybal Comprehensive Health Center, the East Los Angeles Public Library, the East Los Angeles County Hall, or any of the other buildings, parking structures, parking lots and other improvements located on the Campus outside the boundaries of the Land.

“**Building Equipment**” means all installed equipment and systems that serve the Building generally, including the Chiller & Boiler, 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.

“**Campus**” means the approximately 26.1 acres of land, on which the Land, the Building, the Parking Structure, the Central Parking Lot, the Probation Building, and

various other buildings and other improvements are situated, as shown on Exhibit "B" to the Transfer Agreement.

"Central Parking Lot" means the surface parking lot located on the Campus (outside the boundaries of the Land) to the east of the Building, containing 149 parking spaces.

"Chiller & Boiler" means the chiller and boiler located in the basement of the Building that provides hot and chilled water for heating and cooling to the Building and the Probation Building.

"Chiller & Boiler Utilities" means hot and chilled water for heating and cooling provided by the Chiller & Boiler.

"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 "C" 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 Judges' Parking Lot. 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 77.72 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 15,149 square feet of the Building that are exclusively occupied and used by the County, as shown on Exhibit “C” to the Transfer Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 22.28 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 one parking space in the Judges’ Parking Lot, as shown on Exhibit “B” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 22.28 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 52,854 square feet of the Building that are exclusively occupied and used by the Superior Court, as shown on Exhibit “C” to the Transfer Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 77.72 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.

“JOA” means this Joint Occupancy Agreement.

“Joint Sheriff Area” means the area of the Building that is located in the basement and labeled **“Joint Sheriff Area”** on Exhibit “C” to the Transfer Agreement.

“Judges’ Parking Lot” means the secured, surface parking lot located on the Land under a canopy adjacent to the north side of the Building, containing nine parking spaces, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

“Land” means the portion of the Campus comprising approximately 1.3 acres, that is described on Exhibit “A” and shown on Exhibit “B” to the Transfer Agreement, on which the Building and the Judges’ Parking Lot are located, 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, (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 portions of the Campus on which the Parking Structure, the Central Parking Lot, the Probation Building, and other related structures and improvements are located.

“**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 written agreement 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 under 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.

“Parking Structure” means the East Los Angeles Civic Center Parking Structure (County Auto Park 76), located on the Campus (outside the boundaries of the Land) northeast of the Building, containing 318 parking spaces.

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

“Probation Building” means the County-owned building known as the Probation Department East Los Angeles Area Office, located on the Campus, having a street address of 4849 East Civic Center Way, East Los Angeles, California 90022, and served by the Chiller & Boiler.

“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.

“Provided Superior Court Parking” means: (i) 146 parking spaces in the Parking Structure; and (ii) 58 parking spaces in the Central Parking Lot, as shown on Exhibit “B” to the Transfer Agreement, or parking spaces of comparable number, type, and convenience.

“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, 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.

“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, together, the Transferred Superior Court Parking and the Provided Superior Court Parking.

“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.

“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 the East Los Angeles Courthouse, of even date herewith.

“Transferred Superior Court Parking” means eight parking spaces in the Judges’ Parking Lot, as shown on Exhibit “B” to the Transfer Agreement.

“Utilities” means (i) all of the utilities, including the Chiller & Boiler Utilities, provided to the Real Property, except for telecommunications services provided by the County or any Third Party, and (ii) the Chiller and Boiler Utilities provided to the Probation Department Building.

“Utility Costs” means the actual cost of providing Utilities to the Real Property and the Chiller & Boiler Utilities to the Probation Department Building, as provided in section 4.6.3 of this JOA.

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.

3.1.1 Access Rights. Notwithstanding anything to the contrary herein, on and after the Effective Date, the State Parties shall have the right to use driveways and pedestrian walkways on the Campus that provide direct ingress, egress, and access to or from the Building or the Superior Court Parking for the purpose of pedestrian access to and from the Real Property and vehicular access to and from the Superior Court Parking.

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 at least through June 30, 2009, 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 at least through June 30, 2009, 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 21.15 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 78.85 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 21.15 percent Court Exclusive-Use Area and 78.85 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. The Managing Party shall also be responsible to provide the Chiller & Boiler Utilities to the Probation Building pursuant to section 4.6.3 of this JOA. 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. 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 Judges' Parking Lot, which is included in Common Area. 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. The one parking space allocated to the County Parking and the eight parking spaces allocated to the Transferred Superior Court Parking in the Judges' Parking Lot may be designated or reserved. Commencing on the Responsibility Transfer Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Judges' Parking Lot, as provided in the Transfer Agreement and this JOA. The County shall provide (but not Transfer) to the Council the Provided Superior Court Parking at no cost to the State Parties. 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 vending machines in the Exclusive-Use Areas and the Common Area, and the Parties shall share in any revenues received by the

Managing Party arising from any other 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 (as such term is 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. 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. 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. 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 Costs 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) \$246,658 (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 Inflation Index (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 Inflation Index**" 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) \$246,658, 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.

4.6.3 Utility Costs for Chiller & Boiler Utilities. Notwithstanding any provision of this JOA to the contrary, Utility Costs that arise from Chiller & Boiler Utilities provided to the Probation Building shall not be considered separately, but shall be allocated between the Parties on the basis of their respective Shares.

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 4.3.14 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 4.3.14 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 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: Grant Walker
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: Sonny Shihana
Deputy

COUNTY OF LOS ANGELES, a body
corporate and politic

By: Wynne B. Burke
WYONNE B. BURKE
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: Raymond G. Fortner, Jr.
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: Sonny Shihana
Deputy

76840

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

East Los Angeles JOA
AOC Court Facility # 19-V1
County LACO # 3241
Owned/Shared (TOR Only)
October 24, 2008
IMANDB/1110652v7

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 the East Los Angeles Courthouse, which has a street address of 4848 East Civic Center Way, East Los Angeles, California 90022 (along with appurtenant parking, and as more completely described in the Transfer Agreement, the "**Real Property**"), with a legal description 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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						
Ceiling tiles							X	
Building-related signage (but not customer signage)					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	
Controls/other accessories	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								
Emergency power systems	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	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

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
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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
Escalators	X		X	X	X	X	X
Dumbwaiters	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 halvyards	X				X	X	
Fences/gates	X				X		
Roll-up doors	X				X		
Gutters/spouts/flashings	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
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	Each Business Day	Weekly	Every Two Weeks	Monthly	Every Two Months	Quarterly	Every Four Months	Semi-Annually	Annually	As Needed
Lawns										
Mow lawns										
Weeding	X									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	

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: (a) 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: (1) 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 # 19-01
County LACO # 6064, 6065
El Monte Courthouse TA
11234 East Valley Boulevard, El Monte, California 91731

ATTACHMENT K

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 EL MONTE COURTHOUSE

76827

El Monte TA
Court Facility #19-01
County LACO #6064, 6065
Owned/Shared (TOR/DTOT)
September 23, 2008
IMANDB/1115009v15

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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 November 19, 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 El Monte 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 El Monte Courthouse, located at 11234 East Valley Boulevard, El Monte, California, 91731, on the Land in

which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements. The Building does not include the Parking Structure.

“Building Equipment” means all installed equipment and systems that serve the Building generally, or the Parking Structure, and only that plumbing that is within the walls of the Building or the Parking Structure, 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 Areas. 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 33,136 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 41.88 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) six parking spaces in the Parking Lot; and (ii) 146 parking spaces in the unsecured area and seven parking spaces in the secured area of the Parking Structure, 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 45,993 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 58.12 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 Areas 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.

“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 Areas are located, comprising approximately 6.4 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 Areas” 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.

“Parking Lot” means the surface parking lot located on the Land to the south of the Building, containing 14 unsecured parking spaces.

“Parking Structure” means the parking structure located on the Land to the northwest of the Building, containing 372 parking spaces, nine of which are secured and below grade.

“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, the Building, and the Parking Structure.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) eight parking spaces in the Parking Lot; and (ii) 217 parking spaces in the unsecured area and two parking spaces in the secured area of the Parking Structure, 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.

“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. 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, the 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 (the “**Unassigned Occupancy Agreements**”) will be assigned to the Council. The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreements, as follows:

(a) Southern California Edison Company 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 pursuant to a license dated February 28, 1977. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the replacement of this license, prior to or concurrently with the Transfer of Title, and the continuity of electrical services in the Building; and

(b) The State Department of Rehabilitation is the Occupant of various spaces in the Building, for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the expedient transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

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. With respect to the Occupant under the Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreements related to the Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall

also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 Areas, 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 or the Parking Structure in order to bring the portions of the Building or the Parking Structure 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 or the Parking Structure that are required by Law as a result of the repair of the seismic-related damage to the Building or the Parking Structure; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building or the Parking Structure 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 the Parking Structure, 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 or the Parking Structure if the Building or the Parking Structure 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 Real Property. 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 Real Property 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-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 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 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 ten business days after the Effective Date.

5.1.4 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 approved by the DOF is \$398,687, 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, and the Real Property is not subject to “bonded indebtedness” as defined in section 70301(a) of the Act. 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 and the Parking Structure 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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 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: *G. Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: *Yvonne B. Burke*
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: *Yvonne B. Burke*
Deputy



APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

76827

El Monte TA
Court Facility #19-01
County LACO #6064, 6065
Owned/Shared (TOR/DTOT)
September 23, 2008
IMANDB/1115009v15

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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

That portion of Lot 123, Tract No. 2896, as shown on map recorded in Book 30, page 82, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, that portion of Tract No. 2996, as shown on map recorded in Book 35, page 72, of said Maps, that portion of Tract No. 3745, as shown on map recorded in Book 41, page 46, of said Maps, that portion of Fractional Section 21, Township 1 South, Range 11 West, S.B.M., and those portions of Parcels 1 and 2, as shown on map of Parcel Map #152, filed in Book 6, page 31, of Parcel Maps, in the office of said Registrar-Recorder/County Clerk, within the following described boundaries:

Beginning at the intersection of the easterly prolongation of the northerly line of that certain parcel of land described as PARCEL NO. 1-29 in a Final Order of Condemnation, had in Superior Court Case No. C16331, a certified copy of which is recorded as Document No. 5773, on July 9, 1975, in Book D6721, page 441, of Official Records, in the office of said Registrar-Recorder/County Clerk, with the northwesterly prolongation of the northeasterly line of said Parcel 2; thence southeasterly along said northwesterly prolongation and said northeasterly line, a distance of 812.27 feet to the most easterly corner of said Parcel 2; thence southwesterly along the southeasterly line of said last-mentioned parcel to the southeasterly corner of said last-mentioned parcel; thence westerly along the southerly line of said last-mentioned parcel to its southwesterly corner; thence northeasterly along the northwesterly line of said last-mentioned parcel to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 48°13'11" W 505.08 feet in the northeasterly line of said Parcel 1; thence northwesterly along said parallel line, a distance of 370.56 feet to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 47°35'43" W 304.54 feet in said last-mentioned northeasterly line; thence northwesterly along said last-mentioned parallel line, a distance of 358.71 feet to that certain course having a bearing and distance of N 89°53'55" E 75.00 feet in the northerly boundary of said Parcel 1; thence westerly along said last-mentioned certain course, a distance of 1.15 feet to the southwesterly line of said PARCEL NO. 1-29; thence northwesterly along said southwesterly line, a distance of 239.06 feet to that certain course having a bearing and distance of North 81°43'45" East 323.28 feet in the southerly boundary of that certain parcel of land described as PARCEL 5 in deed to the City of El Monte, for Columbia Street, now known as Ramona Boulevard, recorded on September 7, 1956 as Document No. 3401, in Book 52235, page

A-1

324, of said Official Records; thence easterly along said last-mentioned certain course, a distance of 72.81 feet to the easterly terminus thereof; thence easterly along that certain 561.42-foot radius curve in said southerly boundary, an arc distance of 125.65 feet to said easterly prolongation; thence easterly along said easterly prolongation, a distance of 51.95 feet to the point of beginning.

A-2

El Monte Courthouse
AOC Court Facility # 19-O1
County LACO #6064, 6065
TA Exhs. Owned-Shared (TOR/DTOT)
September 23, 2008
IMANDB/1116774v6

EXHIBIT "B"
FORM OF QUITCLAIM DEED

[see attached]

B-1

El Monte Courthouse
AOC Court Facility # 19-O1
County LACO #6064, 6065
TA Exhs. Owned-Shared (TOR/DTOT)
September 23, 2008
IMANDB/1116774v6

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:
8579-019-902, 8579-019-903, 8579-
020-904, 8579-021-909

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 El Monte, 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

EL MONTE COURTHOUSE
(File: El Monte Civic Center (1))
I.M. 129-277
S.D. 1

By _____
Deputy

MV

NOTE: Acknowledgement form 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

EL MONTE COURTHOUSE

File with: El Monte Civic Center (1)
A.I.N. 8579-019-902, 903
8579-020-904
8579-021-909
T.G. 597 (D7), 637 (D1)
I.M. 129-277
First District

LEGAL DESCRIPTION

That portion of Lot 123, Tract No. 2896, as shown on map recorded in Book 30, page 82, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, that portion of Tract No. 2996, as shown on map recorded in Book 35, page 72, of said Maps, that portion of Tract No. 3745, as shown on map recorded in Book 41, page 46, of said Maps, that portion of Fractional Section 21, Township 1 South, Range 11 West, S.B.M., and those portions of Parcels 1 and 2, as shown on map of Parcel Map #152, filed in Book 6, page 31, of Parcel Maps, in the office of said Registrar-Recorder/County Clerk, within the following described boundaries:

Beginning at the intersection of the easterly prolongation of the northerly line of that certain parcel of land described as PARCEL NO. 1-29 in a Final Order of Condemnation, had in Superior Court Case No. C16331, a certified copy of which is recorded as Document No. 5773, on July 9, 1975, in Book D6721, page 441, of Official Records, in the office of said Registrar-Recorder/County Clerk, with the northwesterly prolongation of the northeasterly line of said Parcel 2; thence southeasterly along said northwesterly prolongation and said northeasterly line, a distance of 812.27 feet to the most easterly corner of said Parcel 2; thence southwesterly along the southeasterly line of said last-mentioned parcel to the southeasterly corner of said last-mentioned parcel; thence westerly along the southerly line of said last-mentioned parcel to its southwesterly corner; thence northeasterly along the northwesterly line of said last-mentioned parcel to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 48°13'11" W 505.08 feet in the northeasterly line of said Parcel 1; thence northwesterly along said parallel line, a distance of 370.56 feet to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 47°35'43" W 304.54 feet in said last-mentioned northeasterly line; thence northwesterly along said last-mentioned parallel line, a distance of 358.71 feet to that certain course having a bearing and distance of N 89°53'55" E 75.00 feet in the northerly boundary of said Parcel 1; thence westerly along said last-mentioned certain course, a distance of 1.15 feet to the southwesterly line of said PARCEL NO. 1-29; thence northwesterly along said southwesterly line, a distance of 239.06 feet to that certain course having a bearing and distance of North 81°43'45" East 323.28 feet in the southerly boundary of

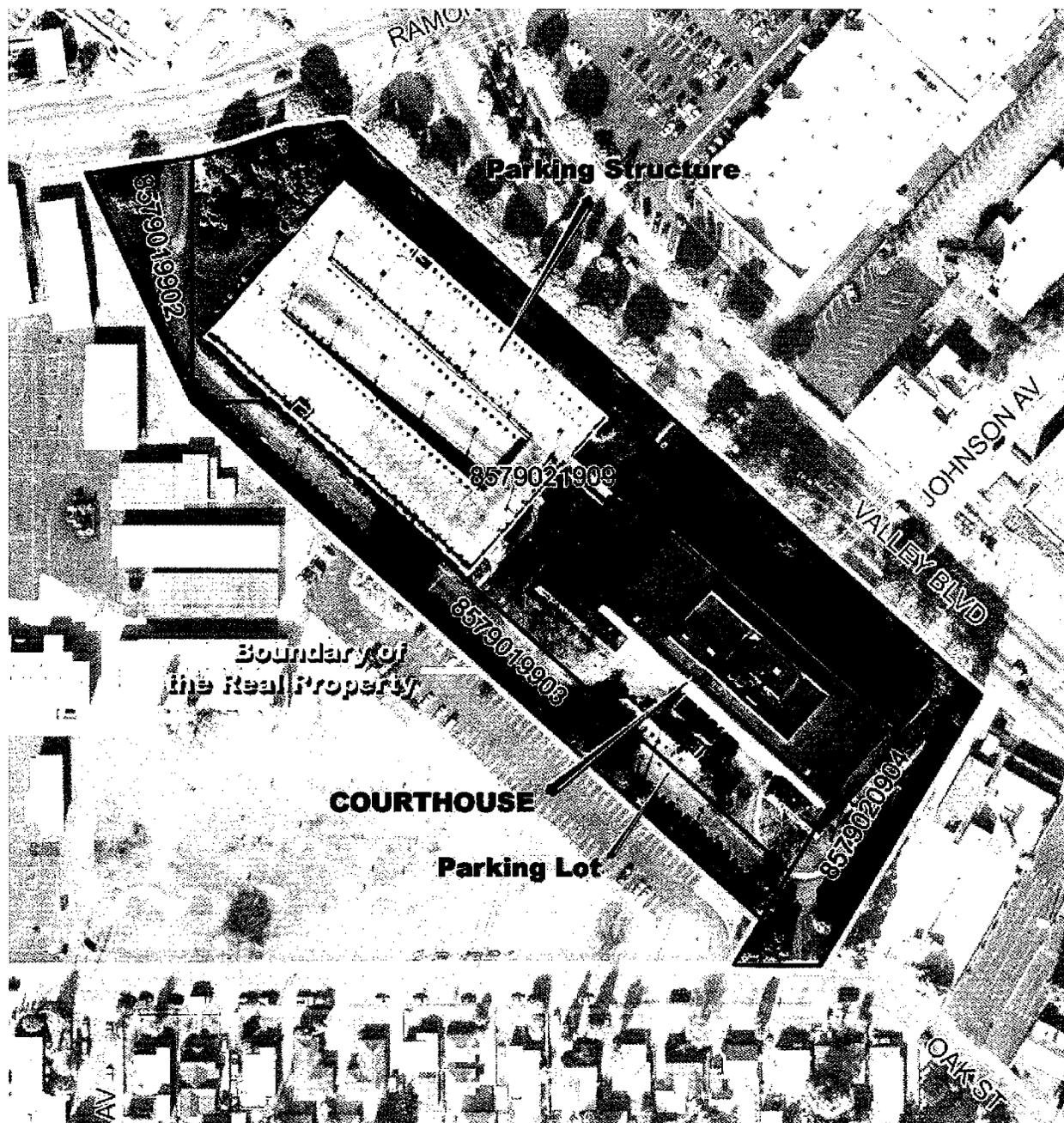
that certain parcel of land described as PARCEL 5 in deed to the City of El Monte, for Columbia Street, now known as Ramona Boulevard, recorded on September 7, 1956 as Document No. 3401, in Book 52235, page 324, of said Official Records; thence easterly along said last-mentioned certain course, a distance of 72.81 feet to the easterly terminus thereof; thence easterly along that certain 561.42-foot radius curve in said southerly boundary, an arc distance of 125.65 feet to said easterly prolongation; thence easterly along said easterly prolongation, a distance of 51.95 feet to the point of beginning.

APPROVED AS TO DESCRIPTION
<u>April 3, 2008</u>
COUNTY OF LOS ANGELES
By <u><i>[Signature]</i></u>
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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

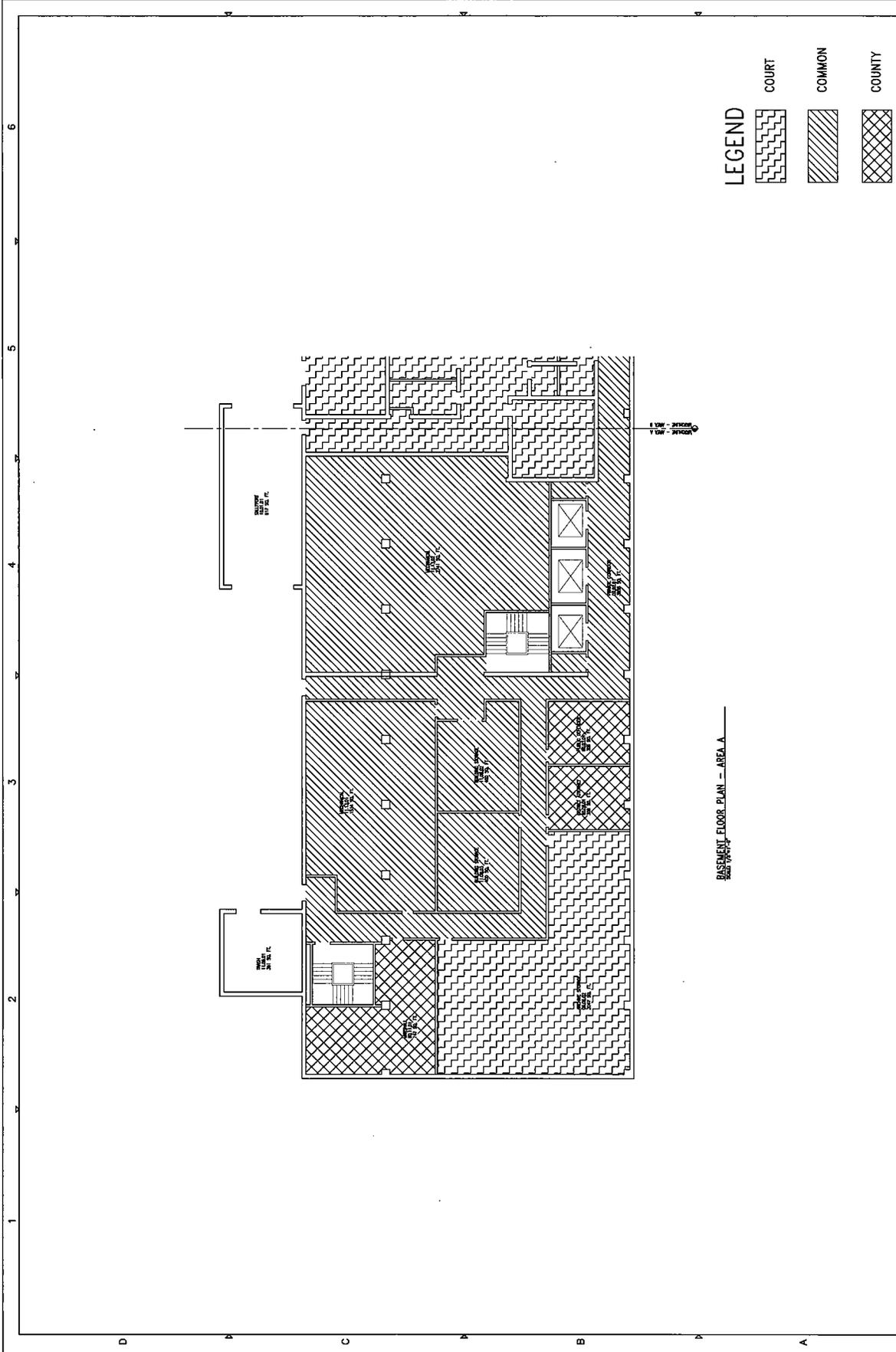
El Monte Courthouse
AOC Court Facility # 19-01
County LACO #6064, 6065
TA Exhs. Owned-Shared (TOR/DTOT)
September 23, 2008
IMANDB/1116774v6

EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1



BASMENT FLOOR PLAN - AREA A

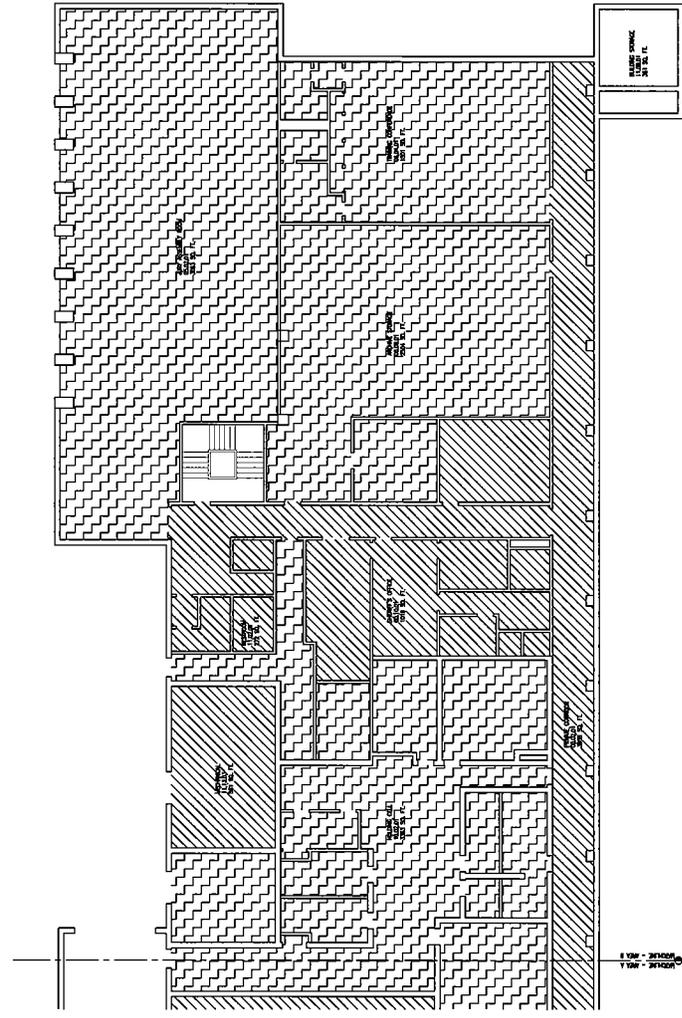
LEGEND

- COURT
- COMMON
- COUNTY

	NAME EL MONTE COURTHOUSE ADDRESS 11234 EAST VALLEY BLVD. EL MONTE	DESCRIPTION PARKER	US ANGELS EL MONTE COURTHOUSE	TITLE TYPE PROJECT NAME BASEMENT PLAN - AREA A	COUNTY CODE SITE CODE BUILDING NO. FLOOR NO.
	COUNTY STATE: CA			TYPE DATE: MAY 2, 2002	COUNTY CODE SITE CODE BUILDING NO. FLOOR NO.
				TYPE DATE: MAY 2, 2002	COUNTY CODE SITE CODE BUILDING NO. FLOOR NO.
				TYPE DATE: MAY 2, 2002	COUNTY CODE SITE CODE BUILDING NO. FLOOR NO.
	NO.	DESIGNER ROBERT J. PETERSON	DATE	TYPE DATE: MAY 2, 2002	COUNTY CODE SITE CODE BUILDING NO. FLOOR NO.

1 2 3 4 5 6

D C B A

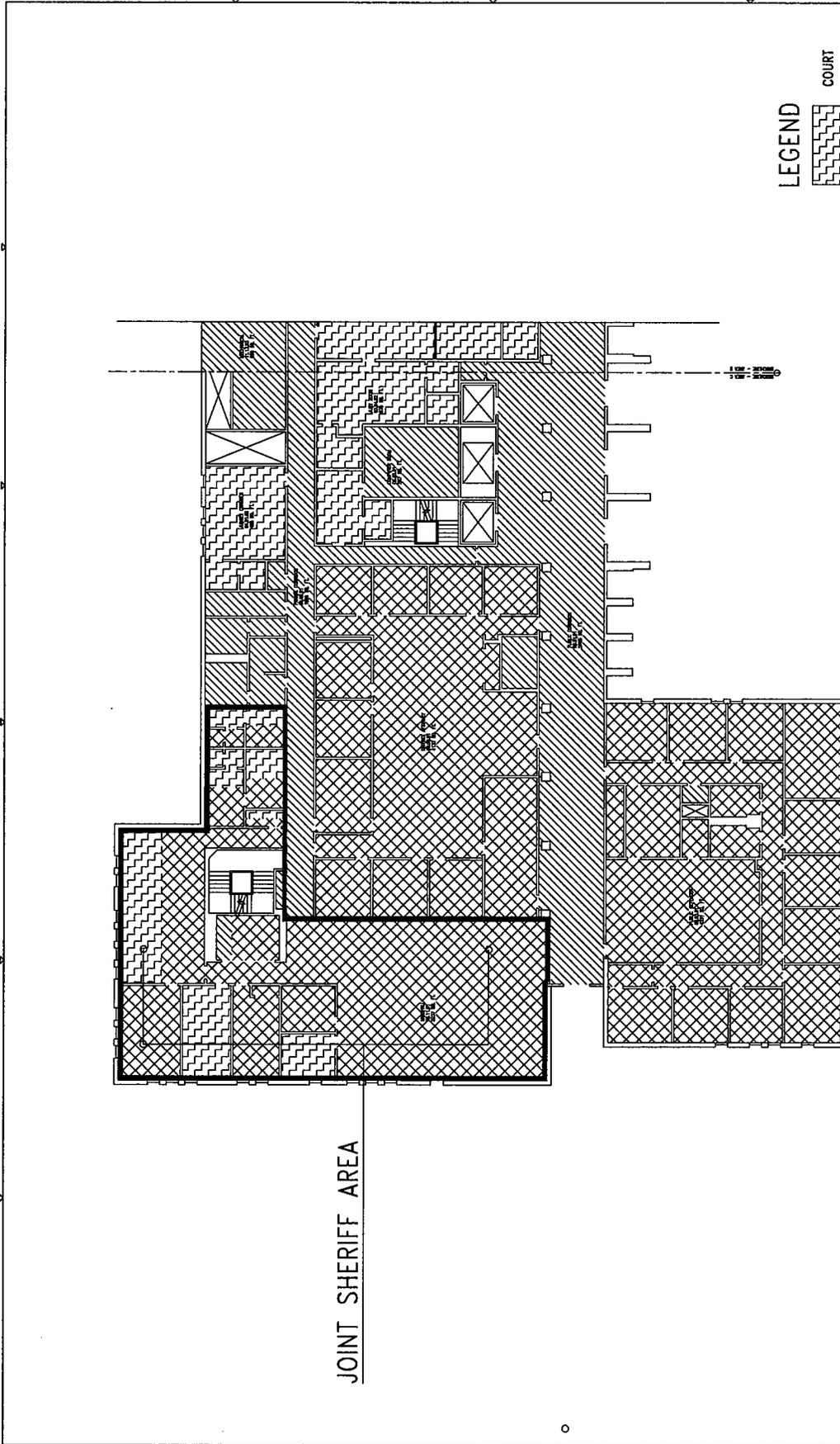


BASMENT FLOOR PLAN - AREA B

LEGEND

	COURT
	COMMON
	COUNTY

NO.	REVISION	DATE			NAME EL MONTE COURTHOUSE ADDRESS 11234 EAST VALLEY BLVD. EL MONTE STATE CA		PROJECT NUMBER R182108	USE YARDIES EL MONTE COURTHOUSE	DRAWING DATE 11/11/08	DRAWING BY LE	CHECKED BY LE	DATE 11/11/08	SCALE 1/8" = 1'-0"	SHEETS 1 TOTAL 1	COUNTY CODE 09	COUNTY A102
					DESCRIPTION	TITLE SPACE PLANNING	TYPE	DATE 11/11/08	COUNTY A102							



LEGEND

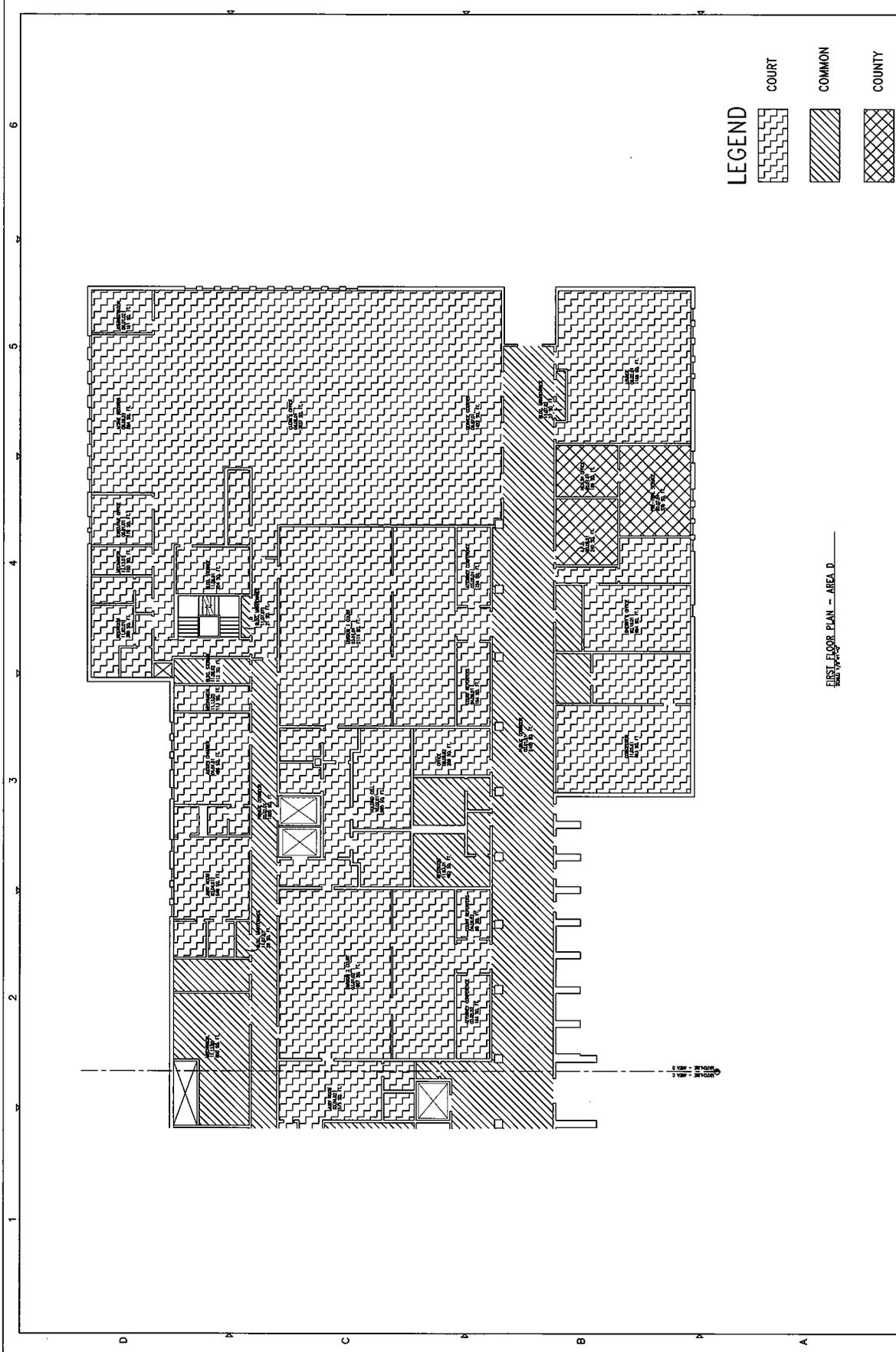
COURT

COMMON

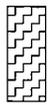
COUNTY

FIRST FLOOR PLAN - AREA C

NO.	REVISION	DATE
JACOBS ARCHITECTURE INC.		
NAME: EL MONTE COURTHOUSE ADDRESS: 10251 EAST VALLEY BLVD. STATE: CA CITY: EL MONTE		
PROJECT	RECEPTION NUMBER	LOS ANGELES COUNTY COURTHOUSE
DESIGNER	ARCHITECT	REVISIONS
TITLE	TYPE	SCALE
DATE	BY	DATE
PROJECT	CONTRACTOR	SCALE
COUNTY	CITY	DATE
COURT	STATE	DATE
COMMON	CITY	DATE
COUNTY	CITY	DATE

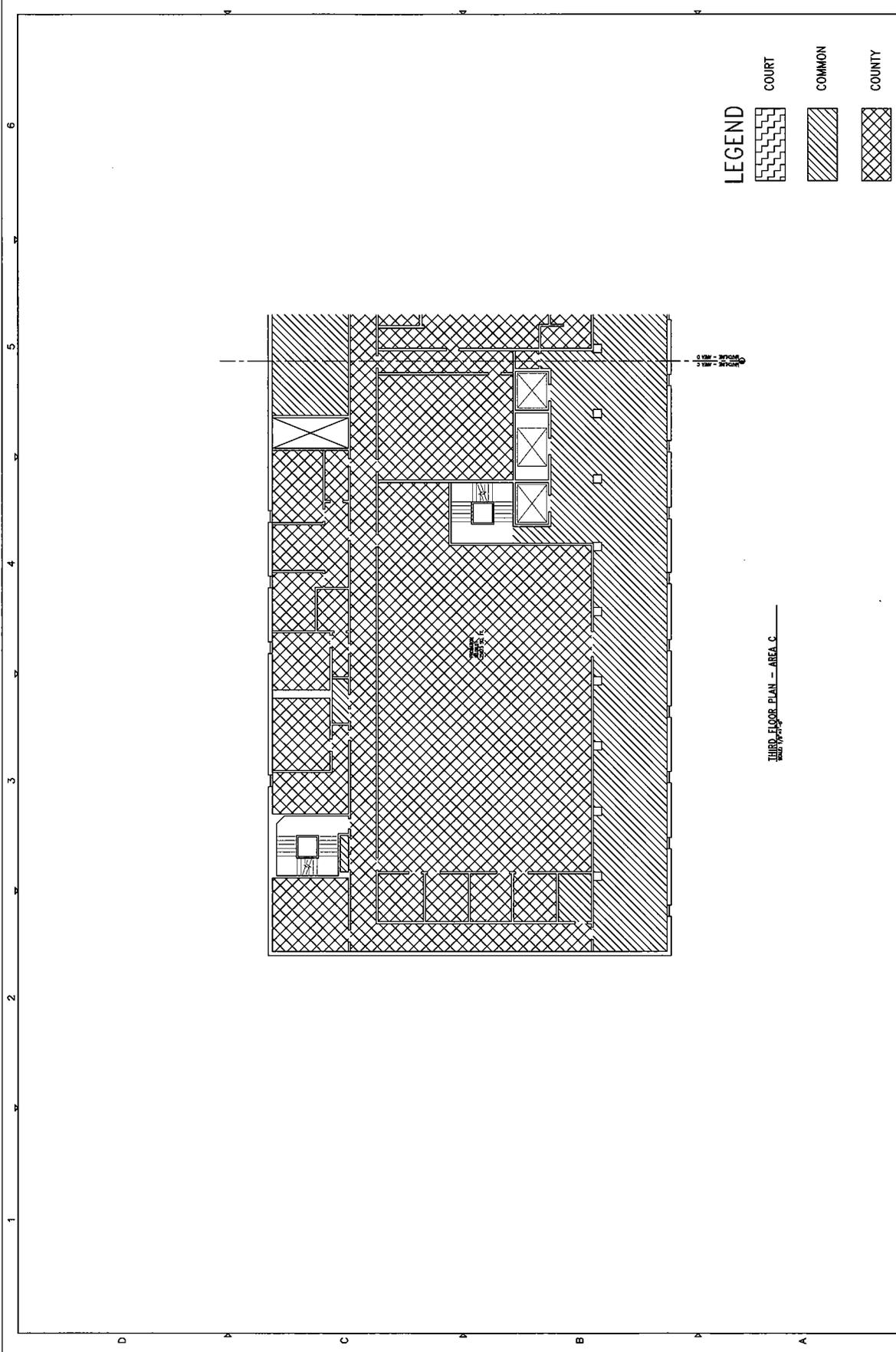


LEGEND

-  COURT
-  COMMON
-  COUNTY

FIRST FLOOR PLAN - AREA D

NO.	REASON	DATE			NAME EL MONTE COURTHOUSE ADDRESS 11234 EAST VALLEY BLVD. EL MONTE	COUNTY LOS ANGELES CITY EL MONTE	PROJECT NUMBER R1723108	STATE CA	DRAWING TITLE FIRST FLOOR PLAN - AREA D	SCALE AS SHOWN	SHEET NO. 1	COUNTY CODE 03	BUILDING NO. 1	FLOOR NO. 1	A104



LEGEND

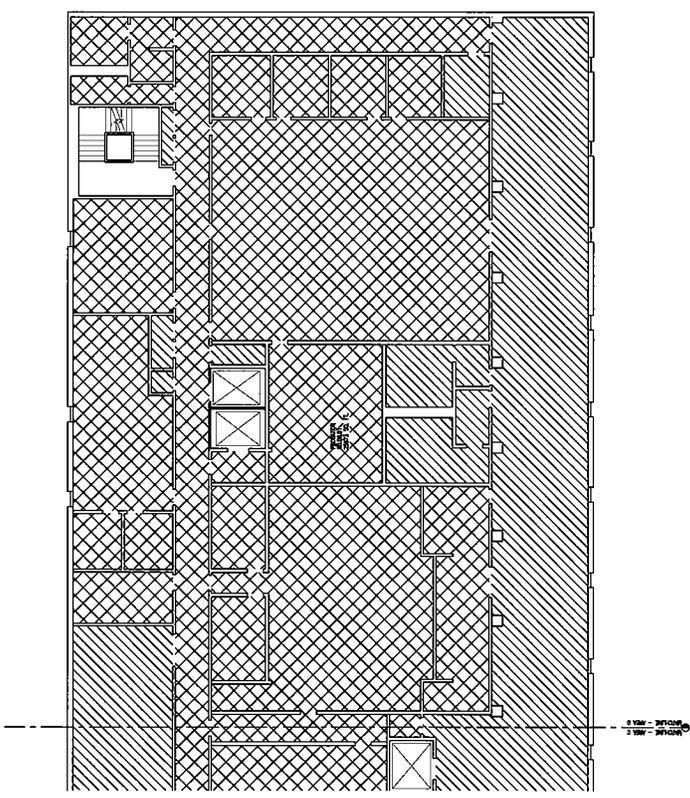
-  COURT
-  COMMON
-  COUNTY

THIRD FLOOR PLAN - AREA C

NO.	PERSON	DATE			NAME: EL MONTE COURTHOUSE ADDRESS: 11234 EAST VALLEY BLVD. EL MONTE, STATE: CA		PROJECT NUMBER: R123456 PROJECT: EL MONTE COURTHOUSE		TITLE: THIRD FLOOR PLAN - AREA C TYPE: SPACE PLANNING		SCALE: N.T.S. DATE: MAY 1, 2008		COUNTY CODE: 19 SITE CODE: 0 BUILDING NO.: 1 FLOOR NO.: 3 A107	
					DRAWN BY: J. DOE CHECKED BY: M. SMITH	DATE: MAY 1, 2008	COUNTY:	SHEET NO.:	TOTAL SHEETS:					

1 2 3 4 5 6

D A C A B A A



LEGEND

-  COURT
-  COMMON
-  COUNTY

THIRD FLOOR PLAN - AREA D

NO.	RESPON.	DATE				NAME EL MONTE COURTHOUSE ADDRESS 11234 EAST VALLEY BLVD. EL MONTE STATE: CA	ROOM/SECTION HALLWAY	US STATES EL MONTE COURTHOUSE FIVEZONER	COUNTY SAN JUAN CO.	CITY EL MONTE	ZIP 91734	COUNTY CODE 03	STATE CODE 00	BUILDING NO. 1	FLOOR NO. 3	A108
THIRD FLOOR PLAN - AREA D																
SCALE: N.T.S.																
DATE: MAY 2, 2024																

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**

**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 Nos. 8579-021-909, 8579-019-902
and -903 and 8579-020-904

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 El Monte, County of Los Angeles, State of California, having a street address of 11234 East Valley Boulevard, as more particularly described on **Attachment 1** to this

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El Monte Courthouse
AOC Court Facility # 19-01
County LACO #6064, 6065
TA Exhs. Owned-Shared (TOR/DTOT)
September 23, 2008
IMANDB/1116774v6

Memorandum of TA and JOA (“**Land**”), together with the improvements located thereon containing the court facility commonly known as the El Monte 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 El Monte Courthouse dated _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the El Monte 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

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

By: _____
Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

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

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE REAL PROPERTY

That portion of Lot 123, Tract No. 2896, as shown on map recorded in Book 30, page 82, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, that portion of Tract No. 2996, as shown on map recorded in Book 35, page 72, of said Maps, that portion of Tract No. 3745, as shown on map recorded in Book 41, page 46, of said Maps, that portion of Fractional Section 21, Township 1 South, Range 11 West, S.B.M., and those portions of Parcels 1 and 2, as shown on map of Parcel Map #152, filed in Book 6, page 31, of Parcel Maps, in the office of said Registrar-Recorder/County Clerk, within the following described boundaries:

Beginning at the intersection of the easterly prolongation of the northerly line of that certain parcel of land described as PARCEL NO. 1-29 in a Final Order of Condemnation, had in Superior Court Case No. C16331, a certified copy of which is recorded as Document No. 5773, on July 9, 1975, in Book D6721, page 441, of Official Records, in the office of said Registrar-Recorder/County Clerk, with the northwesterly prolongation of the northeasterly line of said Parcel 2; thence southeasterly along said northwesterly prolongation and said northeasterly line, a distance of 812.27 feet to the most easterly corner of said Parcel 2; thence southwesterly along the southeasterly line of said last-mentioned parcel to the southeasterly corner of said last-mentioned parcel; thence westerly along the southerly line of said last-mentioned parcel to its southwesterly corner; thence northeasterly along the northwesterly line of said last-mentioned parcel to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 48°13'11" W 505.08 feet in the northeasterly line of said Parcel 1; thence northwesterly along said parallel line, a distance of 370.56 feet to a line parallel with and 50 feet southwesterly, measured at right angles, from that certain course having a bearing and distance of N 47°35'43" W 304.54 feet in said last-mentioned northeasterly line; thence northwesterly along said last-mentioned parallel line, a distance of 358.71 feet to that certain course having a bearing and distance of N 89°53'55" E 75.00 feet in the northerly boundary of said Parcel 1; thence westerly along said last-mentioned certain course, a distance of 1.15 feet to the southwesterly line of said PARCEL NO. 1-29; thence northwesterly along said southwesterly line, a distance of 239.06 feet to that certain course having a bearing and distance of North 81°43'45" East 323.28 feet in the southerly boundary of that certain parcel of land described as PARCEL 5 in deed to the City of El Monte, for Columbia Street, now known as Ramona

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Boulevard, recorded on September 7, 1956 as Document No. 3401, in Book 52235, page 324, of said Official Records; thence easterly along said last-mentioned certain course, a distance of 72.81 feet to the easterly terminus thereof; thence easterly along that certain 561.42-foot radius curve in said southerly boundary, an arc distance of 125.65 feet to said easterly prolongation; thence easterly along said easterly prolongation, a distance of 51.95 feet to the point of beginning.

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El Monte Courthouse
AOC Court Facility # 19-O1
County LACO #6064, 6065
TA Exhs. Owned-Shared (TOR/DTOT)
September 23, 2008
IMANDB/1116774v6

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 # 19-01
County LACO # 6064, 6065
El Monte Courthouse JOA
11234 East Valley Boulevard, El Monte, California 91731

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 EL MONTE 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 November 18, 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 El Monte Courthouse, located at 11234 East Valley Boulevard, El Monte, California, 91731, 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. The Building does not include the Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building generally, or the Parking Structure, 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

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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 Areas. 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 58.12 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 33,136 square feet of the Building interior 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 41.88 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) six parking spaces in the Parking Lot; and (ii) 146 parking spaces in the unsecured area and seven parking spaces in the secured area of the Parking Structure, as shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 41.88 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 45,993 square feet of the Building interior 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 58.12 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 on the first floor and labeled **“Joint Sheriff Area”** on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Building and the Parking Areas are located, comprising approximately 6.4 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-Ownning 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 Areas” 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.

“Parking Lot” means the surface parking lot located on the Land to the south of the Building, containing 14 unsecured parking spaces.

“Parking Structure” means the parking structure located on the Land to the northwest of the Building, containing 372 parking spaces, nine of which are secured and below grade.

“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, the Building, and the Parking Structure.

“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, 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.

"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) eight parking spaces in the Parking Lot; and (ii) 217 parking spaces in the unsecured area and two parking spaces in the secured area of the Parking Structure, 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 El Monte 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 at least through June 30, 2009, 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 Parking Structure, 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 at least through June 30, 2009, 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, the Parking Structure, and the 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 18.53 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 81.47 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 18.53 percent Court Exclusive-Use Area and 81.47 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-Ownning 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 Areas, which are included in Common 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 four of the parking spaces allocated to the County Parking in the unsecured area of the Parking Structure may be designated or reserved. Up to seven of the parking spaces allocated to the Superior Court Parking in the unsecured area of the Parking Structure may be designated or reserved. On and after the Responsibility Transfer Date, the nine parking spaces in the secured area of the Parking Structure will be designated for use by the Sheriff in the performance of County functions (up to seven parking spaces) and Superior Court functions (up to two parking spaces), respectively. 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 Responsibility Transfer Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Areas, 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-Ownning Party, and ensure that the Non-Ownning 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 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 3.2.8 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) \$194,757 (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) \$194,757, 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 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 the Parking Structure, 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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: *Grant Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: *Yvonne B. Burke*
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: *Ray Fortner*
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: *Yvonne B. Burke*
Deputy

26842

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 El Monte Courthouse, which is located in a building on certain real property in the City of El Monte, County of Los Angeles, State of California and having a street address of 11234 East Valley Boulevard (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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						
Ceiling tiles								
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	
Controls/other accessories	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	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

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									
Weeding	X								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
	X								

Concrete Areas/Hard Courts/Parking Lots

Sweeping/washing, except parking lots

Maintenance of parking lot surfaces

Vermis/Pest/Disease Control

Areas maintained free of rodents and insects

Landscaped areas free of disease that could damage plant materials

Cultivation (Retaining/Maintaining Original Conditions)

Beds

Planter areas

Turf Reseeding/Restoration of Bare Areas

Trash Removal

Collect and remove all clippings (when work performed)

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 or the Parking Structure, 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 Parking Structure, or the property inside the Building or the Parking Structure, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Building or the Parking Structure 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 or the Parking Structure 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 or the Parking Structure 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: (a) personal property in the open; or (b) the interior of the Building or the Parking Structure, or property inside the Building or the Parking Structure, unless the roof or an outside wall of the Building or Parking Structure 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 and the Parking Structure.

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 or the Parking Structure 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-F1
County LACO # 6330, B451, B452
Inglewood Courthouse TA
One Regent Street, Inglewood, California 90301

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 INGLEWOOD COURTHOUSE

76826

Inglewood TA
AOC Court Facility #19-F1
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1267689v3

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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 November 18, 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 Inglewood 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 Inglewood Courthouse, located at One Regent Street, Inglewood, California, 90301, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements, except that the Building does not include the Parking Structures.

“Building Equipment” means all installed equipment and systems that serve the Building or the Parking Structures generally, and only that plumbing that is within the walls of the Building or the Parking Structures, 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 22,762 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 25.44 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) 13 parking spaces in the secured area, and 77 parking spaces in the unsecured area, of the East Parking Structure; and (ii) 112 parking spaces in the unsecured area of the West Parking Structure, 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 66,721 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 74.56 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.

“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.

“East Parking Structure” means the parking structure, also known as County Auto Park 72, on the Land to the east of the Building, as shown on **Exhibit “C”** to this Agreement, containing 366 parking spaces.

“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.

“Inglewood Juvenile Courthouse” means the building commonly known as the Inglewood Juvenile Courthouse having the street address of 110 East Regent Street, Inglewood, California 90301.

“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 Real 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 Real 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 Real 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, the East Parking Structure, and the West Parking Structure are located, comprising approximately 3.3 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-Ownning Party**” means the Party that is not the Owner.

“**Occupancy Agreement**” means any written agreement 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 under 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. The Parking Area serves both the Building and the Inglewood Juvenile Courthouse.

“Parking Structures” means, together, the East Parking Structure and the West Parking Structure.

“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, the Building, and the Parking Structures.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) 25 parking spaces in the secured area, and 251 parking spaces in the unsecured area, of the East Parking Structure; and (ii) 11 parking spaces in the secured area, and 329 parking spaces in the unsecured area, of the West Parking Structure, 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.

“**Vending Facility**” has the meaning given to it in section 19626 of the Welfare and Institutions Code.

“**West Parking Structure**” means the parking structure, also known as County Auto Park 73, on the Land to the west of the Building, as shown on **Exhibit “C”** to this Agreement, containing 452 parking spaces.

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, 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 the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not 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 of Los Angeles County is the Occupant of Rooms 107A, 107B, 107C, and 107D on the first floor of the Building under County License Agreement #COL-448. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County License Agreement #COL-448. By the first anniversary of 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

(b) The State Department of Rehabilitation is the Occupant of certain space in the Building for the purpose of providing a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the

Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of this Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

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. With respect to Occupants under the Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreements related to such Occupants' occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 at the Building and the Inglewood Juvenile Courthouse, on a first-come, first-served basis. The County and the Superior Court have agreed that the Superior Court Parking, together with six parking spaces located on the Inglewood Juvenile Courthouse real property, 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 and the Parking Structures in order to bring the portions of the Building or the Parking Structures 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 and the Parking Structures that are required by Law as a result of the repair of the seismic-related damage to the Building and the Parking Structures; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building or the Parking Structures are deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Building or the Parking Structures, 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 or the Parking Structures if the Building or the Parking Structures are 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 Real Property. 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-Ownning Party for its Equity interest in the Real Property 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-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 on 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 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.

5.1.4 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 approved by the DOF is \$282,144, 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 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 the Title Transfer Document 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.

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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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.

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: *Dianne Barry*
Name: Dianne Barry, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: *Donna Shana*
Deputy

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Vonne B. Burke*
VONNE B. BURKE
Chair, Board of Supervisors



Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Ray Fortner*
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: *Donna Shana*
Deputy

76826

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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" – Copy of Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Those portions of Lots 1, 2, 3, 4, 5, 6 and 7, Tract No. 743, as shown on map filed in Book 15, page 191, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and those portions of Lots 5, 6 and 7, Tract No. 7869, as shown on map filed in Book 111, pages 31, 32 and 33, of said Maps, and also those portions of Lot 9, Block 204 and Lots 9, 10 and 11, Block 304, Townsite of Inglewood, as shown on map recorded in Book 34, pages 19 to 36, inclusive, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with those portions of Grevillea Avenue (now vacated), as shown on all said maps, and portion of Florence Avenue, formerly Orchard Street, as shown on said last mentioned map and as shown on County Surveyor's Map No. B-5238, on file in the office of the Director of the Department of Public Works of said county, within the following described boundaries:

Commencing at the intersection of a line parallel with and 40 feet southerly, measured at right angles, from the southerly line of Lot B, Block 204, Resubdivision of a Part of the Townsite of Inglewood, as shown on map recorded in Book 43, pages 83 and 84, of said Miscellaneous Records, with a line parallel with and 40 feet westerly, measured at right angles, from the most westerly line of said Lot B; thence North $0^{\circ}34'55''$ West along said last mentioned parallel line, a distance of 326.14 feet; thence South $84^{\circ}45'55''$ East 729.97 feet; thence South $2^{\circ}29'45''$ East 28.73 feet to a point hereby designated as Point "A"; thence North $2^{\circ}29'45''$ West 28.73 feet; thence North $84^{\circ}45'55''$ West 468.56 feet to a line parallel with and 20 feet easterly, measured at right angles, from the easterly line of said Lot B; thence South $0^{\circ}33'53''$ East along said last mentioned parallel line, a distance of 42.61 feet to a point, said last mentioned point being the beginning of a curve concave to the south and having a radius of 1252.97 feet, a radial of said curve to said last mentioned point bears North $8^{\circ}18'45''$ East, said last mentioned point also being the TRUE POINT OF BEGINNING; thence easterly along said curve through a central angle of $1^{\circ}57'58''$, an arc distance of 43.00 feet; thence South $79^{\circ}43'17''$ East, tangent to said curve, a distance of 9.35 feet to the beginning of a tangent curve concave to the north and having a radius of 1586.31 feet; thence easterly along said last mentioned curve through a central angle of $12^{\circ}44'42''$, an arc distance of 352.86 feet; thence North $87^{\circ}32'01''$ East, tangent to said last mentioned curve, a distance of 9.84 feet to the beginning of a curve concave to the north, and having a radius of 1440.73 feet, the easterly terminus of said last mentioned curve being said Point "A"; thence easterly along last mentioned curve through a central angle of $2^{\circ}13'04''$, an arc distance of 55.76 feet to the beginning of a

A-1

Inglewood TA
AOC Court Facility #19-F 01
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1269753v3

compound curve concave to the north and having a radius of 1248.51 feet; thence easterly along said compound curve through a central angle of $9^{\circ}00'08''$, an arc distance of 196.16 feet to the northerly line of that certain parcel of land described in Resolution No. 3694 vacating a portion of Grevillea Avenue, recorded as Document No. 3720, on February 11, 1955, in Book 46893, page 344, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence North $80^{\circ}38'56''$ East along said northerly line, a distance of 19.26 feet to the northwesterly prolongation of the northeasterly line of Lot 5, said Tract No. 7869; thence South $40^{\circ}13'25''$ East along said northwesterly prolongation and said northeasterly line, a distance of 138.28 feet to the most northerly corner of Lot 9, said Block 304; thence South $0^{\circ}34'30''$ East along the easterly line of said last mentioned lot, a distance of 108.30 feet to the southeasterly corner of said last mentioned lot; thence South $89^{\circ}26'10''$ West along the southerly line, and its westerly prolongation, of said last mentioned lot, a distance of 295.90 feet to the easterly prolongation of said first mentioned southerly line; thence South $89^{\circ}20'00''$ West along said easterly prolongation, a distance of 473.23 feet to said last mentioned parallel line; thence North $0^{\circ}33'53''$ West along said last mentioned parallel line, a distance of 216.64 feet to said TRUE POINT OF BEGINNING.

A-2

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Inglewood TA
AOC Court Facility #19-F1
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1269753v3

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:
4015-029-901, 4020-022-915

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 Inglewood, 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

INGLEWOOD COURTHOUSE
(File: Inglewood Civic Center (1))
I.M. 099-177
S.D. 2

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

Inglewood Courthouse

File with: Inglewood Civic Center (1)

A.I.N. 4015-029-901

A.I.N. 4020-022-915

T.G. 703-C2

I.M. 099-177

Second District

A320SBAC

LEGAL DESCRIPTION

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curve, a distance of 9.84 feet to the beginning of a curve concave to the north, and having a radius of 1440.73 feet, the easterly terminus of said last mentioned curve being said Point "A"; thence easterly along last mentioned curve through a central angle of 2°13'04", an arc distance of 55.76 feet to the beginning of a compound curve concave to the north and having a radius of 1248.51 feet; thence easterly along said compound curve through a central angle of 9°00'08", an arc distance of 196.16 feet to the northerly line of that certain parcel of land described in Resolution No. 3694 vacating a portion of Grevillea Avenue, recorded as Document No. 3720, on February 11, 1955, in Book 46893, page 344, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence North 80°38'56" East along said northerly line, a distance of 19.26 feet to the northwesterly prolongation of the northeasterly line of Lot 5, said Tract No. 7869; thence South 40°13'25" East along said northwesterly prolongation and said northeasterly line, a distance of 138.28 feet to the most northerly corner of Lot 9, said Block 304; thence South 0°34'30" East along the easterly line of said last mentioned lot, a distance of 108.30 feet to the southeasterly corner of said last mentioned lot; thence South 89°26'10" West along the southerly line, and its westerly prolongation, of said last mentioned lot, a distance of 295.90 feet to the easterly prolongation of said first mentioned southerly line; thence South 89°20'00" West along said easterly prolongation, a distance of 473.23 feet to said last mentioned parallel line; thence North 0°33'53" West along said last mentioned parallel line, a distance of 216.64 feet to said TRUE POINT OF BEGINNING.

APPROVED AS TO DESCRIPTION

March 6, 2008

COUNTY OF LOS ANGELES

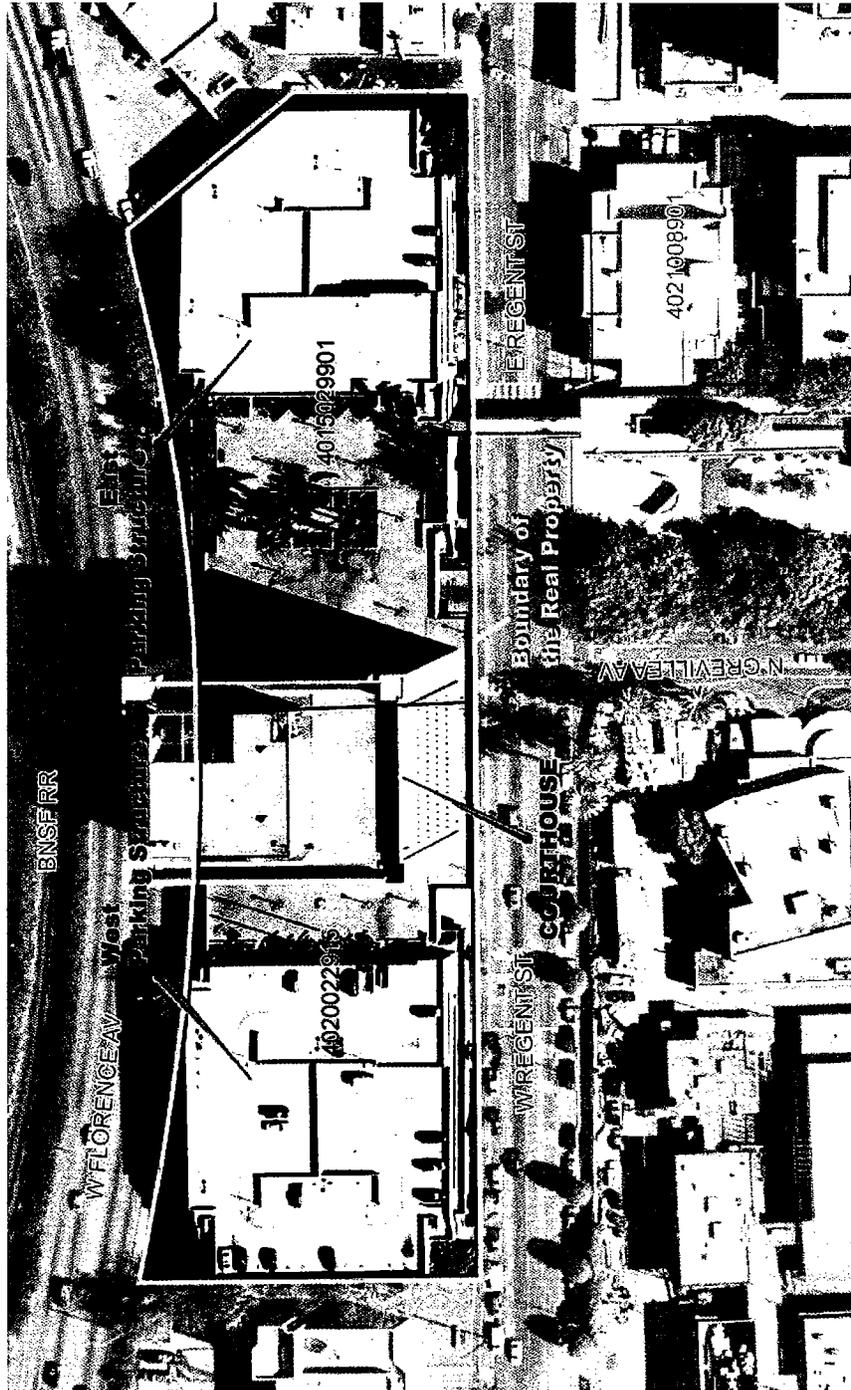
By *[Signature]*

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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

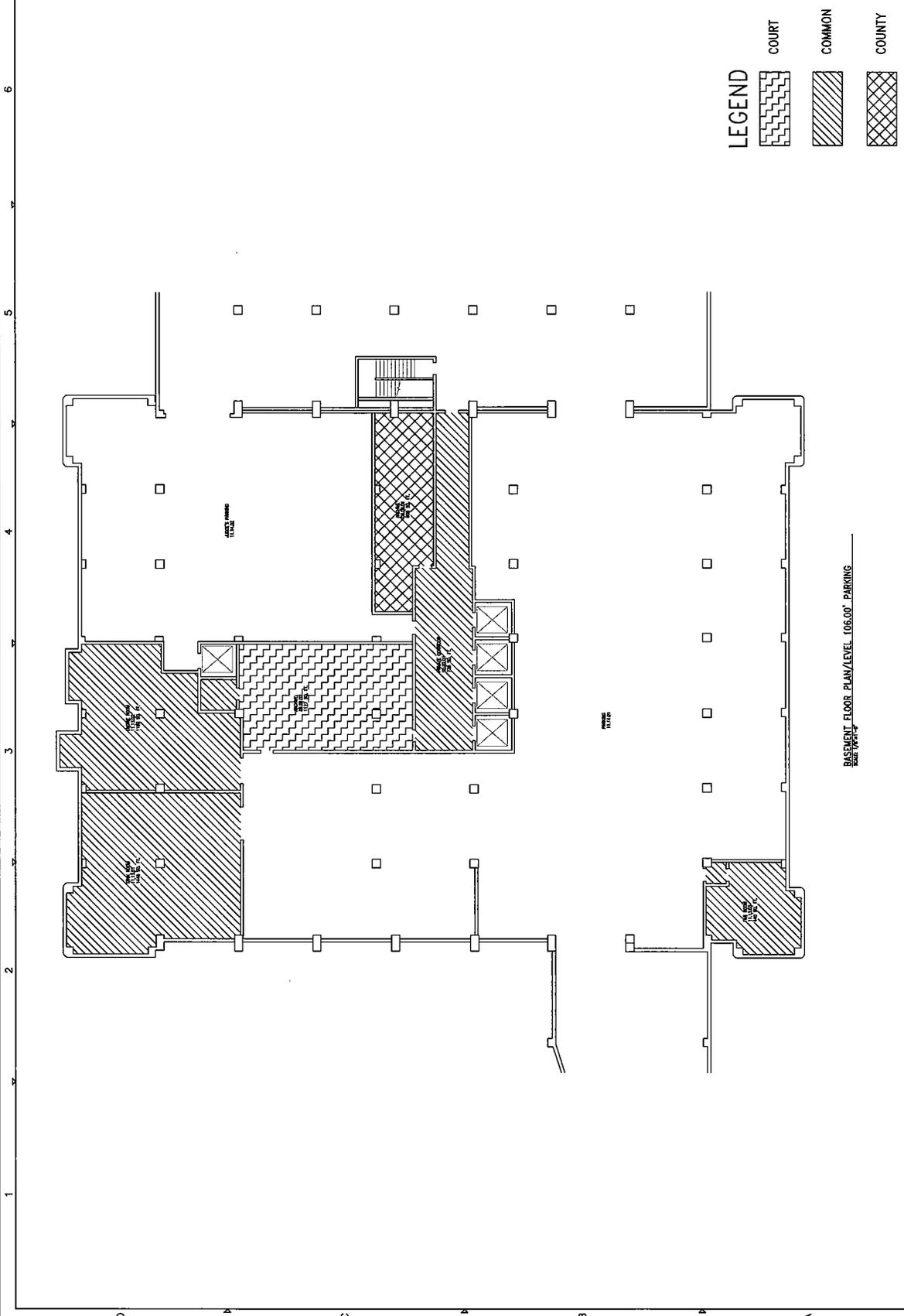
Inglewood TA
AOC Court Facility #19-F1
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1269753v3

EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1

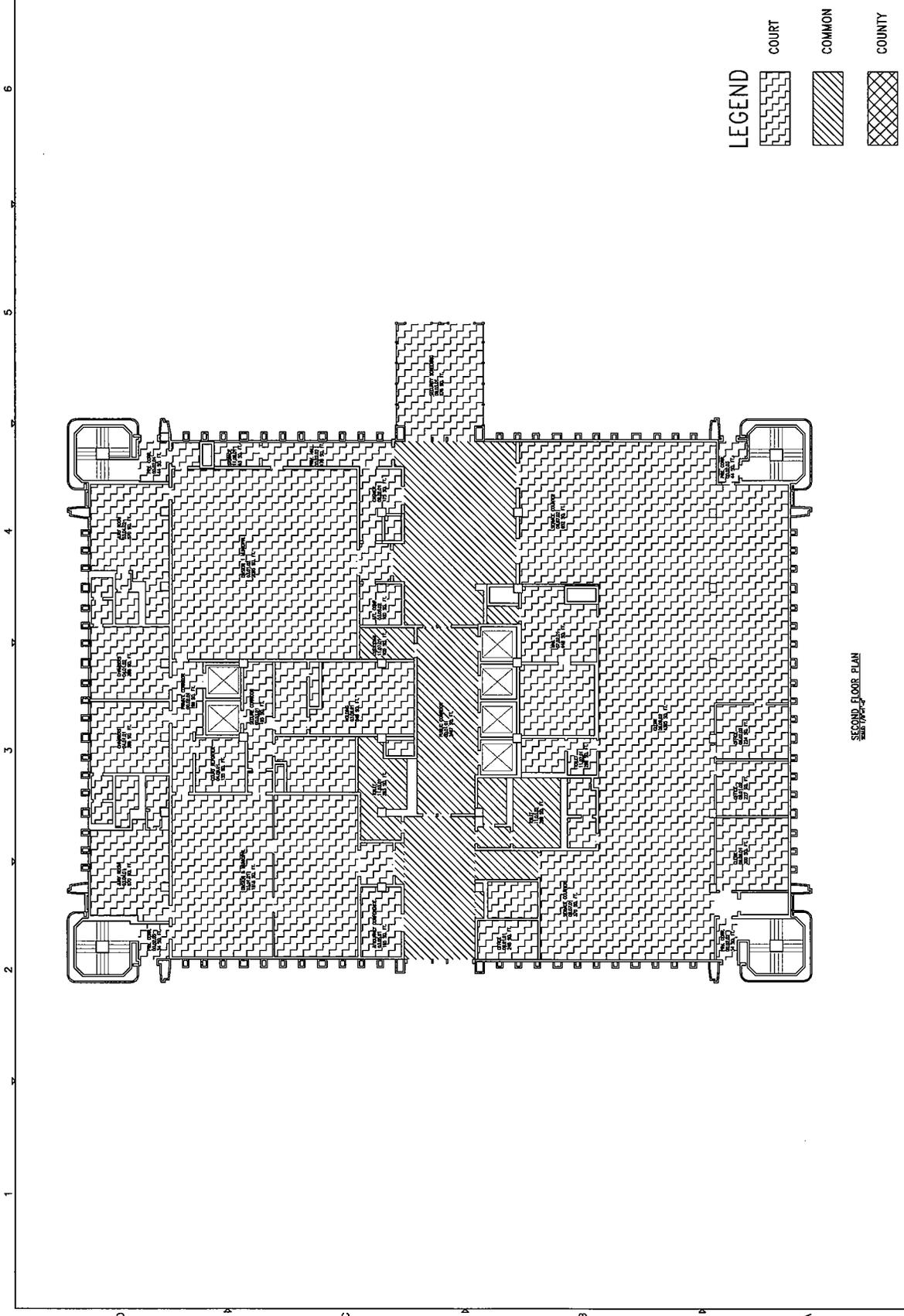


LEGEND

	COURT
	COMMON
	COUNTY

BASMENT FLOOR PLAN/LEVEL 106.00' PARKING

		JACOBSON ARCHITECTS 12345 MAIN ST. LOS ANGELES, CA 90001		PROJECT NUMBER: _____ PROJECT NAME: _____		BUILDING NAME: LOS ANGELES INGLEWOOD COURTHOUSE ADDRESS: ONE REGENT STREET, INGLEWOOD, CA		TITLE: _____ TYPE: _____ DRAWN BY: _____ CHECKED BY: _____		SHEET NO.: _____ TOTAL SHEETS: _____ DATE: _____	
COUNTY CODE: 19 SITE CODE: _____ BUILDING NO.: _____ FLOOR NO.: _____		SCALE: _____ SHEET NO.: _____ TOTAL SHEETS: _____		SHEET NO.: _____ TOTAL SHEETS: _____		SHEET NO.: _____ TOTAL SHEETS: _____		SHEET NO.: _____ TOTAL SHEETS: _____		SHEET NO.: _____ TOTAL SHEETS: _____	

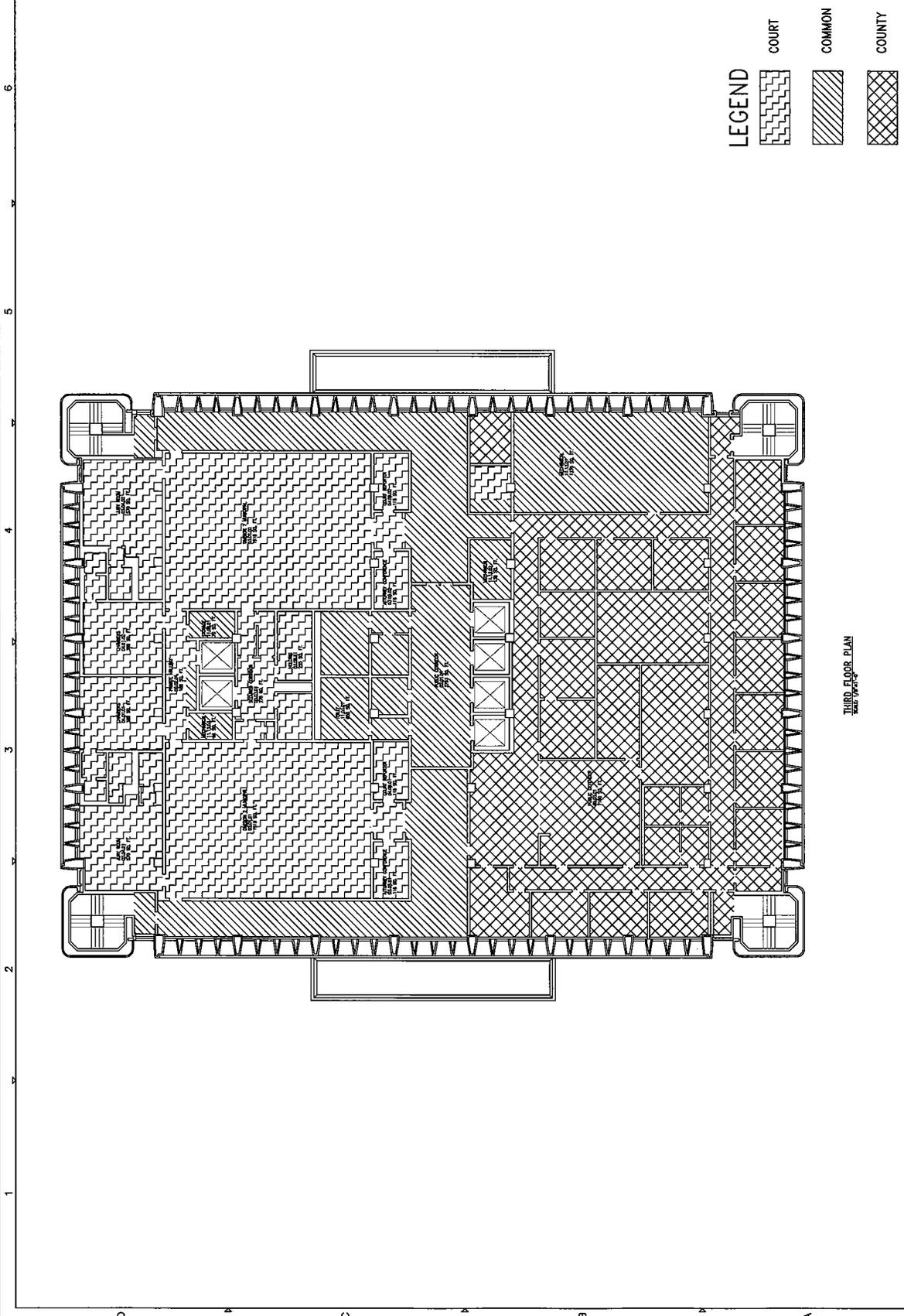


LEGEND

	COURT
	COMMON
	COUNTY

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

	NAME: INGLEWOOD COURTHOUSE ADDRESS: ONE RESIST STREET, INGLEWOOD, CALIFORNIA	PROJECT NAME: INGLEWOOD COURTHOUSE PROJECT NUMBER: 100	TITLE: SECOND FLOOR PLAN DATE: 10/1/58	COUNTY CODE: 19 SITE CODE: 1 BUILDING NO.: 1 FLOOR NO.: 2 A103
	ARCHITECT: J. J. JACOBS ARCHITECTS 12345 MAIN STREET, LOS ANGELES, CALIF.	ARCHITECT NAME: J. J. JACOBS ARCHITECT FIRM: J. J. JACOBS ARCHITECTS	DRAWN BY: J. J. JACOBS CHECKED BY: J. J. JACOBS DATE: 10/1/58	SCALE: 1/8" = 1'-0"

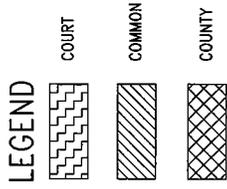
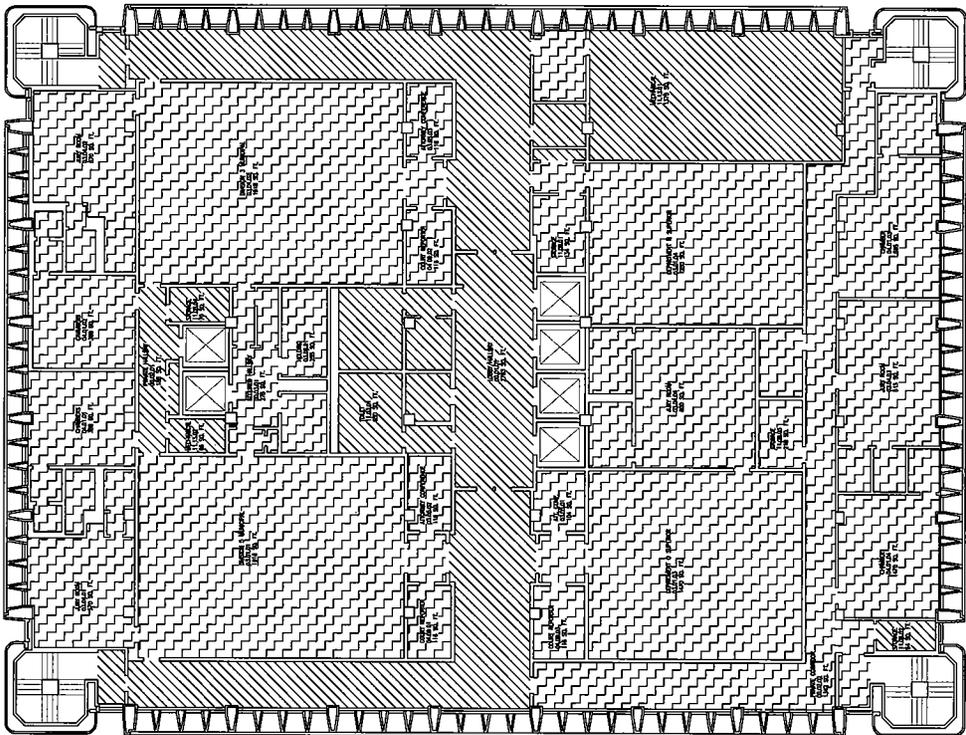


LEGEND

	COURT
	COMMON
	COUNTY

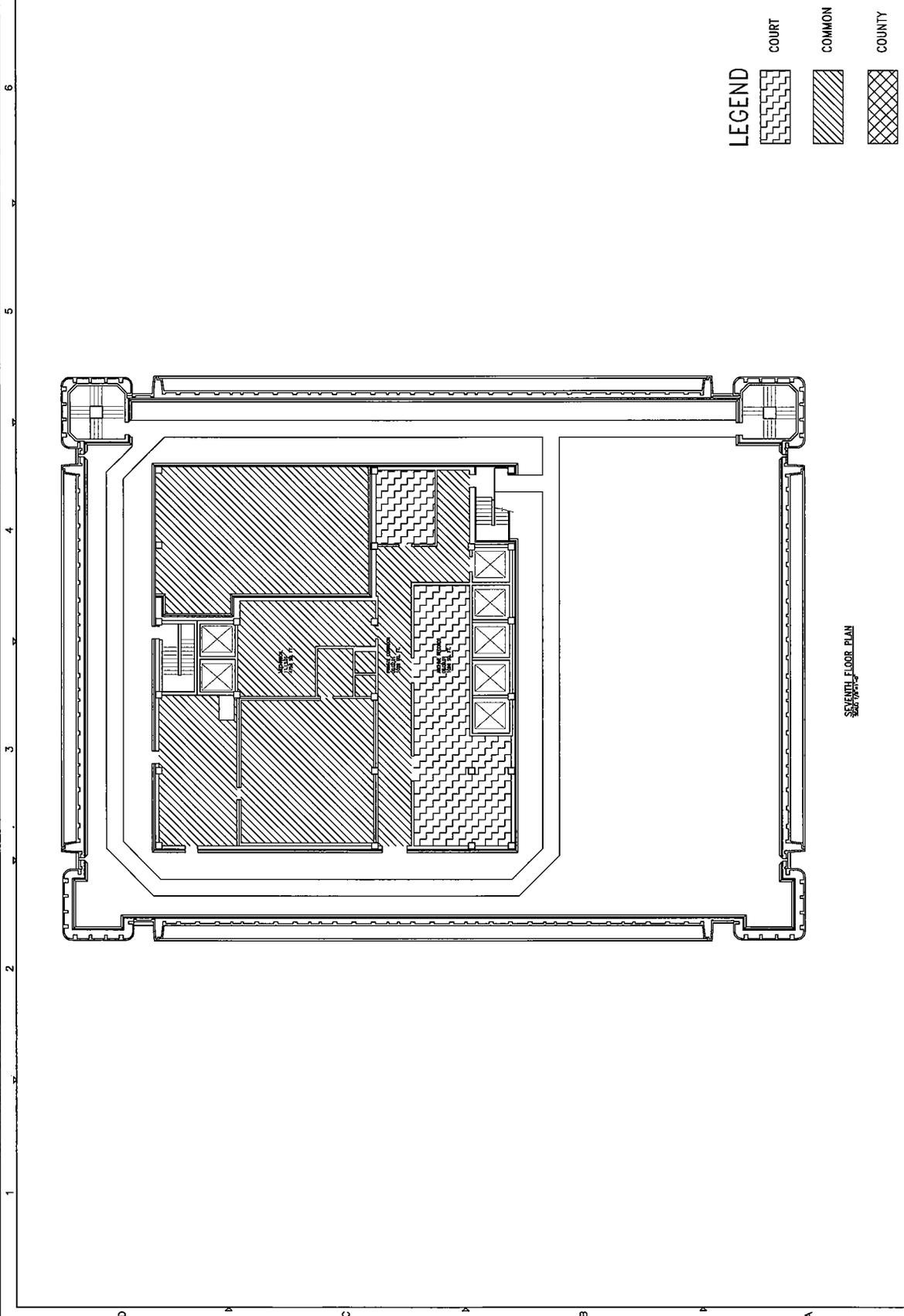
THIRD FLOOR PLAN
 10/11/1977

NO.	REVISED	DATE
J. E. JACOBS ARCHITECTURE 12345 MAIN ST. LOS ANGELES, CALIF. 90001		
BUILDING NAME: INGLENOOK COURTHOUSE ADDRESS: ONE RESIST STREET, INGLENWOOD, STATE: CA		
PROJECT NUMBER:	INGLENWOOD COURTHOUSE	SECTION: THIRD FLOOR PLAN
DATE:	10/11/77	SCALE: AS SHOWN
DESIGNER:	J. E. JACOBS	CHECKED BY:
COUNTY CODE: 19 SITE CODE: F BUILDING NO.: 1 FLOOR NO.: 3 A104		



FIFTH FLOOR PLAN

NO.	SECTION	DATE			NAME INGLEWOOD COURTHOUSE ADDRESS ONE EIGHT ST. INGLEWOOD STATE, CA		PROJECT NUMBER R102109	LOS ANGELES INGLEWOOD COURTHOUSE		DRAWN BY	CHECKED BY	TITLE FIFTH FLOOR PLAN SPACE PLANNING		A-E CONSTRUCTION SCALE	COUNTY CODE: 19 SITE CODE: F BUILDING NO. 1 FLOOR NO. 5	A106
					TYPE	CODE		DATE	DATE							



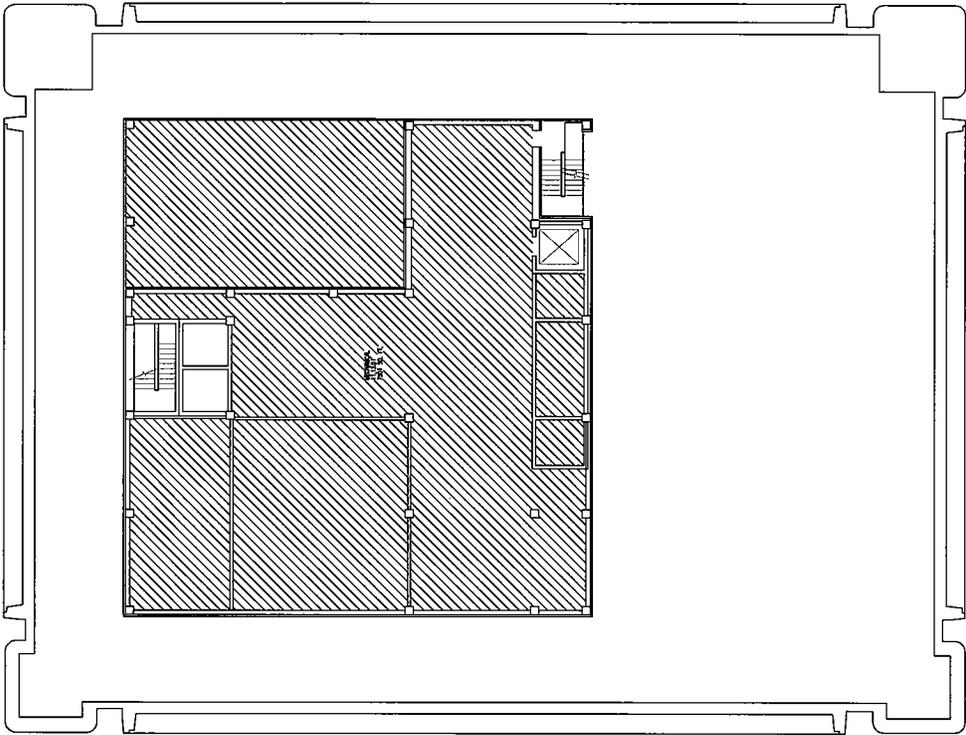
LEGEND

-  COURT
-  COMMON
-  COUNTY

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

NO.	REVISION	DATE			BUILDING: INGLEWOOD COURTHOUSE ADDRESS: ONE REGENT STREET INGLEWOOD, CALIFORNIA		PROJECT NUMBER: [] PROJECT NAME: INGLEWOOD COURTHOUSE		TITLE: SEVENTH FLOOR PLAN TYPE: [] DATE: []		COUNTY CODE: 19 SITE CODE: F BUILDING NO.: 1 FLOOR NO.: 7 COUNTY: A108	
					ARCHITECT: J.E. JACOBS ASSOCIATES, INC. 10000 WILSON BLVD., SUITE 100 LOS ANGELES, CALIF. 90024		DRAWN BY: [] CHECKED BY: [] DATE: []		SCALE: [] DATE: []			

1 2 3 4 5 6



LEGEND

COURT

COMMON

COUNTY

EIGHTH FLOOR ELEVATOR EQUIPMENT ROOM PLAN

NO.	PERSON	DATE			BUILDING NAME: INGLEWOOD COURTHOUSE ADDRESS: ONE PEGGY STREET INGLEWOOD		LOCATION ROOM NUMBER: [] FLOOR: []		PROJECT NAME: LOS ANGELES INGLEWOOD COURTHOUSE		TITLE TYPE: [] DRAWN BY: []		EIGHTH FLOOR PLAN SPACE NUMBER: [] TYPE: []		A-E CONSTRUCTION SCALE: []		COUNTY CODE: 19 SITE CODE: F BUILDING NO.: 1 FLOOR NO.: 8 COUNTY: A109	
					STATE: CA		SERIES: [] SCALE: [] DATE: []		DRAWN BY: []		DATE: []							

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"

**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

*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 Nos. 4020-022-915 and
4015-029-901

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 Inglewood, County of Los Angeles, State of California, having a street address of One Regent Street, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the

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Inglewood TA
AOC Court Facility #19-F1
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
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court facility commonly known as the Inglewood 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 Inglewood Courthouse, dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Inglewood Courthouse, of even date therewith (“**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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Dianne Barry, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Those portions of Lots 1, 2, 3, 4, 5, 6 and 7, Tract No. 743, as shown on map filed in Book 15, page 191, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and those portions of Lots 5, 6 and 7, Tract No. 7869, as shown on map filed in Book 111, pages 31, 32 and 33, of said Maps, and also those portions of Lot 9, Block 204 and Lots 9, 10 and 11, Block 304, Townsite of Inglewood, as shown on map recorded in Book 34, pages 19 to 36, inclusive, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with those portions of Grevillea Avenue (now vacated), as shown on all said maps, and portion of Florence Avenue, formerly Orchard Street, as shown on said last mentioned map and as shown on County Surveyor's Map No. B-5238, on file in the office of the Director of the Department of Public Works of said county, within the following described boundaries:

Commencing at the intersection of a line parallel with and 40 feet southerly, measured at right angles, from the southerly line of Lot B, Block 204, Resubdivision of a Part of the Townsite of Inglewood, as shown on map recorded in Book 43, pages 83 and 84, of said Miscellaneous Records, with a line parallel with and 40 feet westerly, measured at right angles, from the most westerly line of said Lot B; thence North $0^{\circ}34'55''$ West along said last mentioned parallel line, a distance of 326.14 feet; thence South $84^{\circ}45'55''$ East 729.97 feet; thence South $2^{\circ}29'45''$ East 28.73 feet to a point hereby designated as Point "A"; thence North $2^{\circ}29'45''$ West 28.73 feet; thence North $84^{\circ}45'55''$ West 468.56 feet to a line parallel with and 20 feet easterly, measured at right angles, from the easterly line of said Lot B; thence South $0^{\circ}33'53''$ East along said last mentioned parallel line, a distance of 42.61 feet to a point, said last mentioned point being the beginning of a curve concave to the south and having a radius of 1252.97 feet, a radial of said curve to said last mentioned point bears North $8^{\circ}18'45''$ East, said last mentioned point also being the TRUE POINT OF BEGINNING; thence easterly along said curve through a central angle of $1^{\circ}57'58''$, an arc distance of 43.00 feet; thence South $79^{\circ}43'17''$ East, tangent to said curve, a distance of 9.35 feet to the beginning of a tangent curve concave to the north and having a radius of 1586.31 feet; thence easterly along said last mentioned curve through a central angle of $12^{\circ}44'42''$, an arc distance of 352.86 feet; thence North $87^{\circ}32'01''$ East, tangent to said last mentioned curve, a distance of 9.84 feet to the beginning of a curve concave to the north, and having a radius of 1440.73 feet, the easterly terminus of said last mentioned curve being said Point "A"; thence easterly along last mentioned curve through a central angle of $2^{\circ}13'04''$, an arc distance of 55.76 feet to the beginning of a

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Inglewood TA
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compound curve concave to the north and having a radius of 1248.51 feet; thence easterly along said compound curve through a central angle of 9°00'08", an arc distance of 196.16 feet to the northerly line of that certain parcel of land described in Resolution No. 3694 vacating a portion of Grevillea Avenue, recorded as Document No. 3720, on February 11, 1955, in Book 46893, page 344, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence North 80°38'56" East along said northerly line, a distance of 19.26 feet to the northwesterly prolongation of the northeasterly line of Lot 5, said Tract No. 7869; thence South 40°13'25" East along said northwesterly prolongation and said northeasterly line, a distance of 138.28 feet to the most northerly corner of Lot 9, said Block 304; thence South 0°34'30" East along the easterly line of said last mentioned lot, a distance of 108.30 feet to the southeasterly corner of said last mentioned lot; thence South 89°26'10" West along the southerly line, and its westerly prolongation, of said last mentioned lot, a distance of 295.90 feet to the easterly prolongation of said first mentioned southerly line; thence South 89°20'00" West along said easterly prolongation, a distance of 473.23 feet to said last mentioned parallel line; thence North 0°33'53" West along said last mentioned parallel line, a distance of 216.64 feet to said TRUE POINT OF BEGINNING.

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Inglewood TA
AOC Court Facility #19-F1
County LACO #6330, B451, B452
Owned/Shared (TOR/DTOT)
October 29, 2008
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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.

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(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-F1
County LACO # 6330, B451, B452
Inglewood Courthouse JOA
One Regent Street, Inglewood, California 90301

ATTACHMENT N

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 INGLEWOOD 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 November 18, 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 Inglewood Courthouse, located at One Regent Street, Inglewood, California, 90301, 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, except that the Building does not include the Parking Structures.

“**Building Equipment**” means all installed equipment and systems that serve the Building or the Parking Structures generally, and only that plumbing that is within the walls of the Building or the Parking Structures, 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,

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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 74.56 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 22,762 square feet of the Building interior 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 25.44 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) 13 parking spaces in the secured area, and 77 parking spaces in unsecured area, of the East Parking Structure; and (ii) 112 parking spaces in the unsecured area of the West Parking Structure, as shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 25.44 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 66,721 square feet of the Building interior 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 74.56 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.

“East Parking Structure” means the parking structure, also known as County Auto Park 72, on the Land to the east of the Building, as shown on Exhibit “C” to the Transfer Agreement, containing 366 parking spaces.

“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.

“Inglewood Juvenile Courthouse” means the building commonly known as Inglewood Juvenile Courthouse having the street address of 110 East Regent Street, Inglewood, California 90301.

“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 on the first floor and labeled **“Joint Sheriff Area”** on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Building, the East Parking Structure, and the West Parking Structure are located, comprising approximately 3.3 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-Ownning Party**” means the Party that is not the Owner.

“**Occupancy Agreement**” means any written agreement 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 under 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. The Parking Area serves both the Building and the Inglewood Juvenile Courthouse.

“**Parking Structures**” means, together, the East Parking Structure and the West Parking Structure.

“**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, the Building, and the Parking Structures.

“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, 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.

"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) 25 parking spaces in the secured area, and 251 parking spaces in the unsecured area, of the East Parking Structure; and (ii) 11 parking spaces in the secured area, and 329 parking spaces in the unsecured area, of the West Parking Structure, 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 Inglewood 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.

“**West Parking Structure**” means the parking structure, also known as County Auto Park 73, on the Land to the west of the Building, as shown on Exhibit “C” to the Transfer Agreement, containing 452 parking spaces.

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 at least through June 30, 2009, 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 Parking Structures, 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 at least through June 30, 2009, 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, the Parking Structures, and the 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 33.51 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 66.49 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 33.51 percent Court Exclusive-Use Area and 66.49 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. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Area, and the Council shall be solely entitled to all revenues arising from leasing or licensing of the Parking Area. Upon the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, 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 in the Building and in the Inglewood Juvenile Courthouse, and the Superior Court Parking may be used by the State Parties, and their judges, jurors, Contractors, invitees, licensees, and patrons in the Building and in the Inglewood Juvenile Courthouse, on a first-come, first-served basis, except that the parking spaces in the unsecured areas of the West Parking Structure will continue to be used only by employees and jurors, and parking in the secured areas of the West Parking Structure will continue to be used only by Superior Court judges and employees of the Sheriff. In addition to the foregoing, up to five more of the parking spaces allocated to the County Parking in the West Parking Structure, and one more of the parking spaces allocated to the Superior Court Parking in the West Parking Structure, 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 Responsibility Transfer 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 at the Real Property and the Inglewood Juvenile Courthouse under the Security Services MOU.

3.4.1 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.

3.4.2 Access Rights. Notwithstanding anything to the contrary herein, on and after the Effective Date, the State Parties shall have the right to use driveways and pedestrian walkways on the Real Property that provide direct ingress, egress, and access to or from the Superior Court Parking for the purposes of pedestrian access to, from, and between the Inglewood Juvenile Courthouse and the Superior Court Parking, and vehicular access to the Superior Court Parking for the State Parties that occupy the Inglewood Juvenile Courthouse.

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-Ownning Party, and ensure that the Non-Ownning 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 except as otherwise provided in section 3.4 of this JOA, 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 any other 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 3.2.8 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. 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. 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. 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 Costs 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) the Council Share of Utility Costs minus (ii) \$31,211 (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 (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) the Council Share of Utility Costs, minus (ii) \$31,211, 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 (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 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts, Office of the General Counsel

By: [Signature]

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: [Signature]
Name: Dianne Barry, Attorney

ATTEST:

COUNTY OF LOS ANGELES, a body corporate and politic

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: [Signature]
Deputy

By: [Signature]
WONNE 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.

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: [Signature]
Deputy

By: [Signature]
Principal Deputy County Counsel

76841

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Transfer of Title to, the Inglewood Courthouse, which is located on certain real property in the City of Inglewood, County of Los Angeles, State of California and has a street address of One Regent 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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.]

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										
Weeding										X
Edging	X									
Mechanical Edging		X								
Chemical Edging/Detailing (April through September)				X						
Chemical Edging/Detailing (October through March)										
Litter Control	X									
Raking	X									
Trees, Hedges, Ground Cover										
Trim Trees						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
	X								
									X
									X
									X
									X
									X
									X
									X
									X

Concrete Areas/Hard Courts/Parking Lots									
Sweeping/washing, except parking lots									
Maintenance of parking lot surfaces	X								
Vermis/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-T1
County LACO #5266, 5267, L710
Metropolitan Courthouse TA
1945 South Hill Street, Los Angeles, California 90007

ATTACHMENT O

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 METROPOLITAN COURTHOUSE

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Metropolitan TA
AOC Court Facility #19-T1
County LACO #5266, 5267, L710
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1102803v8

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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 November 18, 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 Metropolitan 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.

“**Assignment of Occupancy Agreement**” means the document titled Assignment and Assumption of Occupancy Agreement that is attached to this Agreement as Exhibit “G”.

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

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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.

“Buildings” means the Courthouse and the Vehicle Inspection Station, together.

“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 Courthouse 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 Courthouse, (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 Buildings, (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 7,442 square feet of the Courthouse interior, and the entire Vehicle Inspection Station, including the 9,654 square feet of Vehicle Inspection Station 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 within the Courthouse constitutes 5.46 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 80 parking spaces in the Parking Garage.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 128,980 square feet of the Courthouse 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 94.54 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 site plan showing the location of the Buildings and the Parking Lot on the Land, and a set of floor plans showing the layout of the Court Facility in the interior of the Courthouse, are attached as **Exhibits “C”** and **“D”** to this Agreement.

“Courthouse” means the building commonly known as the Metropolitan Courthouse, located on the Land, and having a street address of 1945 South Hill Street, Los Angeles, California 90007, in which the Court Facility is located, all Building Equipment, and all connected or related structures and improvements.

“Courthouse Shares” has the meaning given to it in the JOA.

“Dispute” means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding, 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.

“Equity Shares” means 94.54 percent for the State and 5.46 percent for the County, which percentages reflect each Party’s share of Exclusive-Use Area on the Real Property.

“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 Real 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 Real 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 Real 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 Buildings and the Parking Area are situated, comprising approximately 3.4 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 Real 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 written agreement 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 under 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.

“Parking Garage” means the underground parking structure, also known as County Auto Park 60 B, located under nearly the entirety of the Land, and containing 944 parking spaces.

“Parking Lot” means the surface parking lot, also known as County Auto Park 60 A, located on the Land to the southwest of the Courthouse, containing 59 parking spaces, as shown on **Exhibit “C”**.

“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 Buildings.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) 864 parking spaces in the Parking Garage; and (ii) all 59 parking spaces in the Parking Lot.

“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 within the Courthouse. On the Effective Date, the Total Exclusive-Use Area is 136,422 square feet.

“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.

“Vehicle Inspection Station” means the building commonly known as the Metropolitan Courthouse Vehicle Inspection Station, located on the Land to the southwest of the Parking Lot, as shown on **Exhibit “C”** to this Agreement.

“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. 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 shall 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 Real Property 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, 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 Assigned Occupancy Agreement. The Parties agree that one 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 pursuant to the Assignment of Occupancy Agreement, as follows:

(a) The City of Los Angeles is the Occupant of space on the first and fifth floors of the Courthouse, and is entitled to use up to 53 underground parking spaces, pursuant to County Lease Agreement #73767. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease Agreement #73767.

4.3.8.3 Unassigned Occupancy Agreements. The Parties acknowledge that some of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area (the “**Unassigned Occupancy Agreements**”) will not be assigned to the Council. The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreements, as follows:

(a) Compass Group, North American Division: DBA Canteen Services is the Occupant of various spaces in the Courthouse, for the provision of Vending Facilities, specifically vending machines, pursuant to County Concession Agreement #73940. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of such Vending Facilities and the continuity of vending services in the Courthouse. If County Concession Agreement #73940 has not been earlier terminated or replaced in respect of the Courthouse, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Courthouse from the list of approved locations in County Concession Agreement #73940;

(b) The Volunteer Center of Los Angeles: The Assistance League of Southern California is the Occupant of space on the second floor of the Courthouse under County License #COL-526. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Courthouse from the list of locations subject to County License #COL-526. By the first anniversary of the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Courthouse or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC; and

(c) The State Department of Rehabilitation is the Occupant of various spaces in the Building, for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

4.3.8.4 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. With respect to Occupants under Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreements related to such Occupants’ occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 Courthouse 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 Courthouse 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 Buildings are as set forth in section 70324 of the Act, a copy of which is attached to this Agreement as **Exhibit “H”** 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 Buildings, 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 Buildings in order to bring the portions of the Buildings 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 Buildings that are required by Law as a result of the repair of the seismic-related damage to the Buildings; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Courthouse is deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Buildings, 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 Buildings if the Courthouse 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 Courthouse 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 either of the Buildings or 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 Equity Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Buildings 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 Equity 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 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 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. For clarification, nothing in this section 4.3.13 of this Agreement shall constitute a waiver by the Council or the AOC of their rights under section 70344(b) of the Act with respect to the Courthouse.

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 on 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;
- (b) the Assignment of Occupancy Agreement; and
- (c) 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 and the Assignment of Occupancy Agreement within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 approved by the DOF is \$352,946, 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 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 the Title Transfer Document 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.

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 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 Buildings are not historical buildings as defined in section 70301(f) of the Act. The Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) 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 Buildings under CERCLA or any other Law, except that the County confirms that this provision does not alter, diminish, or negate the County's obligation to indemnify the State in accordance with the terms of 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 Real 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 Equity 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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: *Grant Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Donna Shihana*
Deputy

By: *Vivonne B. Burke*
VIVONNE 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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Donna Shihana*
Deputy

76828

Metropolitan TA
AOC Court Facility #19-T1
County LACO #5266, 5267, L710
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1102803v8

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 · · · · · NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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" – Assignment and Assumption of Occupancy Agreement

Exhibit "H" – Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

All those certain parcels of land described as PARCEL 1 to 6, inclusive, in Exhibit A-12 in deed to the County of Los Angeles, recorded on February 27, 2008, as Document No. 20080339062, of Official Records, in the office of the Registrar-Recorder/County Clerk of said County, and more particularly described as follows:

Part A:

Lot E, Ganahl Place, as shown on map recorded in Book 66, page 90, of Miscellaneous Records, in the office of the above-mentioned Registrar-Recorder/County Clerk. Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS148 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140401, of the above-mentioned Official Records.

Part B:

Those certain parcels of land in Lot 2, Block 1, Hancock's Survey, as shown on map recorded in Book 2, page 108, of the above-mentioned Miscellaneous Records, and in Lots 27,29, and 30, Block 1, Subdivision of a portion of the Washington Garden Tract, as shown on map recorded in Book 3, page 138, of said Miscellaneous Records, described as Parcels 1 to 4, inclusive, in deed to Clyde F. Himes, recorded on June 9, 1955, as Document No. 576, in Book 48013, page 135, of the above-mentioned Official Records.

Part C:

Lot A, Tract No. 868, as shown on map recorded in Book 16, page 85, of Maps, in the office of the above-mentioned Registrar-Recorder/County Clerk.

Part D:

Lot 28 of the last above-mentioned Block 1, and that portion of Lot 24 of the last above-mentioned Block 1, lying southeasterly of the southeasterly line of the abovementioned Lot A.

Part E:

That portion of that certain 13.865-acre parcel of land as shown on map of McCartney's Washington Gardens, recorded in Book 10, page 193, of the abovementioned Maps, lying northwesterly of the northwesterly line of Hill Street, 92 feet wide, as established by final Decree of Condemnation, had in Superior Court Case No. B-68612, a certified copy of which is recorded in Book 1430, page 346, of the abovementioned Official Records.

Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS149 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140400, of said Official Records.

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Metropolitan TA
AOC Court Facility # 19-T1
County LACO #5266, 5267, L710
October 27, 2008
IMANDB/1104354v6

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.

Assessor's Identification Numbers:
5126-024-907 and 5126-024-908

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

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 Los Angeles, 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

METROPOLITAN COURTHOUSE
(File: Municipal Traffic Courts Bldg.
Site (3))
I.M. 114-197
S.D. 1

By _____
Deputy

MV

NOTE: Acknowledgement certificate on reverse side.

EXHIBIT A

METROPOLITAN COURTHOUSE

File with: Municipal Traffic Courts Bldg. Site (3)
A.I.N. 5126-024-907 and 908
T.G. 634 (D6, D7)
I.M. 114-197
First District

LEGAL DESCRIPTION

All those certain parcels of land described as PARCEL 1 to 6, inclusive, in Exhibit A-12 in deed to the County of Los Angeles, recorded on February 27, 2008, as Document No. 20080339062, of Official Records, in the office of the Registrar-Recorder/County Clerk of said County, and more particularly described as follows:

Part a:

Lot E, Ganahl Place, as shown on map recorded in Book 66, page 90, of Miscellaneous Records, in the office of the above-mentioned Registrar-Recorder/County Clerk.

Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS148 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140401, of the above-mentioned Official Records.

Part b:

Those certain parcels of land in Lot 2, Block 1, Hancock's Survey, as shown on map recorded in Book 2, page 108, of the above-mentioned Miscellaneous Records, and in Lots 27, 29, and 30, Block 1, Subdivision of a portion of the Washington Garden Tract, as shown on map recorded in Book 3, page 138, of said Miscellaneous Records, described as Parcels 1 to 4, inclusive, in deed to Clyde F. Himes, recorded on June 9, 1955, as Document No. 576, in Book 48013, page 135, of the above-mentioned Official Records.

Part c:

Lot A, Tract No. 868, as shown on map recorded in Book 16, page 85, of Maps, in the office of the above-mentioned Registrar-Recorder/County Clerk.

Part d:

Lot 28 of the last above-mentioned Block 1, and that portion of Lot 24 of the last above-mentioned Block 1, lying southeasterly of the southeasterly line of the above-mentioned Lot A.

Part e:

That portion of that certain 13.865-Acre parcel of land as shown on map of McCartney's Washington Gardens, recorded in Book 10, page 193, of the above-mentioned Maps, lying northwesterly of the northwesterly line of Hill Street, 92 feet wide, as established by final Decree of Condemnation, had in Superior Court Case No. B-68612, a certified copy of which is recorded in Book 1430, page 346, of the above-mentioned Official Records.

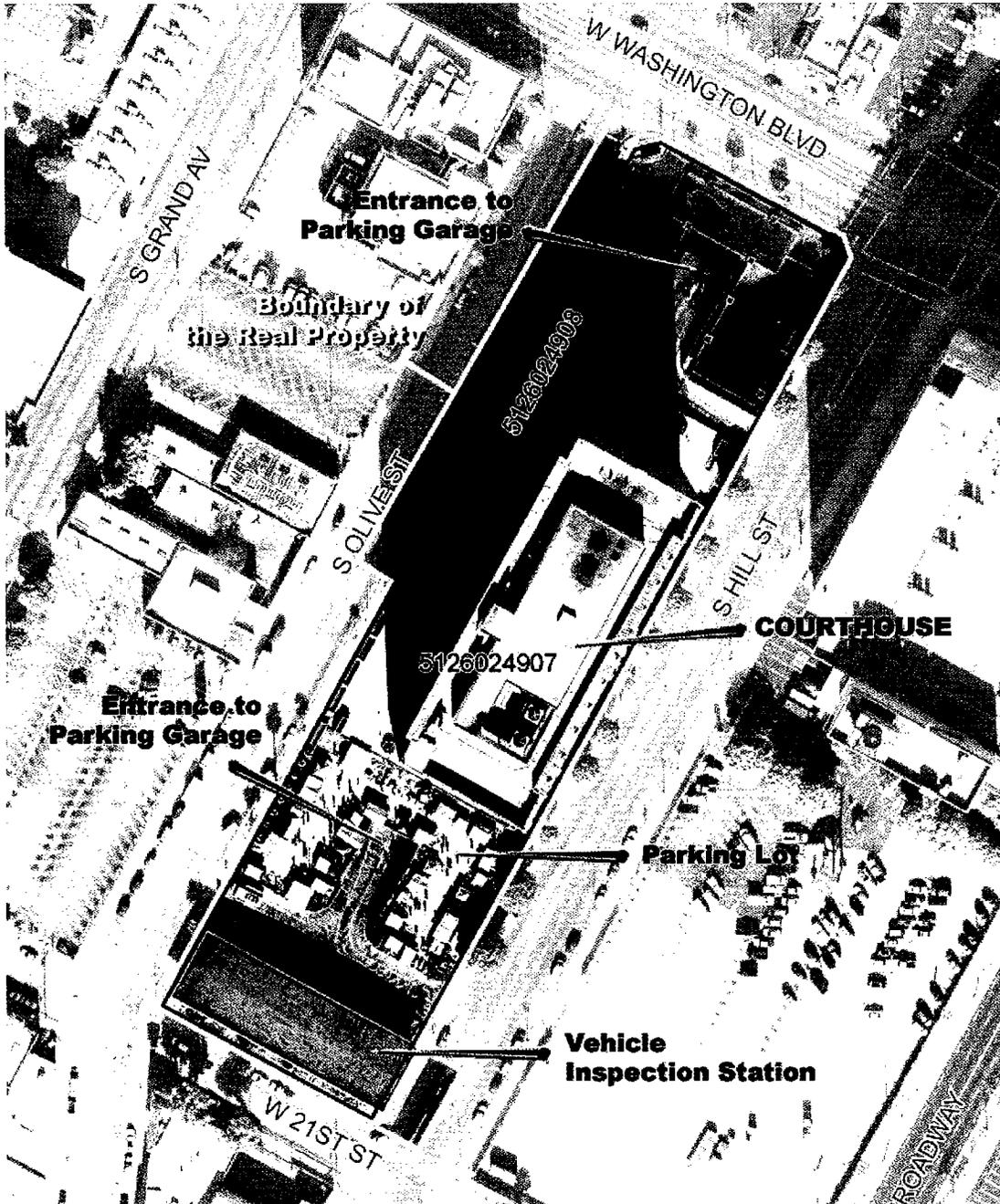
Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS149 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140400, of said Official Records.

APPROVED AS TO DESCRIPTION
June 5, 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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Metropolitan TA
AOC Court Facility # 19-T1
County LACO #5266, 5267, L710
October 27, 2008
IMANDB/1104354v6

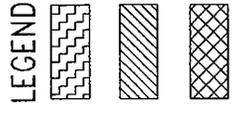
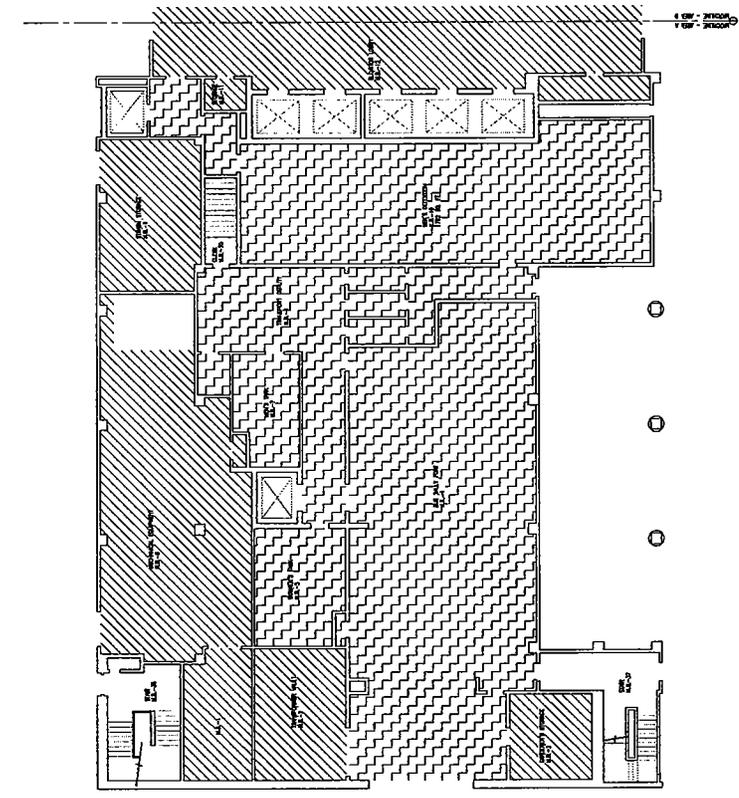
EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

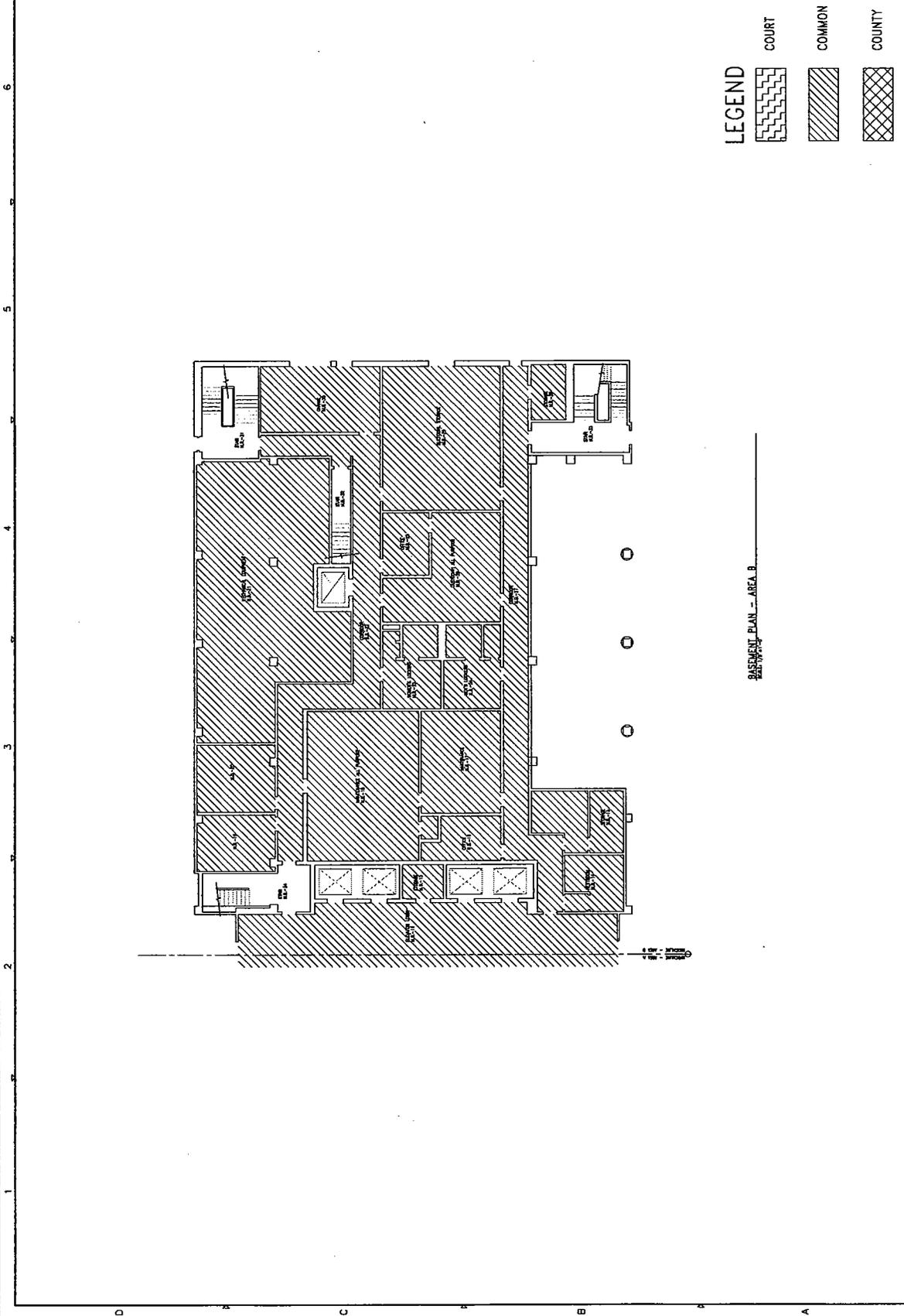
D-1

1 2 3 4 5 6



BASMENT PLAN - AREA A

DATE	BY			PROJECT NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET, LOS ANGELES, STATE: CA		OCCUPION NUMBER:		CITY: LOS ANGELES COUNTY: LOS ANGELES		TITLE TYPE: FIRST FLOOR PLAN - AREA A SPECIFIED:		DATE DRAWN BY: [] CHECKED BY: [] DATE: []		COUNTY CODE: 10 BUILDING NO.: [] FLOOR NO.: []		A101
				PROJECT NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET, LOS ANGELES, STATE: CA		OCCUPION NUMBER:		CITY: LOS ANGELES COUNTY: LOS ANGELES		TITLE TYPE: FIRST FLOOR PLAN - AREA A SPECIFIED:		DATE DRAWN BY: [] CHECKED BY: [] DATE: []		COUNTY CODE: 10 BUILDING NO.: [] FLOOR NO.: []		



LEGEND

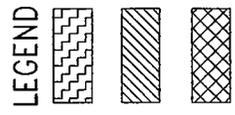
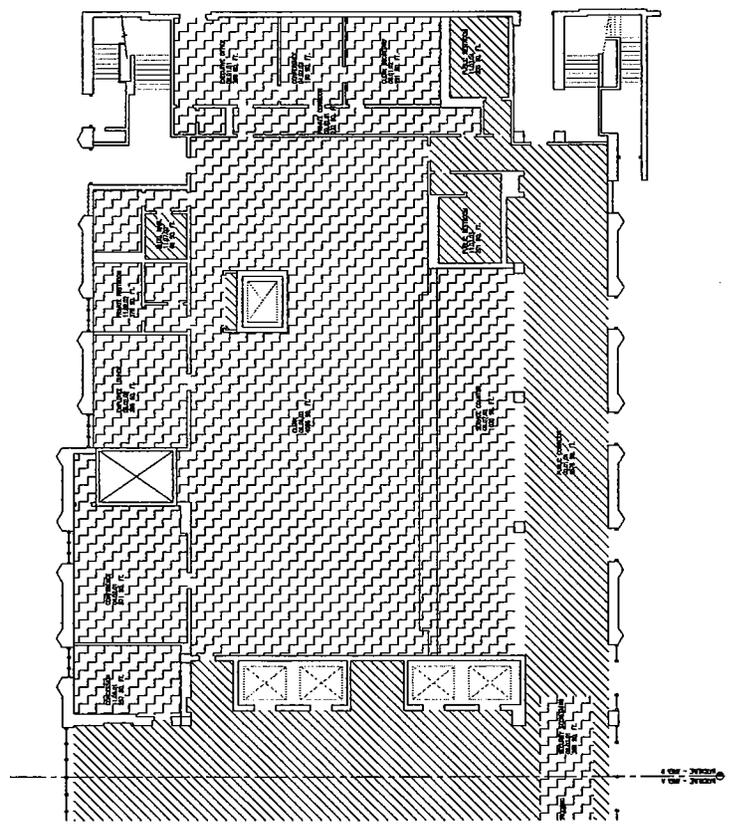
	COURT
	COMMON
	COUNTY

BASIC PLAN - AREA B

DATE	DRAWN		J.E. JACOBS ARCHITECTURE INC. 1000 W. 10TH ST. LOS ANGELES, CA 90057	PROJECT NO. _____		SHEET NO. _____		TOTAL SHEETS _____	
				PROJECT NAME _____		SCALE _____		COUNTY CODE _____	
TITLE: METROPOLITAN COURTHOUSE				EXEMPTION NUMBER _____		TYPE _____		COUNTY CODE _____	
ADDRESS: 1945 SOUTH HILL STREET, LOS ANGELES, STATE: CA				LOS ANGELES METROPOLITAN COURTHOUSE		FIRST FLOOR PLAN - AREA B		SITE CODE _____	
SHEET NO. _____				RIN20104		TYPE _____		PLANNING NO. _____	
DATE _____				DRAWN BY _____		CHECKED BY _____		COUNTY _____	
DATE _____				DRAWN BY _____		CHECKED BY _____		COUNTY _____	

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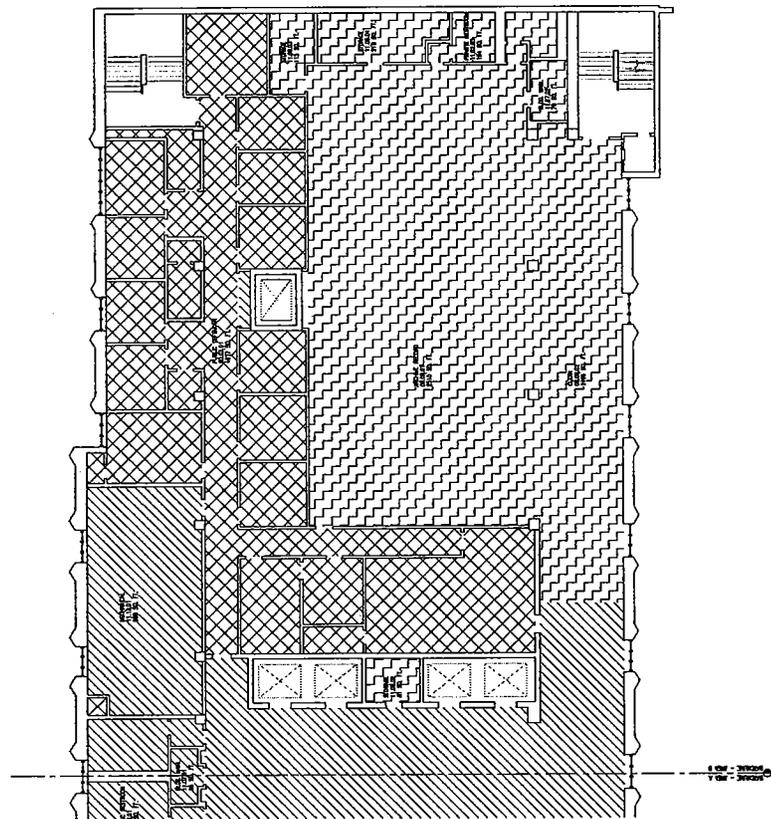


FIRST FLOOR PLAN - AREA B

		J. JACOBS ARCHITECTS P.C. 1000 W. 10TH STREET LOS ANGELES, CA 90057		COUNTY CODE: 19 SITE CODE: PROJECT NO.: DRAWING NO.: A104	
PROJECT: METROPOLITAN COURTHOUSE ADDRESS: 1545 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA		DESCRIPTION: NUMBER: RUC10010 DATE: 10/11/00		SCALE: 1/8" = 1'-0" DATE: 10/11/00	
TITLE: METROPOLITAN COURTHOUSE TYPE: FIRST FLOOR PLAN - AREA B		DRAWN BY: JAC CHECKED BY: JAC		DATE: 10/11/00	

6 5 4 3 2 1

D C B A



LEGEND

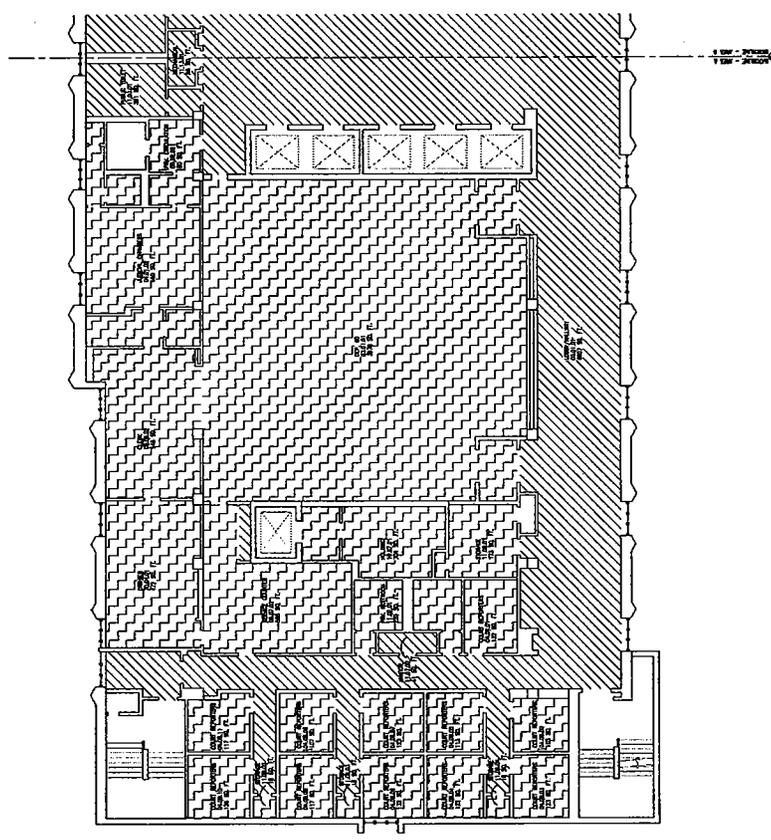
-  COURT
-  COMMON
-  COUNTY

SECOND FLOOR PLAN - AREA B

				PROJECT NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET LOS ANGELES, STATE: CA		PROJECT NUMBER: 1023106 CITY: LOS ANGELES		TITLE TYPE: ARCHITECT COMPANY: JACOBSON CONSULTANTS INC.		SECOND FLOOR PLAN - AREA B SHEET NUMBER: 1023106		COUNTY CODE: 10 BUILDING NO.: 2 FLOOR NO.: 2 SHEET NO.: A106	
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D C B A



LEGEND

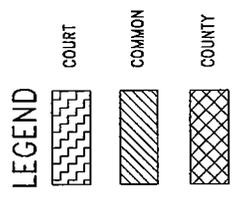
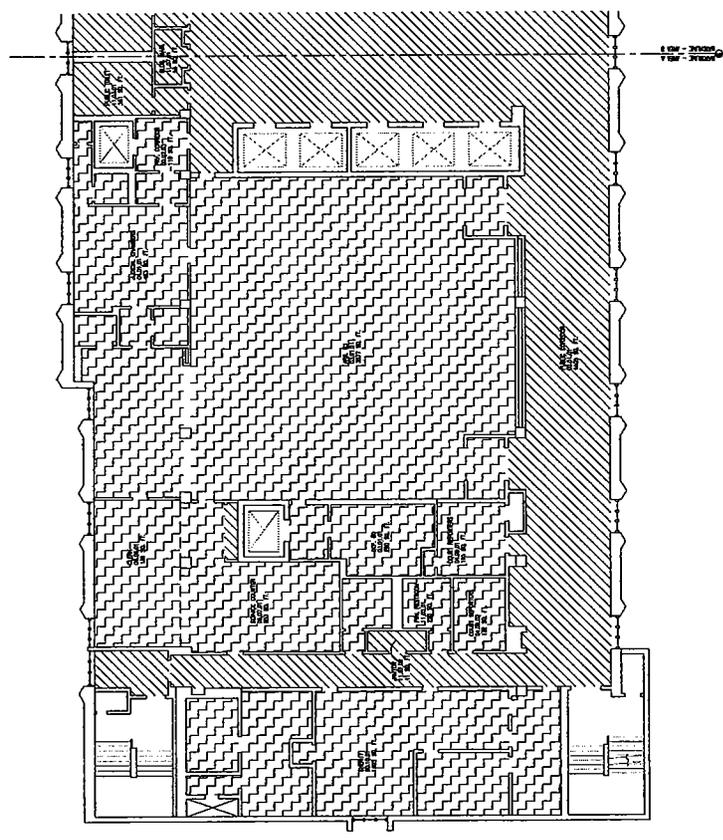
- COURT 
- COMMON 
- COUNTY 

THIRD FLOOR PLAN - AREA A

NO.	REVISION	DATE			BUILDING NAME: METROPOLITAN COURTHOUSE ADDRESS: 1845 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA		DISCIPLINE NUMBER: ARCHITECTURE PROJECT: METROPOLITAN COURTHOUSE		TITLE TYPE: THIRD FLOOR PLAN - AREA A SCALE: AS SHOWN		COUNTY CODE: A107 SHEET NO.: 3 FLOOR NO.: 1	
					PROJECT NO.:		SHEET NO.:		SCALE:		COUNTY CODE:	

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D C B A

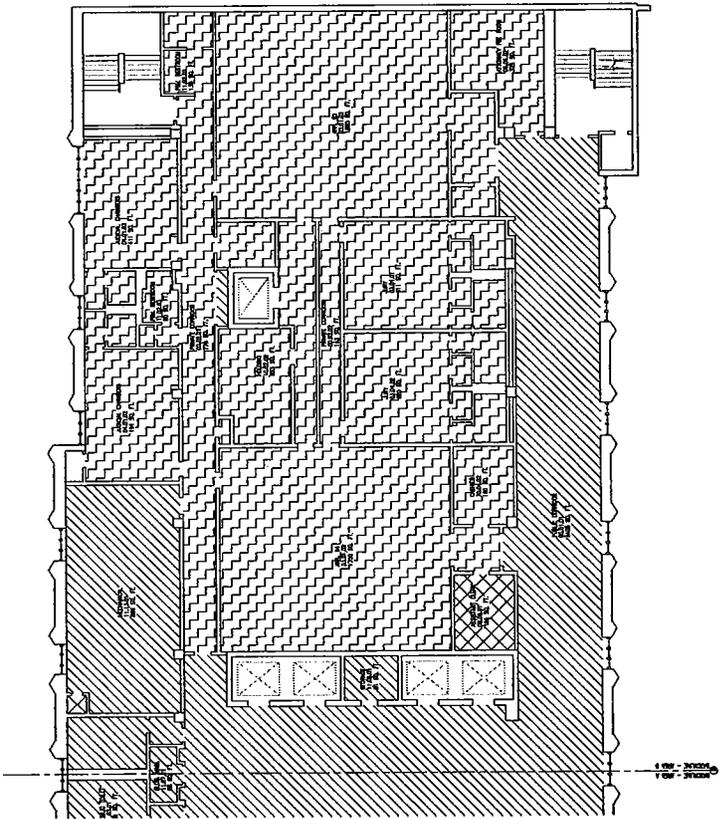


FOURTH FLOOR PLAN - AREA A

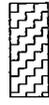
	COUNTY CODE: 19 SITE CODE NO.: 1 FLOOR NO.: 4 A109
	TITLE: FOURTH FLOOR PLAN - AREA A DATE: 10/28/88 SCALE:
PROJECT: LOS ANGELES METROPOLITAN COURTHOUSE RINCONI	DRAWN BY: JF CHECKED BY: JF DATE: 10/28/88
NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA	DESCRIPTION: RINCONI
BUILDING:	ARCHITECT: JACOBSON PARTNERSHIP 11011 WILSON BLVD. SUITE 100 LOS ANGELES, CA 90024
REVISION:	DATE:

1 2 3 4 5 6

D A C B A



LEGEND

 COURT

 COMMON

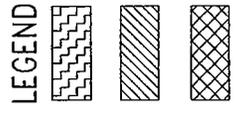
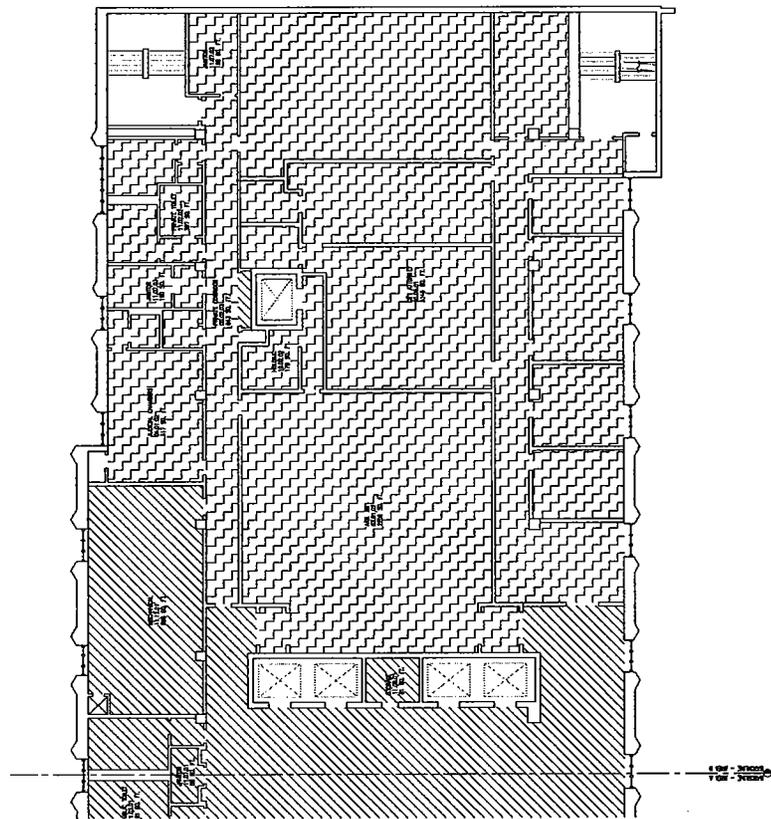
 COUNTY

FOURTH FLOOR PLAN - AREA B

				BUILDING NO. _____	
PROJECT ADDRESS: METROPOLITAN COURTHOUSE, 1046 SOUTH HILL STREET, LOS ANGELES, CA		PROJECT NUMBER: 17421018		CITY: LOS ANGELES	
TITLE: ARCHITECT		DATE: 04/11/19		COUNTY: LOS ANGELES	
DRAWING NO.: 4		SHEET NO.: 4		FLOOR NO.: 4	
SCALE: _____		AREA: _____		COUNTY: LOS ANGELES	
PROJECT NAME: METROPOLITAN COURTHOUSE - AREA B		DRAWING TYPE: FOURTH FLOOR PLAN		SHEET NO.: A110	

1 2 3 4 5 6

D A C A B A



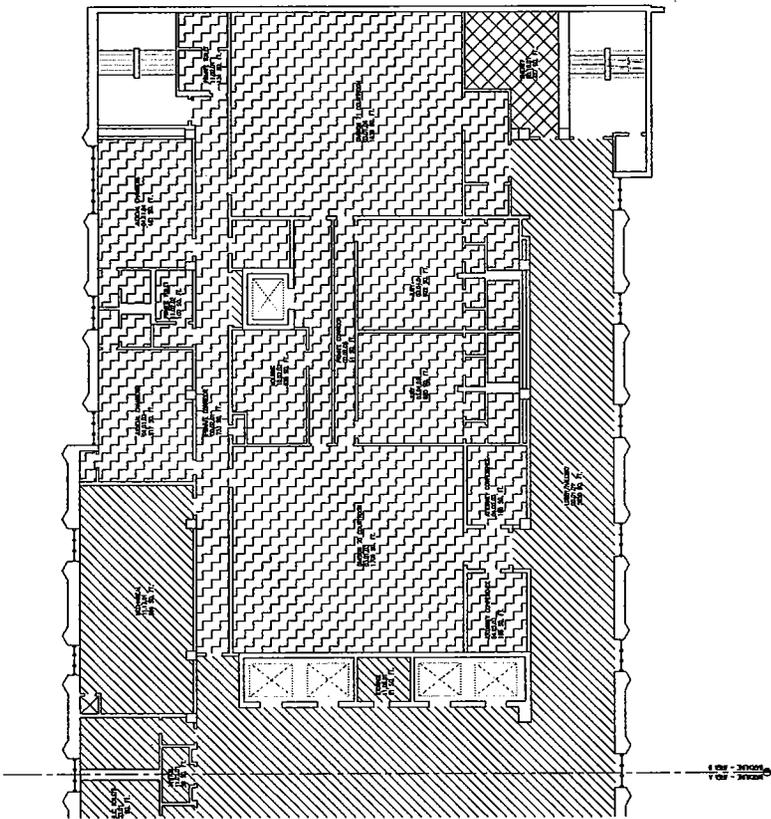
FIFTH FLOOR PLAN - AREA B

DATE	DATE	DATE	DATE	DATE	DATE
	DATE	DATE	DATE	DATE	DATE
PROJECT	FIFTH FLOOR PLAN - AREA B				
	SHEET NUMBER				
TITLE	LOS ANGELES METROPOLITAN COURTHOUSE				
	ADDRESS 1544 SOUTH HILL STREET LOS ANGELES STATE, CA				
DRAWN BY	PROJECT NUMBER				
	REVISION				
SCALE	COURT CODE				
	SIT. CODE				
SHEET NO.	SHEET NO.				
	SHEET NO.				
COUNTY	COUNTY				
	COUNTY				
A12					



1 2 3 4 5 6

D A C A B A



LEGEND

COURT [Hatched pattern]

COMMON [Diagonal hatched pattern]

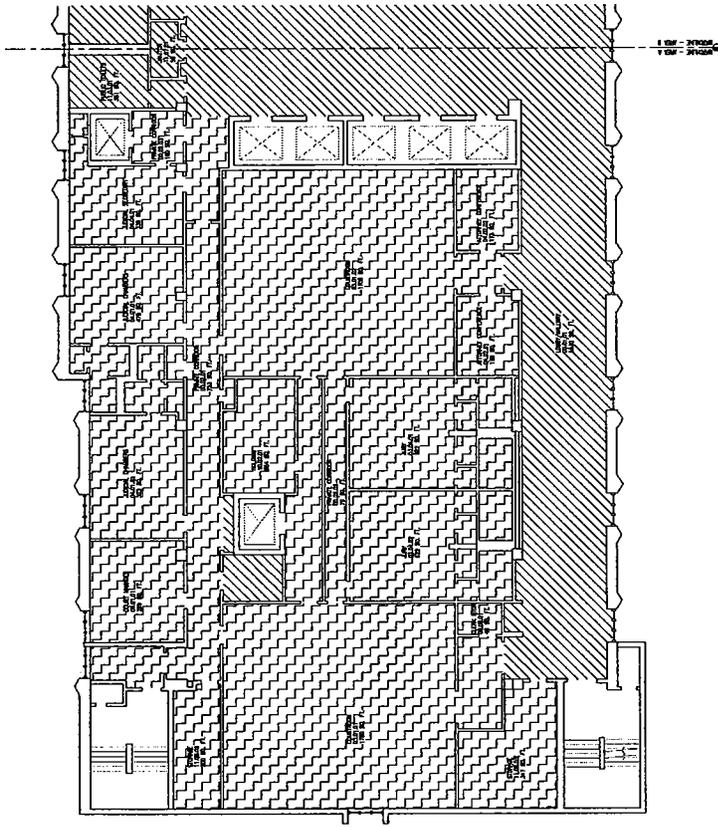
COUNTY [Cross-hatched pattern]

SIXTH FLOOR PLAN - AREA B

J. E. JACOBS ARCHITECTURE INC. 11111 LOS ANGELES, CALIF.		J. E. JACOBS ARCHITECTURE INC. 11111 LOS ANGELES, CALIF.	
NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET LOS ANGELES, CALIF.	DESCRIPTION: METROPOLITAN COURTHOUSE RINZBURG	TITLE: ARCHITECT	PROJECT: SIXTH FLOOR PLAN - AREA B
COUNTY CODE: 05 BUILDING NO.: 1 FLOOR NO.: 6	SCALE: 3/4" = 1'-0"	DATE: 11/14	COUNTY CODE: 05 BUILDING NO.: 1 FLOOR NO.: 6

1 2 3 4 5 6

D C B A



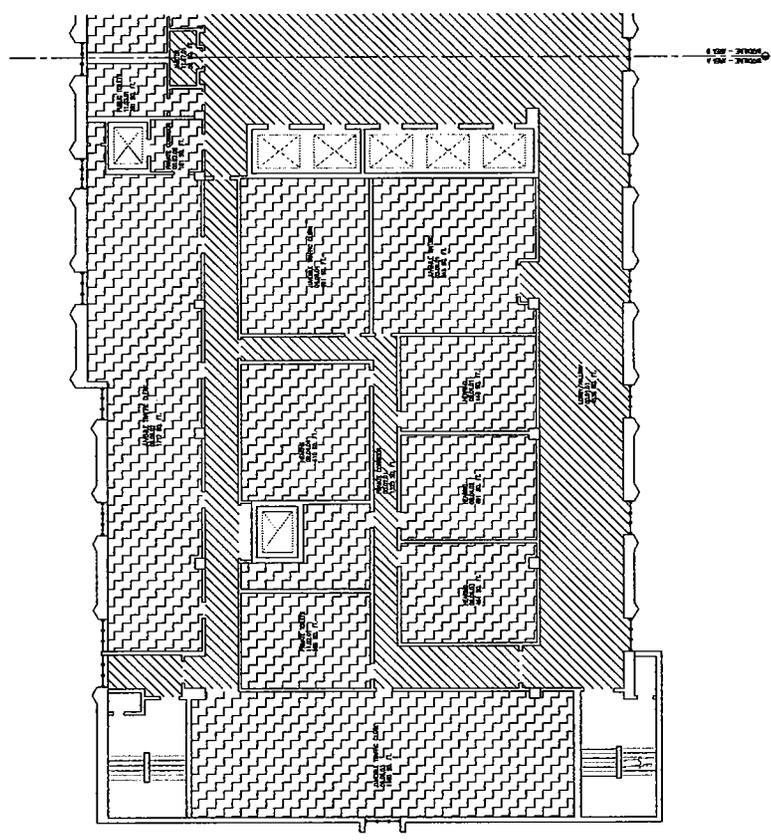
LEGEND

- COURT
- COMMON
- COUNTY

SEVENTH FLOOR PLAN - AREA A

	J. E. JACOBS ARCHITECT 1234 MAIN STREET LOS ANGELES, CA 90001	PROJECT: METROPOLITAN COURTHOUSE		TITLE: SEVENTH FLOOR PLAN - AREA A		COUNTY CODE: B	
		ADDRESS: 1945 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA	DESCRIPTION: METROPOLITAN COURTHOUSE	DRAWING NO.: 7	SHEET NO.: 1	SCALE:	COUNTY: A115

1 2 3 4 5 6



LEGEND

COURT

COMMON

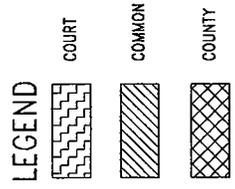
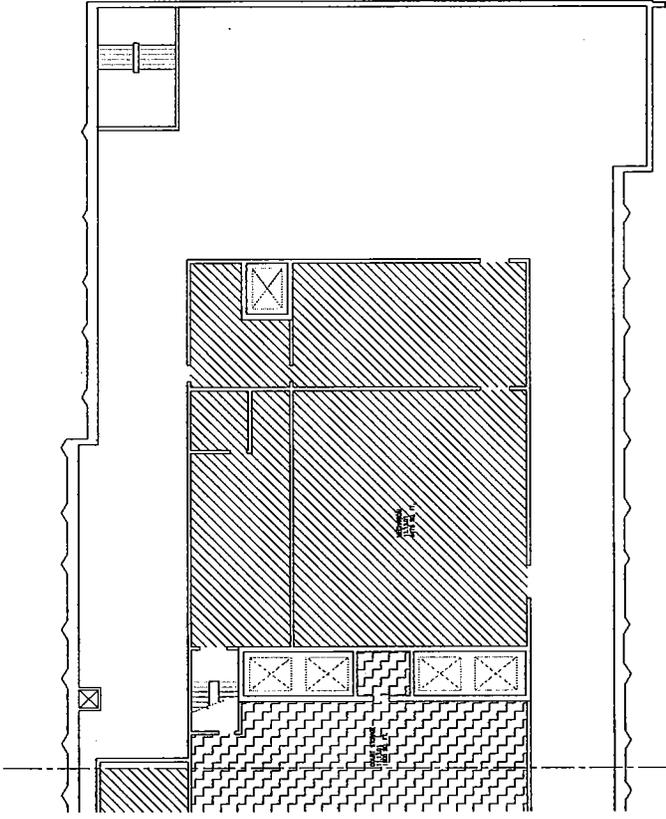
COUNTY

EIGHTH FLOOR PLAN - AREA A

NO.	REVISION	DATE	BY
J. JACOBSON ARCHITECTS 1000 W. 10TH ST. SUITE 100 LOS ANGELES, CALIF. 90057			
NAME: METROPOLITAN COURTHOUSE ADDRESS: 1045 SOUTH HILL STREET LOS ANGELES, CALIF.		STATE: CA	
PROJECT NUMBER	DESCRIPTION	DATE	BY
	US ANCHORS METROPOLITAN COURTHOUSE		
SCALE	TYPE	DATE	BY
1/4" = 1'-0"	SOUL		
COUNTY CODE	CITY	STATE	ZIP
LA	LOS ANGELES	CA	90015
BUILDING NO.	FLOOR NO.	SECTION	DATE
A117			

1 2 3 4 5 6

D C B A



NINTH FLOOR PLAN - AREA B

		J. JACOBS ARCHITECTURE INC. 14111		COUNTY: LOS ANGELES CITY: LOS ANGELES SHEET NO.: 1 FLOOR NO.: 9 PROJECT NO.: A120	
PROJECT: METROPOLITAN COURTHOUSE ADDRESS: 1044 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA		TITLE: NINTH FLOOR PLAN - AREA B TYPE: SPACE PLANS DATE: 10/27/81 DRAWN BY: JF CHECKED BY: JF		SCALE: 1/8" = 1'-0"	
PROJECT NUMBER: 1044 SOUTH HILL STREET CITY: LOS ANGELES STATE: CA		DESCRIPTION: LOS ANGELES METROPOLITAN COURTHOUSE		COUNTY: LOS ANGELES CITY: LOS ANGELES SHEET NO.: 1 FLOOR NO.: 9 PROJECT NO.: A120	

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**

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

APNs: 5126-024-907 and 908

**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 Los Angeles, County of Los Angeles, State of California, having a street address of 1945 South Hill Street, as more particularly described on **Attachment 1** to this Memorandum

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Metropolitan TA
AOC Court Facility # 19-T1
County LACO #5266, 5267, L710
October 27, 2008
IMANDB/1104354v6

of TA and JOA (“**Land**”), together with the improvements located thereon containing the court facility commonly known as the Metropolitan 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 Metropolitan Courthouse dated _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Metropolitan Courthouse of even date therewith (“**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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

All those certain parcels of land described as PARCEL 1 to 6, inclusive, in Exhibit A-12 in deed to the County of Los Angeles, recorded on February 27, 2008, as Document No. 20080339062, of Official Records, in the office of the Registrar-Recorder/County Clerk of said County, and more particularly described as follows:

Part A:

Lot E, Ganahl Place, as shown on map recorded in Book 66, page 90, of Miscellaneous Records, in the office of the above-mentioned Registrar-Recorder/County Clerk. Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS148 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140401, of the above-mentioned Official Records.

Part B:

Those certain parcels of land in Lot 2, Block 1, Hancock's Survey, as shown on map recorded in Book 2, page 108, of the above-mentioned Miscellaneous Records, and in Lots 27,29, and 30, Block 1, Subdivision of a portion of the Washington Garden Tract, as shown on map recorded in Book 3, page 138, of said Miscellaneous Records, described as Parcels 1 to 4, inclusive, in deed to Clyde F. Himes, recorded on June 9, 1955, as Document No. 576, in Book 48013, page 135, of the above-mentioned Official Records.

Part C:

Lot A, Tract No. 868, as shown on map recorded in Book 16, page 85, of Maps, in the office of the above-mentioned Registrar-Recorder/County Clerk.

Part D:

Lot 28 of the last above-mentioned Block 1, and that portion of Lot 24 of the last above-mentioned Block 1, lying southeasterly of the southeasterly line of the abovementioned Lot A.

Part E:

That portion of that certain 13.865-acre parcel of land as shown on map of McCartney's Washington Gardens, recorded in Book 10, page 193, of the abovementioned Maps, lying northwesterly of the northwesterly line of Hill Street, 92 feet wide, as established by final Decree of Condemnation, had in Superior Court Case No. B-68612, a certified copy of which is recorded in Book 1430, page 346, of the abovementioned Official Records.

Excepting therefrom any portion lying within that certain parcel of land described as Parcel R01-R21-AS149 in deed to the LOS ANGELES COUNTY TRANSPORTATION COMMISSION, recorded on February 1, 1988, as Document No. 88-140400, of said Official Records.

EXHIBIT "G"

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

[See attached.]

G-1

Metropolitan TA
AOC Court Facility # 19-T1
County LACO #5266, 5267, L710
October 27, 2008
IMANDB/1104354v6

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

**CITY OF LOS ANGELES
County Lease Agreement #73767**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301 – 70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Metropolitan Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Metropolitan Courthouse, located at 1945 South Hill Street, Los Angeles, California 90007 (the “**Real Property**”).

C. The County is a party to County Lease Agreement #73767 between the County, as lessor, and the City of Los Angeles (“**Lessee**”), as lessee, under which Lessee has the right to occupy and use Rooms 107 and 108 on the first floor and Rooms 501A through 501H on the fifth floor of the Metropolitan Courthouse (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the Lease, together with the prorated amount of any rent, security deposit,

and other consideration (collectively, “**Consideration**”) that the County collects from Lessee under the Lease that is allocable to the period on and after the Effective Date.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease and the Consideration, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.

4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the Lease on an “AS IS” basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY LEASE #73767

Attached to original, but not to this Exhibit "G" of the Transfer Agreement

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Metropolitan TA
AOC Court Facility # 19-T1
County LACO #5266, 5267, L710
October 27, 2008
IMANDB/1104354v6

EXHIBIT "H"

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-T1
County LACO #5266, 5267, L710
Metropolitan Courthouse JOA
1945 South Hill Street, Los Angeles, California 90007

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 METROPOLITAN COURTHOUSE

76843

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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 November 18, 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 Equipment**” means all installed equipment and systems that serve the Courthouse generally, and only that plumbing that is within the walls of the Courthouse 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 within the Courthouse or the equipment and systems that exclusively serve the Vehicle Inspection Station.

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

“**Buildings**” means the Courthouse and the Vehicle Inspection Station, together.

“**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 Courthouse 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 Courthouse, (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 Buildings, (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 Courthouse Share” means 94.54 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the Superior Court.

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

“Council Utilities Share” means 91.63 percent, which is equal to the Council Courthouse Share (94.54 percent) multiplied by the portion of the total gross square footage of the Buildings that comprises the Courthouse (96.92 percent).

“County Courthouse Share” means 5.46 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

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

“County Exclusive-Use Area” means 7,442 square feet of the Courthouse interior and the entire Vehicle Inspection Station, including the 9,654 square feet of the Vehicle Inspection Station interior 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 within the Courthouse constitutes 5.46 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 80 parking spaces in the North-Side Underground Parking Lot, as shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Utilities Share” means 8.37 percent, which is equal to the County Courthouse Share (5.46 percent) multiplied by the portion of the total gross square footage of the Buildings that comprises the Courthouse (96.92 percent), that product added to portion of the total gross square footage of the Buildings that comprises the Vehicle Inspection Station (3.08 percent).

“Court Exclusive-Use Area” means the 128,980 square feet of the Courthouse interior 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 94.54 percent of the Total Exclusive-Use Area.

“Courthouse” means the building commonly known as the Metropolitan Courthouse, located at 1945 South Hill Street, Los Angeles, California, 90007, 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.

“Courthouse Share” means the Council Courthouse Share or the County Courthouse Share, as determined by the context in which the term is used, and **“Courthouse Shares”** means the Council Courthouse Share and the County Courthouse Share, together.

“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 Buildings; 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 Buildings.

“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 Buildings and the Parking Area are located, comprising approximately 148,039 square feet 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.

“North-Side Underground Parking Lot” means the subterranean parking garage, also known as County Auto Park 60B, located underneath the Real Property, containing 944 parking spaces.

“Occupancy Agreement” means any written agreement 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 under 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.

“Parking Garage” means the underground parking structure, also known as County Auto Park 60 B, located under nearly the entirety of the Land, and containing 944 parking spaces.

“Parking Lot” means the surface parking lot, also known as County Auto Park 60 A, located on the Land to the southwest of the Courthouse, and containing 59 parking spaces, as shown on Exhibit “C” to the Transfer Agreement.

“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 Buildings.

“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, 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: (i) with respect to those Shared Costs that comprise Utility Costs, the Council Utilities Share or the County Utilities Share; and (ii) with respect to those Shared Costs that are not Utility Costs, the Council Courthouse Share and the County Courthouse Share; in each case 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.

“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) 864 parking spaces in Parking Garage; and (ii) all 59 parking spaces in the Parking Lot.

“**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 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 within the Courthouse.

“**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 Metropolitan 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.

“**Utilities Share**” means the Council Utilities Share or the County Utilities Share, as determined by the context in which the term is used, and “**Utilities Shares**” means the Council Utilities Share and the County Utilities Share, together.

“**Utility Costs**” means the actual cost of providing Utilities.

“**Vehicle Inspection Station**” means the building commonly known as the Metropolitan Courthouse Vehicle Inspection Station, located on the Land southwest of the South-Side Above-Ground Parking Lot, as shown on Exhibit “C” to the Transfer Agreement.

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 at least through June 30, 2009, 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 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 applicable 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 Buildings, 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 at least through June 30, 2009, 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 Courthouse 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 applicable 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. The Managing Party shall state, in its request for consent to the Common Area additions or alterations, whether the Contributing Party's Share of the costs and expenses will be determined based on the Parties' respective Courthouse Shares or Utilities Shares.

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 Utilities 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 applicable 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 applicable 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 applicable 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 applicable Share of the costs of correction, the Correcting Party may offset the non-Correcting Party's applicable 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-Ownning 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. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Area, and the Council shall be solely entitled to all revenues arising from leasing or licensing of the Parking Area. Upon the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, 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 five of the parking spaces allocated to the County Parking and up to 18 of the parking spaces allocated to the Superior Court Parking in the Parking Garage 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 Courthouse 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 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-Ownning Party, and ensure that the Non-Ownning 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, except as otherwise provided in section 3.4 of this JOA, the Council is solely entitled to all revenues arising 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 the Common Area in accordance with their respective Courthouse 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 Courthouse 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. 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. Estimated Shared Costs of Operation shall be allocated between the Parties based on their respective Courthouse Shares; any estimate of Utility Costs, if provided, shall be allocated between the Parties based on their respective Utilities Shares. 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 or the basis on which the Managing Party proposes to allocate any of the Estimated Shared Costs, as shown 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 and the basis on which the Shared Costs will be allocated, 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 applicable Share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year.

4.2 Payment of Actual Shared Costs. 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 applicable Share of all Shared Costs under this section 4. 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 and segregating those Shared Costs based on whether they are allocated to the Parties on the basis of Courthouse Shares or Utilities Shares (“**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 applicable 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 either (i) the amount of Actual Shared Costs, or (ii) the type of Shares on which the allocation of any Actual Shared Costs is based, may be in error, the Contributing Party shall 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 (i) its Courthouse Share of the Estimated Shared Costs of Operation based on the approved Estimate Statement, and (ii) its Utilities Share of 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 Costs 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 applicable 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 (i) incurring any Shared Cost, or (ii) changing the type of Shares on which the allocation of any Shared Cost is based,

and that the Managing Party, in either case, 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, or the change in the type of Shares on which the allocation of the applicable Shared Costs is based, in the amount and for the purpose described in the notice, and the Contributing Party must pay its appropriate 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 or the basis on which the Actual Shared Costs were allocated, 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, or the basis on which any Actual Shared Costs were allocated, 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, or the basis on which any Actual Shared Costs were allocated, 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 applicable 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 (i) the Council Utilities Share of Utility Costs, minus (ii) \$21,728 (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 (iii) the Council Courthouse Share of any Property Insurance Costs incurred by the County that are applicable to the Courthouse, 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 (i) the First Year Basic Costs (-\$21,728) multiplied by the DOF Inflation Index (defined below), plus (ii) the Council Utilities Share of Utility Costs, and (iii) the Council Courthouse Share of any Property Insurance Costs incurred by the County that are applicable to the Courthouse, 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 Inflation Index**" 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 for the Second Year, the Council shall pay an amount equal to (i) the Council Utilities Share of Utility Costs, minus (ii) \$21,728, 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 (iii) the Council's

Courthouse Share of any Property Insurance Costs incurred by the County that are applicable to the Courthouse, 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 applicable 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 Buildings.

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 Buildings.

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’ Courthouse 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' Equity Shares (as defined in the Transfer Agreement) 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 Buildings 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 Buildings.

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 a shared use building to require the other Party to vacate the building), the Party that is required to vacate the Courthouse ("**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, if the Parties also agree that the County will vacate the Vehicle Inspection Station, 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 Courthouse 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 applicable 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 applicable 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 any of 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 provided 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 Buildings 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 one or both of the Buildings, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in either of the Buildings 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 Courthouse 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 shall be entitled to its Equity 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts, Office of the General Counsel

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

By: [Signature]
Name: Rachel Dragolovich, Attorney

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

COUNTY OF LOS ANGELES, a body corporate and politic

By: [Signature]
Deputy

By: [Signature]
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.

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: [Signature]
Deputy

By: [Signature]
Principal Deputy County Counsel

76843

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Metropolitan Courthouse which is located in a building on certain real property in the City of Los Angeles, County of Los Angeles, State of California and having a street address of 1945 South Hill 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:
_____, Executive Officer
Board of Supervisors

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

By: _____
Deputy

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							
				X	X	X	
Building hardware (e.g. door handles, closers, etc.)							
Replacement of keys (other than furniture keys) and card access devices.							
Carpentry							
	X	X					
Wood, Formica and wooden structural members							
Ceiling tiles							
					X	X	
Building-related signage (but not customer signage)							
Electrical Systems							
	X	X			X	X	X
All electrical systems							
	X		X		X	X	
Electrical panels							
	X		X		X	X	
Motor controllers							
			X		X	X	
Connections/terminals							
	X		X		X	X	
Controls/other accessories							
	X		X		X	X	
Electrical motor service							
		X			X	X	
Lighting (bulbs, ballasts, fixtures and diffusers) including exterior lighting							
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							
Fire Extinguishing/Fire Alarm Systems							
	X	X	X		X	X	X
Automatic fire extinguishing systems, including stand pipes							
	X	X	X			X	
Manual fire extinguishings devices/systems							
	X	X	X		X		X
Fire detection and alarm systems							
Plumbing							
					X	X	X
Plumbing fixtures (e.g. toilets, sinks, urinals, faucets)							
	X	X	X		X	X	X
Internal drains (sanitary and free of debris)							
	X	X	X		X	X	X
Piping, tanks and liquid enclosures							
	X	X	X		X	X	X
Backflow devices							

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	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	

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 Buildings, 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 Buildings, or the property inside the Buildings, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Buildings first sustain wind or hail damage to its or their 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 Buildings contain Automatic Sprinkler Systems, 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 a 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: (a) personal property in the open; or (b) the interior of a Building, or property inside a 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 Buildings.
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 Buildings; 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 Buildings 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-BA1
County LACO #A250
Monrovia Warehouse
250 W. Duarte Road, Monrovia, CA 91016

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
THE MONROVIA WAREHOUSE

76835

Monrovia Warehouse TA
AOC Facility #19-BA1
County LACO #A250
Leased/Exclusive Use (TOR)
October 28, 2008
IMANDB/1256877v4

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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 November 18, 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 Monrovia Warehouse to the Council.

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

“**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 located at 250 W. Duarte Road, Monrovia, California 91016, in which the Court Facility is located.

“**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 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 on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement.

“County Board of Supervisors” means the governing body of the County.

“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 Parties” means the County, and its officers, agents, and employees.

“Court Facility” means the trial court facility commonly known as the Monrovia Warehouse, located in the Building, the Superior Court Parking, the County’s rights under the Lease, and all rights and interests of the County or the Superior Court in all fixtures and Tenant Improvements (whether installed by the Lessor or the County), if any, existing in the Court Facility as of the Transfer Date.

“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 Lease or the responsibility for, or Operation or use of, the Court Facility.

“DOF” means the State Department of Finance.

“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) 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 Court Facility; (3) commitments, deposits, and rights for utilities relating to the Court Facility to the extent related to the period on and after the Transfer Date; (4) engineering, accounting, title, legal, and other technical or business data concerning the Court Facility or the Tangible Personal Property; (5) deposits, deposit accounts, and escrow accounts arising from or

related to any transactions related to the Court Facility or the Tangible Personal 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 Court Facility, if these refunds or rebates relate to the period on and after the Transfer Date; or (6) all other intangible rights, interests, and claims of the County which are a part of or related to the Court Facility or any Tangible Personal Property.

“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, or the Superior Court, and issued by a court or governmental entity with jurisdiction over the County, the Council, the AOC, or the Superior Court.

“Lease” means County Lease #60339 for the Court Facility between the County and the Lessor, dated as of October 4, 1988, and all amendments and addenda to the Lease.

“Lessor” means Monrovia Industrial Park.

“Material Agreements” means any and all agreements, contracts, or understandings (written or unwritten) between the County and any Third Party relating to the Lease or the Court Facility (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.

“Operation” means the administration, management, maintenance, and repair of designated areas of the Court Facility.

“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 Court Facility, or any rights, benefits, liabilities, obligations, or risks associated with the Court Facility or the Lease. A list of the categories of Property Disclosure Documents is attached as **Exhibit “A”**.

“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.

“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 that parking that is leased to the County under the Lease, and comprises 16 parking spaces.

“Tangible Personal Property” means any unaffixed item that is, on the Transfer Date, owned by the County and located on or in, or used in and is necessary to the Operation of, the Court Facility, except that it does not include any tangible personal property of the County necessary to provide telecommunications services.

“Tenant Improvements” means all improvements and modifications to the Court Facility or the Building that are for the benefit of the County or the Superior Court in accordance with the Lease.

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

“Transfer Date” means the Effective Date.

“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 Transfer Date.

4. RESPONSIBILITIES AFTER TRANSFER OF RESPONSIBILITY

4.1. Transfer of Responsibility. On the Transfer Date, the Transfer of Responsibility for the Court Facility from the County to the Council will occur under the terms of this Agreement.

4.2. General Responsibilities After Transfer of Responsibility. Upon the Transfer of Responsibility, the Parties shall 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.

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

4.3.1. Insurance. Notwithstanding the Transfer of Responsibility, the State Parties will not be obligated to provide insurance coverage obtained from a Third Party for the Court Facility except if and as required under the terms of the Lease. 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 Building. The County shall continue to be solely liable for all County owned or leased personal property located on or in the Building, 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.

4.3.2. Correspondence. The County shall direct to the AOC's Office of Court Construction and Management consistent with section 12 of this Agreement all correspondence, invoices, and information that the County receives from Third Parties (other than any State Parties) related to the Operation of the Court Facility for the period on and after the Transfer Date to the extent that the Superior Court is not also a recipient of such correspondence, invoices, and information.

4.3.3. County Obligations. The Parties acknowledge that the Lease expired in 2003, that the County is a holdover tenant pursuant to paragraph 6 of the Lease, and that the Council expects to enter into a new lease with Lessor for the Court Facility. In the event that the Council's new lease with Lessor for the Court Facility does not commence immediately upon the Transfer Date, and that the Lease continues to be held over on a month-to-month basis after the Transfer Date in accordance with its terms,

the Council shall be responsible for all County obligations (1) under the Lease, including the payment of rent to Lessor; and (2) in respect of the Court Facility; in each case for the period on and after the Transfer Date, and the County shall be responsible to pay all rent and other charges arising under the Lease related to all periods prior to the Transfer Date, except that the Council shall reimburse the County for the prorated amount of any rent or other charges under the Lease that the County has prepaid for the period on and after the Transfer Date.

4.3.4. Disputes. The County shall promptly notify the Council in writing of any Dispute that arises after the Transfer Date that concerns or alleges: (1) acts or omissions of the County committed at any time prior to the Transfer Date related to the Court Facility or the Lease; 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.

4.3.5. 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 Court Facility. 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.

4.3.6. Adjustments. The Parties shall make the appropriate adjustments for prorations or computations required by this Agreement 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 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.

4.3.7. Telecommunication Services. As of the Transfer Date, telecommunication services, including telephone, voicemail, computer networking, and wireless communications, are provided to the Superior Court by the County. 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 will remain the sole personal property of the County notwithstanding the Transfer of Responsibility.

(a) 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 Court Facility 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 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.

(b) Council's Right to Provide Alternate Telecommunication System. The Parties agree that the Council may at any time provide a telecommunication system that replaces the County-provided telecommunication service. If however, the Council replaces the County-provided telecommunication service, the County shall have no further access to, or responsibility or liability for, the County Telecommunication Equipment in the Court Facility.

4.3.8. Superior Court Parking. 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.

4.3.9. Relief from Section 70311 Obligations. Effective upon the 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.

5. THE CLOSING

5.1. The Transfer of Responsibility. The Transfer Date will occur on the Effective Date. The Transfer Date will not be affected by the date of delivery of this Agreement or the County Authorizing Document.

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

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

6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment approved by the DOF is \$250,964, 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 lessee under the Lease, 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. 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 incomplete, untrue, or misleading.

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 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.

7.1.2 Due Execution and Delivery. This Agreement is the legal, valid, and binding obligation of the County and is fully enforceable against the County.

7.1.3 No Conflict. This Agreement does 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.

7.1.4 Title to Leasehold Interest. Other than the rights and interests of the Lessor: (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 Court Facility; 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 Court Facility or the Lease.

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 Lease or the Court Facility.

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 Court Facility, 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 Building, or of any existing or proposed eminent domain proceeding that would, if pursued to completion, result in a taking of any part of the Building.

7.1.9 No Environmental Violations. Except as set forth in the Property Disclosure Documents or in any environmental assessments or investigations of the Building, the Superior Court Parking, or the real property on which they are located performed by the Council or the AOC prior to the Transfer Date, the County has received no notice from a Third Party (including the Lessor) 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 Court Facility or the Building.

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 Tenant Improvements Completed. To the best of the County's knowledge, the County has completed, and the Lessor has accepted, all Tenant Improvements, if any, required or permitted by the Lease.

7.1.12 Special Circumstances. The County has not undertaken or commenced any Pending Projects in or to the Court Facility, and the Building is not an "historical building" as defined in section 70301(f) of the Act.

7.1.13 No Occupancy Agreements. To the best of the County's knowledge, there are no agreements in effect that provide for occupancy, possession, or use of any space in the Court Facility by any Third Party.

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.

7.2.3 Due Execution and Delivery. This Agreement executed by the AOC on behalf of the Council is the legal, valid, and binding obligation of the Council and the AOC and is fully enforceable against the Council and the AOC.

7.2.4 No Conflict. This Agreement does 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.

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

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 where and to the extent that such knowing and willful inaccuracy relates to a matter that, if known to the County prior to the Transfer Date, would have been material to the County's completion of the Transfer of Responsibility 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 Transfer Date, and the factual basis for which arises from events or occurrences that took place on or after the Transfer Date, or from the State Parties' possession, use, Operation, or management of, or responsibility for, the Court Facility on or after the 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;

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 Court Facility or the Lease that, if known to the Council or the AOC prior to the Transfer Date, would have been material to the Council's acceptance of the Transfer of Responsibility 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, 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 Transfer Date, would have been material to the Council's acceptance of the Transfer of Responsibility 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 Transfer Date, or related to the County's possession, use, Operation, management of, or responsibility for, the Court Facility prior to the 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 Transfer Date, but the factual basis for which arises from events or occurrences that took place prior to the Transfer Date, and pertain to the County's possession, use, Operation, or management of, or responsibility for, the Court Facility prior to the 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 Building, or the real property on which the Building is located, 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 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 Court Facility or the Lease, including the Property Disclosure Documents, adequate to ensure that all claims and disputes arising under this Agreement 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 11 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 11 of this Agreement before the end of the Cure Period.

11. DISPUTE RESOLUTION

11.1. 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 Transfer of Responsibility 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.

11.2. Referral to CFDRC. After compliance with the terms for unassisted negotiation provided in section 11.1 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.

12. 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 shall 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 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. 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 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.

14. MISCELLANEOUS

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

14.2. 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 a 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.

14.3. 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.

14.4. 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.

14.5. Binding Effect. This Agreement 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 Agreement for the benefit of the Council. Neither the Lessor nor any other Third Party is a third party beneficiary of the terms of this Agreement.

14.7. 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.

14.8. 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 will not be construed against either Party as the principal draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

14.9. Integration. This Agreement contains the entire agreement of the Parties with respect to the Transfer of Responsibility, and supersede all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties.

14.10. Incorporation By Reference. The factual recitals and the Exhibit 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 the Exhibit will be deemed to include the entirety of this Agreement.

14.11. 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.

14.12. 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 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 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: *Grant Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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.

Approved as to Form:
RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Yvonne B. Burke*
Deputy

Monrovia Warehouse TA
AOC Court Facility #19-BA1
County LACO #A250
Leased/Exclusive Use (TOR)
October 28, 2008
IMANDB/1256877v4

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76835

EXHIBIT

Exhibit "A"– Categories of Property Disclosure Documents

AOC Facility #19-BA1
County LACO #A250
Leased/Exclusive Use (TOR/TOLI)
October 28, 2008
IMANDB/1256879v1

EXHIBIT "A"

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

- (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
- (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
- (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
- (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

5 - Compliance

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

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
- (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

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

AOC Facility # 19-AK1
County LACO #5685
Norwalk Courthouse TA
12720 Norwalk Blvd., Norwalk, California 90650

ATTACHMENT R

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 NORWALK COURTHOUSE

Norwalk TA
AOC Court Facility #19-AK1
County LACO #5685
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1103744v9

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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 _____, 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 Norwalk 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.

“**Assignments of Occupancy Agreements**” means the documents titled Assignment and Assumption of Occupancy Agreement that are attached to this Agreement as **Exhibit “I”**.

“**Building**” means the building commonly known as the Norwalk Courthouse, located at 12720 Norwalk Blvd., Norwalk, California 90650, on the Land in which the Court Facility is located, all Building Equipment, and all connected or related structures

and improvements on the Land, except that the Building will in no event include the Option Parking Structure.

“Building Equipment” means all installed equipment and systems that serve the Building or, if included in the Transfers under section 4.5 of this Agreement, the Option Parking Structure generally, and only that plumbing that is within the walls of the Building or, if applicable, the Option Parking Structure, 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 Staff 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 20,622 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 14.97 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 12 parking spaces in the northerly portion and four parking spaces in the southerly portion of the Staff Parking Area, as shown on **Exhibit “C”** to this Agreement, subject to any changes made pursuant to section 4.5 of this Agreement.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 117,157 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 85.03 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 Real 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 Real 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 Real 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 3.4 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, and subject to the provisions of section 4.5 of this Agreement.

“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-Ownning 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.

“Option Agreement” means the Option Agreement for Transfer of Real Property by and between the City of Norwalk Redevelopment Agency and the County of Los Angeles, which is County Agreement #73972, dated February 5, 2002, as amended on July 30, 2002, and on November 8, 2006, and as may be further amended.

“Option Parking Structure” means the parking structure that may be constructed pursuant to the Option Agreement.

“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 on the Land. The Parking Area does not include the Provided Superior Court Parking.

“Parking Structure” means the Norwalk Civic Center Parking Structure located immediately east of the Real Property, as shown on **Exhibit “C”** to this Agreement.

“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”**.

“Provided Superior Court Parking” means a quarterly average of 291 parking spaces per day that the County will provide and allocate to the Council, for use by the Superior Court in respect of the Court Facility, in the Parking Structure as shown on Exhibit “C” to this Agreement, or parking of comparable number, type and convenience.

“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, subject to the provisions of section 4.5 of this Agreement.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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 Area” means the parking area on the Land east of the Building, as shown on **Exhibit “C”** to this Agreement, containing 37 parking spaces in the northerly portion and 28 parking spaces in the southerly portion, subject to any changes made pursuant to section 4.5 of this Agreement.

“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, together, the Transferred Superior Court Parking and the Provided Superior Court Parking.

“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.

“Transferred Superior Court Parking” means 25 parking spaces in the northerly portion and 24 parking spaces in the southerly portion of the Staff Parking Area, as shown on **Exhibit “C”** to this Agreement, subject to any changes made pursuant to section 4.5 of this Agreement.

“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 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 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 Assigned Occupancy Agreements. The Parties agree that some 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 pursuant to the Assignments of Occupancy Agreements, as follows:

(a) The Los Angeles County Law Library is the Occupant of Room 714 of the Building under County Lease Agreement #75512. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease Agreement #75512;

(b) The City of Norwalk is the intermittent Occupant of Room 104 of the Building under County License Agreement #COL-481 for the purpose of conducting juvenile hearings. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License Agreement #COL-481;

(c) The Norwalk-La Mirada Unified School District is the intermittent Occupant of Room 104-D of the Building under County License Agreement #COL-500 for the purpose of conducting juvenile hearings. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License Agreement #COL-500; and

(d) The City of Norwalk is the Occupant of portions of the roof of the Building and space within a designated communications room in the Building under County Communications Site License Agreement #COL-549 for the purpose of operating and maintaining radio equipment. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License Agreement #COL-549.

4.3.8.3 Unassigned Occupancy Agreement.

(a) The State Department of Rehabilitation is the Occupant of various spaces in the Building, for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

4.3.8.4 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. With respect to the Occupant under the Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreement related to the Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including to the extent applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by the Occupant. The County, the Council, and the AOC shall

cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 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.

4.3.10.1 Transferred Superior Court Parking. The Transfer of Responsibility will include the Transferred Superior Court Parking, and commencing on the Responsibility Transfer Date, the Council will be responsible for the Council Share of the Shared Costs of Operation of the Staff Parking Area, as provided in this Agreement and the JOA.

4.3.10.2 Provided Superior Court Parking. In addition to the Transfer of Responsibility for, and Transfer of Title to, the Transferred Superior Court Parking, the County shall also provide (but not Transfer) to the Council the Provided Superior Court Parking for use by the Superior Court on a first-come, first-served basis, at no cost to the State Parties. The Superior Court shall have the right to notify the County in advance that additional parking spaces are needed on particular days, that may exceed the 291 parking spaces in the Provided Superior Court Parking, and if so notified, the County will make a good faith effort to ensure that sufficient parking is available for the Superior Court on those days.

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 and; (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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 the date of (i) the acquisition of the Option Parking Structure pursuant to the Option Agreement, or (ii) expiration or earlier termination of the Option Agreement, as outlined in section 4.5 of this Agreement.

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.

4.5. Option Agreement. Under the Option Agreement, the County has the right to acquire Parcel 5 (comprised of Sub-parcel 5a and Sub-parcel 5b, all as defined and described in the Option Agreement) and the Option Parking Structure thereon (once constructed) from the City of Norwalk Redevelopment Agency (the "Agency") in exchange for transferring the County's right, title, and interest in and to Parking Lot – South (Parcel 4, as defined and described in the Option Agreement), and the payment of cash consideration, to the Agency, as further described in the Option Agreement. In consideration of the County's option under the Option Agreement, the County has transferred its right, title, and interest, in and to Sub-parcel 5a to the Agency on the condition that if the Agency fails to timely construct the Option Parking Structure pursuant to the terms and conditions of the Option Agreement, the Option Agreement will be terminated and fee simple ownership of Sub-parcel 5a will revert to the County. The County agrees that it shall either exercise its option under the Option Agreement or terminate the Option Agreement within the Option Term or any extensions thereof as provided for in the Option Agreement; provided, however, that in no event shall the County exercise its option under the Option Agreement unless and until the Substantial Completion (as defined in paragraph 2.9 of the Option Agreement) of the construction of the Option Parking Structure has occurred. The Parties acknowledge that none of the State Parties are, or will be, parties to the Option Agreement, and that the County shall be solely responsible to meet and satisfy the obligations of the County under the Option

Agreement at the County's sole cost and expense, including, without limitation, the payment of any costs associated with reviewing and monitoring the construction of the Option Parking Structure, and the payment of cash consideration in connection with the exercise of the County option under the Option Agreement. Upon request, the County agrees to keep the State Parties reasonably apprised as to the status of, and will allow the State Parties to inspect and review, the project being undertaken pursuant to the Option Agreement.

4.5.1. Acquisition of Option Parking Structure. If the County exercises its option, and acquires Parcel 5 (with the Option Parking Structure), under the Option Agreement, then: (a) Parcel 5 will be subject to, and be part of, the Transfer of Responsibility effective as of the date the County becomes the fee simple owner of Parcel 5, and Parcel 5 will be subject to the Transfer of Title; and (b) the Council shall waive and release all of its rights and responsibilities with respect to Parcel 4 (Staff Parking Area – South), and Parcel 4 will not be subject to the Transfer of Title. Accordingly, the following terms as defined and used in this Agreement shall be automatically modified, without the need for an amendment to this Agreement:

4.5.1.1 Land. The definition of the Land as used this Agreement will be modified to (a) include Parcel 5 (as identified in the Option Agreement) and all improvements thereon acquired by the County under the Option Agreement, and (b) exclude Parcel 4 (as identified in the Option Agreement), which is improved by Staff Parking Area – South.

4.5.1.2 Real Property. The definition of Real Property as used in this Agreement will be modified to mean the Land, the Building, and the Option Parking Structure.

4.5.1.3 County Parking and Transferred Superior Court Parking. The definitions of County Parking and Transferred Superior Court Parking, as used this Agreement and the JOA, shall be modified to (a) include all of the parking spaces in the Option Parking Structure, which parking spaces the Parties agree to allocate to the County and Superior Court in the same ratio as previously used to allocate County Parking and Superior Court Parking, and (b) exclude all of the parking spaces located on Staff Parking Area – South.

4.5.2. Failure to Construct Option Parking Structure. If the County, at its sole option, terminates the Option Agreement due to Agency's failure to construct the Option Parking Structure, under the Option Agreement, (a) the County shall cause the Agency to transfer all of the Agency's right, title, and interest in and to Sub-parcel 5a to the County, and (b) the definition of the Land as used in this Agreement shall be

automatically modified, without the need for an amendment to this Agreement, to include all of Sub-parcel 5a, which parcel shall be subject to the Transfers.

5. THE CLOSING

5.1. The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur upon 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 Assignments of Occupancy Agreements;
- (b) the JOA; and
- (c) 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 Assignments of Occupancy Agreements and the Memorandum of TA and JOA within 10 business days after the Effective Date.

5.1.3. 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.

5.1.4. 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 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 10 business days after the date on which both of the following have taken place: (i) the Parties have resolved any issues arising from the wording of the County's legal description of the Land under section 4.3.14; and (ii) the County has either exercised its option under the Option Agreement and acquired Parcel 5 (with the Option Parking Structure), as described in section 4.5.1 of this Agreement, or the Option Agreement has expired or been earlier terminated. 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 as promptly as possible thereafter. 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; 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; and the County either acquires fee simple title to Parcel 5 (with the Option Parking Structure) or terminates the Option Agreement, as more fully described in section 4.5 of this Agreement.

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 approved by the DOF is \$864,339, 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 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.

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 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, 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 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9. 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: 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

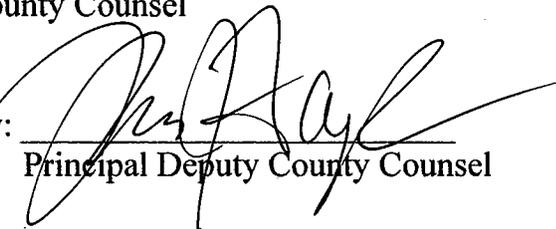
**COUNTY OF LOS ANGELES, a body
corporate and politic**

By: _____
Deputy

By: _____
YVONNE B. BURKE
Chair, Board of Supervisors

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: 
Principal Deputy County Counsel

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" – Copy of Section 70324 of the Act

Exhibit "H" – Datedown Certificate

Exhibit "I" – Assignments of Occupancy Agreements

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

All that portion of that certain parcel of land in Lot IV, Section 18, Township 3 South, Range 11 West, Rancho Santa Gertrudes, Subdivided for the Santa Gertrudes Land Association, as shown on map recorded in Book 32, page 18, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, described as PARCEL 2 of EXHIBIT E in deed to said County, recorded on May 2, 1989, as Document No. 89-697844, of Official Records, in the office of said Registrar-Recorder/County Clerk, lying westerly of a line described as follows:

Beginning at a point in that certain course having a bearing and distance of South 89°34'10" West 405.27 feet in the northerly boundary of that certain parcel of land described as PARCEL 1 in deed to the City of Norwalk, recorded on October 3, 1962, as Document No. 3214, in Book D1777, page 249, of said Official Records, said point being distant South 89°34'20" West 3.21 feet along said northerly boundary from the westerly terminus of that certain 300-foot radius curve having an arc length of 183.39 feet in said northerly boundary; thence North 0°25'57" West 412.18 feet.

Excepting therefrom that portion commencing at the northwest corner of abovementioned PARCEL 2; thence along the north line of said document North 89°28'45" East 76.00 feet to the True Point of Beginning, said point being designated as Point "A" for the purposes of this description, thence continuing along the said north line North 89°28'45" East 164 feet, thence South 0°31'15" East 40.00 feet, thence South 89°28'45" West 164.00 feet, thence North 0°31'15" West 40.00 feet to the point of beginning.

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.

Assessor's Identification Numbers:
8047-006-921 (portion)

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

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 Norwalk, 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

NORWALK COURTHOUSE
(File: Norwalk Civic Center Site (1))
I.M. 069-257
S.D. 4

By _____
Deputy

MV

NOTE: Acknowledgement certificate on reverse side.

EXHIBIT A

NORWALK COURTHOUSE

File with: Norwalk Civic Center Site (1)

A.I.N. 8047-006-921

T.G. 736-J1

I.M. 069-257

Fourth District

LEGAL DESCRIPTION

All that portion of that certain parcel of land in Lot IV, Section 18, Township 3 South, Range 11 West, Rancho Santa Gertrudes, Subdivided for the Santa Gertrudes Land Association, as shown on map recorded in Book 32, page 18, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, described as PARCEL 2 of EXHIBIT E in deed to said County, recorded on May 2, 1989, as Document No. 89-697844, of Official Records, in the office of said Registrar-Recorder/County Clerk, lying westerly of a line described as follows:

Beginning at a point in that certain course having a bearing and distance of South 89°34'10" West 405.27 feet in the northerly boundary of that certain parcel of land described as PARCEL 1 in deed to the City of Norwalk, recorded on October 3, 1962, as Document No. 3214, in Book D1777, page 249, of said Official Records, said point being distant South 89°34'20" West 3.21 feet along said northerly boundary from the westerly terminus of that certain 300-foot radius curve having an arc length of 183.39 feet in said northerly boundary; thence North 0°25'57" West 412.18 feet.

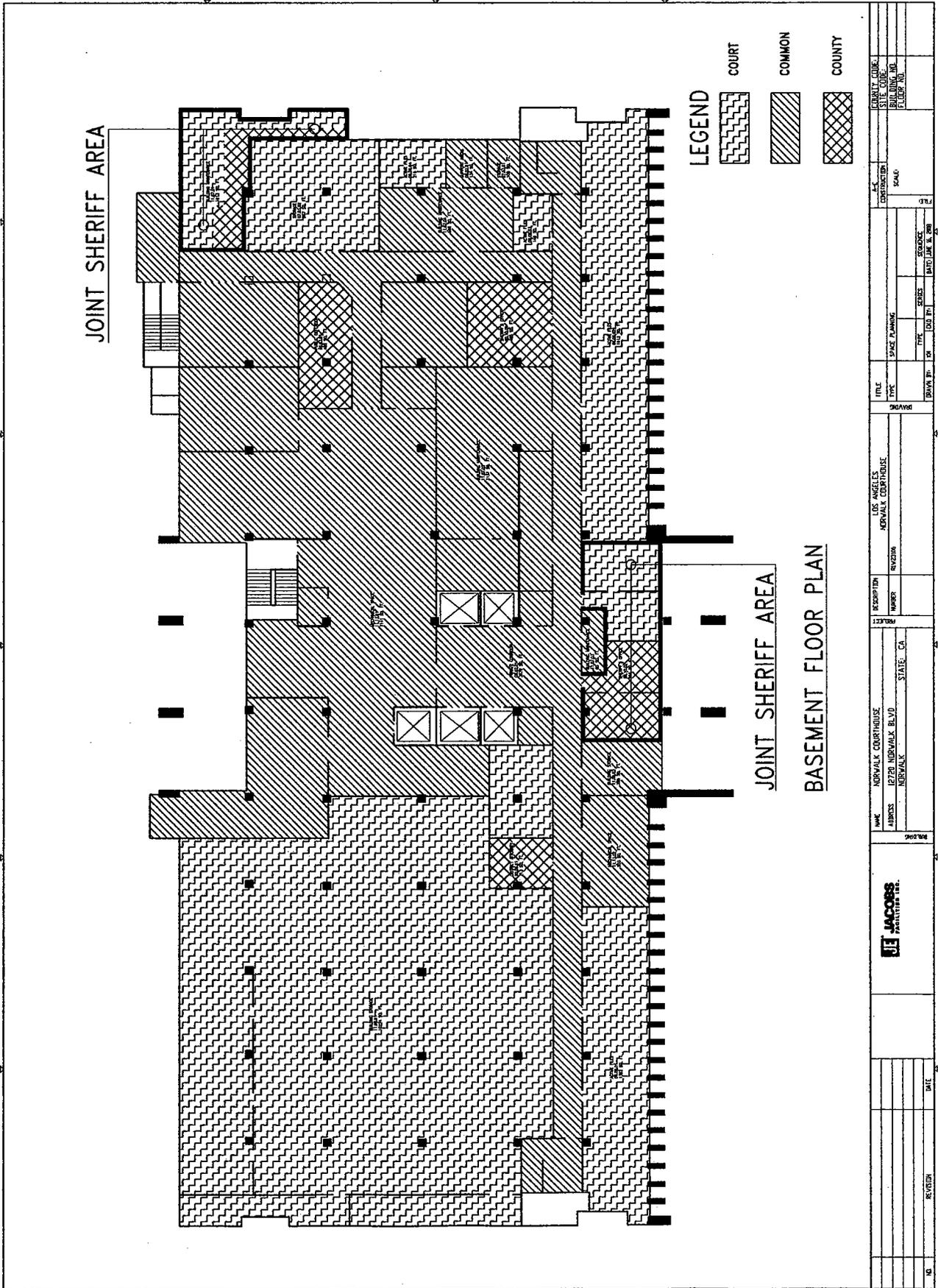
APPROVED AS TO DESCRIPTION	
April 29, 2008	
COUNTY OF LOS ANGELES	
By	
SUPERVISING CADASTRAL ENGINEER III	
Mapping and Property Management Division	

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.

EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]



JOINT SHERIFF AREA

LEGEND

COURT 

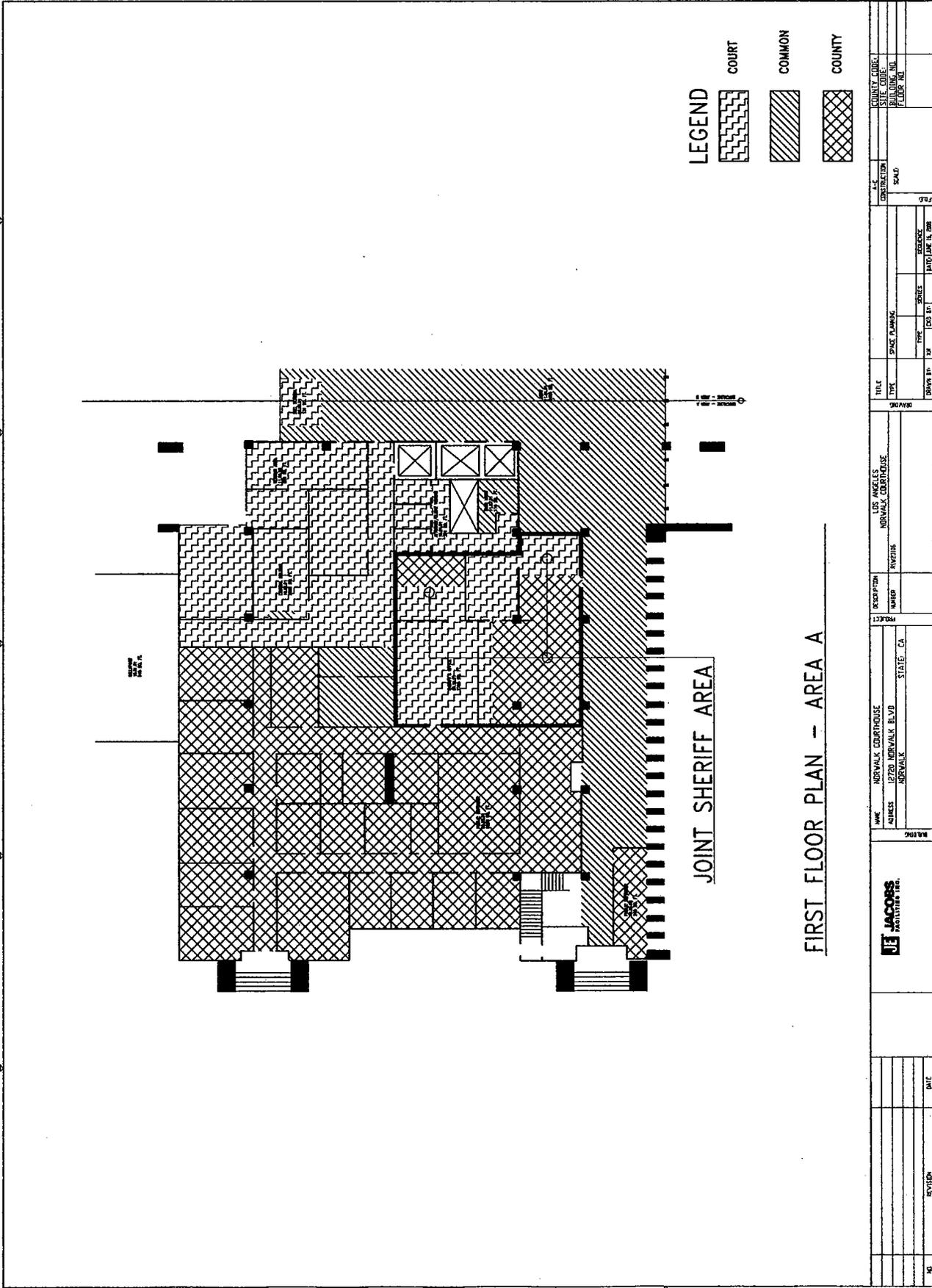
COMMON 

COUNTY 

JOINT SHERIFF AREA

BASEMENT FLOOR PLAN

NAME: NORWALK COURTHOUSE ADDRESS: 12720 NORWALK BLVD NORWALK, CALIFORNIA		PROJECT: NORWALK COURTHOUSE NUMBER: 1000000000 STATE: CA		DRAWING: SPACE PLANNING DATE: 10/15/88 DRAWN BY: [blank]		TITLE: [blank]		SCALE: [blank]		SHEET NO.: [blank]	
ARCHITECT: JACOBS PARTNERSHIP INC.		CLIENT: LOS ANGELES NORWALK COURTHOUSE		CONTRACT NO.: [blank]		PROJECT NO.: [blank]		DRAWING NO.: [blank]		SHEET NO.: [blank]	
NO.	REVISION	DATE									



LEGEND

COURT 

COMMON 

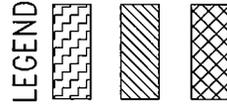
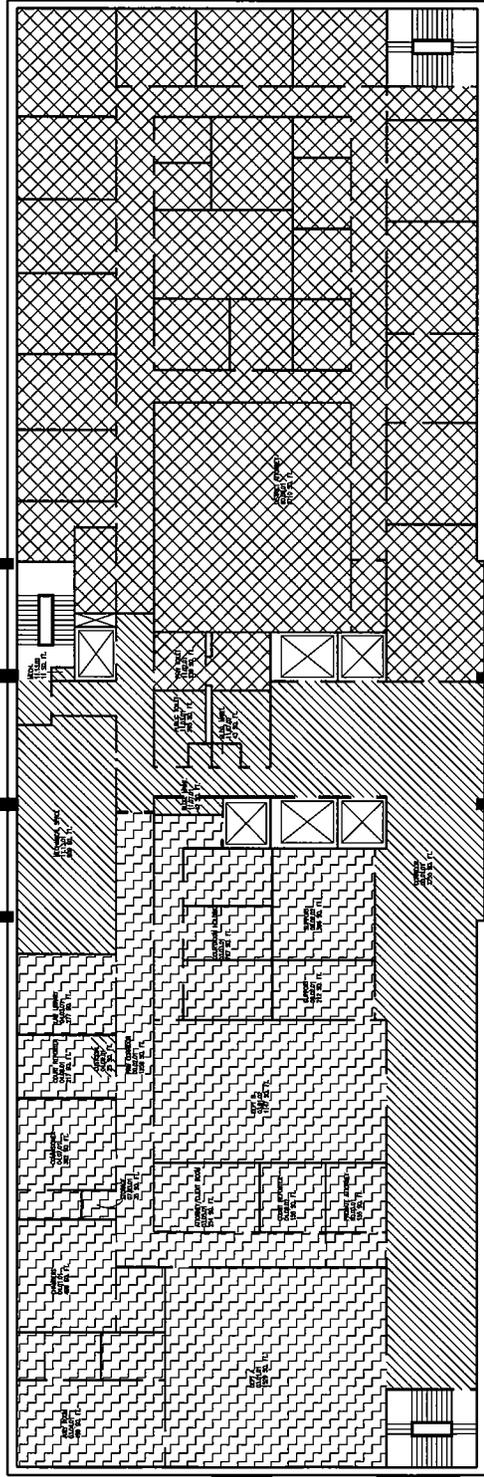
COUNTY 

FIRST FLOOR PLAN - AREA A

NO.	REVISED	DATE	 JACOBS CONSULTING INC.	NAME: NORWALK COURTHOUSE ADDRESS: 12720 NORWALK BLVD NORWALK, CA		PROJECT: NORWALK COURTHOUSE NUMBER: NORWALK		DESCRIPTION: NORWALK COURTHOUSE NUMBER: NORWALK		TITLE: NORWALK COURTHOUSE TYPE: NORWALK		SCALE: NORWALK DATE: NORWALK		COUNTY CODE: NORWALK BUILDING NO: NORWALK FLOOR NO: NORWALK	
				DRAWN BY: NORWALK CHECKED BY: NORWALK DATE: NORWALK		TYPE: NORWALK DATE: NORWALK		SCALE: NORWALK DATE: NORWALK		COUNTY CODE: NORWALK BUILDING NO: NORWALK FLOOR NO: NORWALK					

1 2 3 4 5 6

D A C A B A A

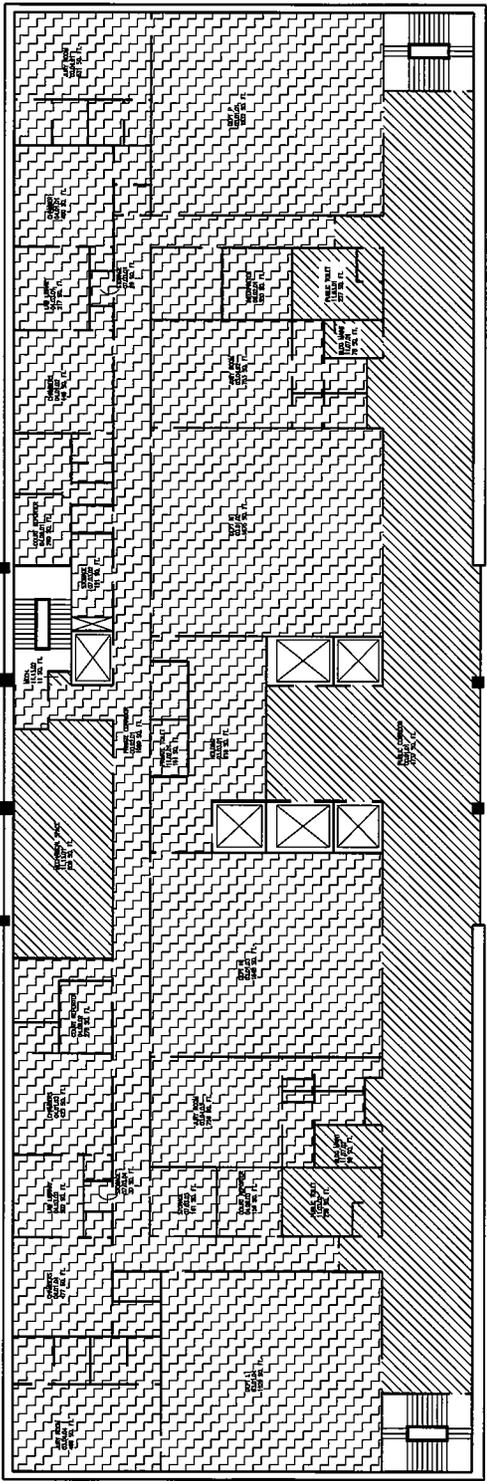


SECOND FLOOR PLAN
SCALE: 1/8" = 1'-0"

NO.	REVISION	DATE				NAME: NORMALK COURTHOUSE ADDRESS: 17720 NORMALK BLVD, NORMALK, CALIFORNIA STATE: CA	PROJECT NUMBER: PROJECT:	CITY: LOS ANGELES COUNTY:	TITLE: SECOND FLOOR PLAN TYPE: SPACE PLANNING DRAWN BY: DM CHECK BY:	DATE: 11/22/11 SCALE: N.T.S. SHEET NO.: 2 TOTAL SHEETS: 2	COUNTY CODE: 19 SITE CODE: AK BUILDING NO.: 1 FLOOR NO.: 2 A105
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1 2 3 4 5 6

D A C B A



FIFTH FLOOR PLAN

LEGEND

COURT

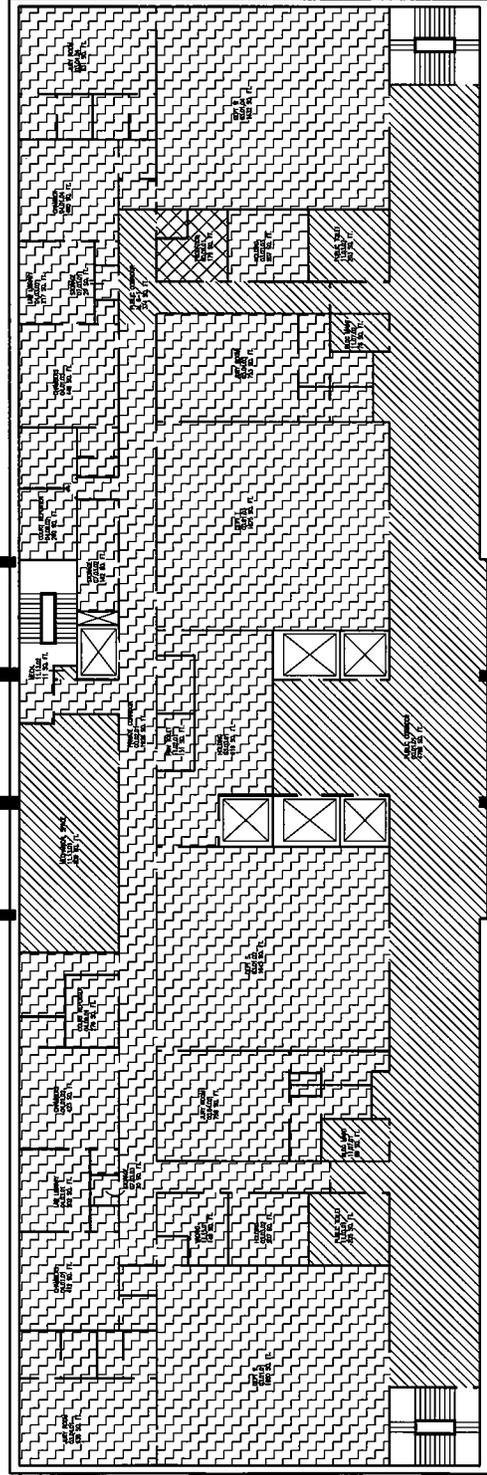
COMMON

COUNTY

NO.	REVISION	DATE			NAME: NORMALK COURTHOUSE ADDRESS: 17720 NORMALK BLVD, NORMALK, CA		PROJECT:		DISCUSSION:		PREPARED BY:		TITLE:		FIFTH FLOOR PLAN		A-E CONSTRUCTION		COUNTY CODE: 09 SHEET CODE: AK BUILDING NO.: 1 FLOOR NO.: 5		A108
					REVISION:		NUMBER:		PROJECT:		DISCUSSION:		PREPARED BY:		TITLE:		FIFTH FLOOR PLAN		A-E CONSTRUCTION		

1 2 3 4 5 6

D C B A



SIXTH FLOOR PLAN

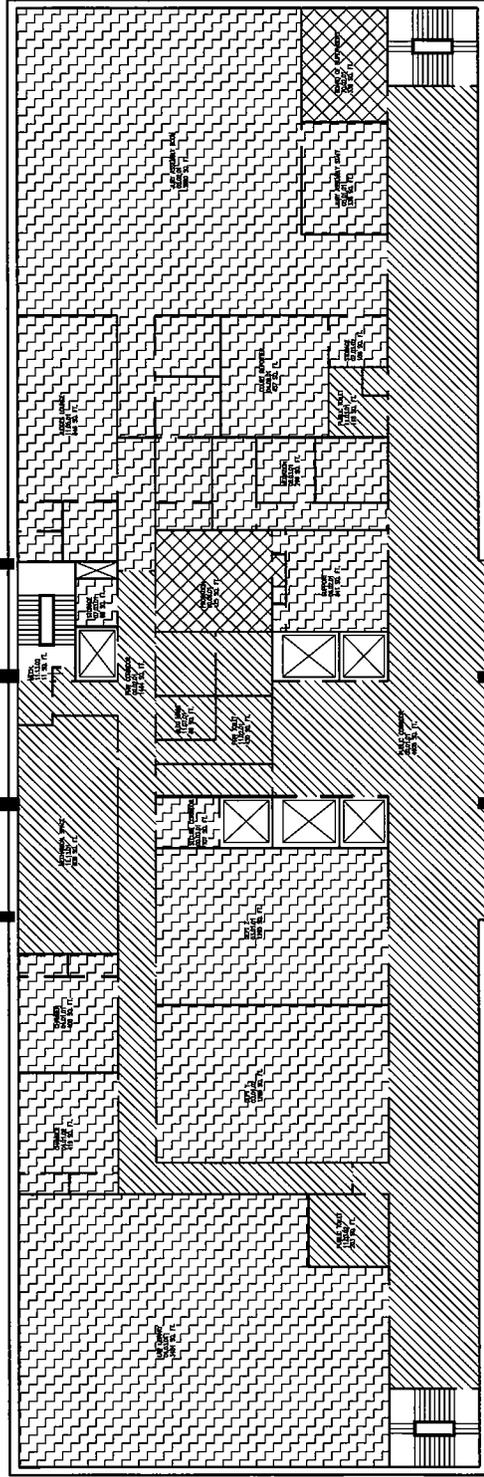
LEGEND

-  COURT
-  COMMON
-  COUNTY

NO.	SECTION	DATE			NAME NORMALY COURTHOUSE ADDRESS 1770 NORMALY BLD STATE CA		PROJECT NUMBER		EXCEPTION NUMBER		LOS ANGELES NORMALY COURTHOUSE		TITLE TYPE SPACE PLANNING		SHEET NO. 1 TOTAL SHEETS 6		COUNTY CODE: 19 SITE CODE: AK BUILDING NO. 1 FLOOR NO. 6		COUNTY A109
					DRAWN BY: IN		CHECKED BY:		DATE:		SCALE:		DATE:		SHEET NO. 1 TOTAL SHEETS 6				

1 2 3 4 5 6

D C B A



SEVENTH FLOOR PLAN

LEGEND

COURT

COMMON

COUNTY

NO.	REVISED	DATE	BY
JE JACOBS ARCHITECTURE INC. 10000 WILSON BLVD. SUITE 100 LOS ANGELES, CA 90024		PROJECT NO. _____ PROJECT NAME _____	
NAME: NORMALT COURTHOUSE ADDRESS: 12720 NORMALT BLVD NORMALT, STATE: CA		EXEMPTION NUMBER: _____ PROJECT NUMBER: _____	
LOS ANGELES NORMALT COURTHOUSE		TITLE: SEVENTH FLOOR PLAN TYPE: SPACE PLANNING	
DATE: _____ DRAWN BY: _____ CHECKED BY: _____		SCALE: 1/8" = 1'-0" SHEET NO.: A110	
COUNTY CODE: 19 SITE CODE: AK BUILDING NO.: 7 FLOOR NO.: 7		DATE: _____ DRAWN BY: _____ CHECKED BY: _____	

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**

**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 No. 8047-006-921 (por.)

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 Norwalk, County of Los Angeles, State of California, having a street address of 12720 Norwalk Boulevard, 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 Norwalk Courthouse, and all other

Norwalk TA
AOC Court Facility #19-AK1
County LACO #5685
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1192826v8

G-1

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 Norwalk Courthouse dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Norwalk Courthouse, of even date therewith (“**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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

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

All that portion of that certain parcel of land in Lot IV, Section 18, Township 3 South, Range 11 West, Rancho Santa Gertrudes, Subdivided for the Santa Gertrudes Land Association, as shown on map recorded in Book 32, page 18, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, described as PARCEL 2 of EXHIBIT E in deed to said County, recorded on May 2, 1989, as Document No. 89-697844, of Official Records, in the office of said Registrar-Recorder/County Clerk, lying westerly of a line described as follows:

Beginning at a point in that certain course having a bearing and distance of South 89°34'10" West 405.27 feet in the northerly boundary of that certain parcel of land described as PARCEL 1 in deed to the City of Norwalk, recorded on October 3, 1962, as Document No. 3214, in Book D1777, page 249, of said Official Records, said point being distant South 89°34'20" West 3.21 feet along said northerly boundary from the westerly terminus of that certain 300-foot radius curve having an arc length of 183.39 feet in said northerly boundary; thence North 0°25'57" West 412.18 feet.

Excepting therefrom that portion commencing at the northwest corner of abovementioned PARCEL 2; thence along the north line of said document North 89°28'45" East 76.00 feet to the True Point of Beginning, said point being designated as Point "A" for the purposes of this description, thence continuing along the said north line North 89°28'45" East 164 feet, thence South 0°31'15" East 40.00 feet, thence South 89°28'45" West 164.00 feet, thence North 0°31'15" West 40.00 feet to the point of beginning.

AND excepting therefrom that portion beginning at a point on the centerline of Civic Center Drive, distant Easterly 435.6 feet from the centerline of Norwalk Boulevard; thence North 0°31'02" West 40.00 feet to the true point of beginning; thence Northerly parallel to the centerline of Norwalk Boulevard 142 feet; thence westerly parallel to the centerline of Civic Center Drive 146.00 feet; thence southerly parallel to the centerline of Norwalk Boulevard 142.00 feet to the north right-of-way line of Civic Center Drive; thence easterly along said North right-of-way line of Civic Center Drive 146.00 feet back to the true point of beginning.

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.

EXHIBIT "H"

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 Norwalk 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 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 the Agreement relating to the Transfer of Title or the Title Transfer Documents.

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 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: _____

Title: _____

By: _____

Name: _____

APPROVED AS TO FORM:

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

County Counsel

By: _____

Name: _____

Title: Chief Executive Officer

By: _____

Deputy

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.

Norwalk TA
AOC Court Facility #19-AK1
County LACO #5685
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1192826v8

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EXHIBIT "I"
ASSIGNMENTS OF OCCUPANCY AGREEMENTS

[See attached.]

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

LOS ANGELES COUNTY LAW LIBRARY

County Lease Agreement # 75512

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008, (the “**Effective Date**”) by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Norwalk Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Norwalk Courthouse, located at 12720 Norwalk Boulevard, Norwalk, California 90650 (the “**Real Property**”).

C. The County is a party to County Lease Agreement #75512, dated January 10, 2006, between the County, as lessor, and the Los Angeles County Law Library (“**Law Library**”), as lessee, under which the Law Library has the exclusive right to use approximately 3,192 square feet of space in Room 714 of the Norwalk Courthouse (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the Lease.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the

rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related exclusively to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

[Signature page follows.]

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

William T Fujioka

Chief Executive Officer

By: _____

Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "I"

COPY OF COUNTY LEASE AGREEMENT #75512

Attached to original, but not to this Exhibit "I" to the Transfer Agreement.

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CITY OF NORWALK County License Agreement #COL-481

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008, (the “**Effective Date**”) by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Norwalk Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Norwalk Courthouse, located at 12720 Norwalk Boulevard, Norwalk, California 90650 (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-481, dated March 14, 2004, between the County, as licensor, and the City of Norwalk, as licensee, under which the City of Norwalk has the non-exclusive right to use Room 104 of the Norwalk Courthouse for the purpose of conducting juvenile hearings (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided

for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related exclusively to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the City of Norwalk of its intention to assign the License to the Council, and the City of Norwalk has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

[Signature page follows.]

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

By: _____
Name: Rachel Dragolovich, Attorney

Title: Senior Manager, Business Services
Administrative Office of the Courts

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

William T Fujioka

By: _____
Principal Deputy County Counsel

Chief Executive Officer

ATTACHMENT 1 TO EXHIBIT "I"

COPY OF COUNTY LICENSE AGREEMENT #COL-481

Attached to original, but not to this Exhibit "I" to the Transfer Agreement.

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

**NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT
County License Agreement #COL-500**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008, (the “**Effective Date**”) by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Norwalk Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Norwalk Courthouse, located at 12720 Norwalk Boulevard, Norwalk, California 90650 (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-500, dated October 4, 2004, between the County, as licensor, and the Norwalk-La Mirada School District (the “**School District**”), as licensee, under which the School District has the non-exclusive right to use Room 104-D of the Norwalk Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided

for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related exclusively to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the School District of its intention to assign the License to the Council, and the School District has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

[Signature page follows.]

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

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
Administrative Office of the Courts

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: _____
William T Fujioka
Chief Executive Officer

ATTACHMENT 1 TO EXHIBIT "I"

COPY OF COUNTY LICENSE AGREEMENT #COL-500

Attached to original, but not to this Exhibit "I" to the Transfer Agreement.

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CITY OF NORWALK County License Agreement #COL-549

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008, (the “**Effective Date**”) by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Norwalk Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Norwalk Courthouse, located at 12720 Norwalk Boulevard, Norwalk, California 90650 (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-549, dated January 10, 2006, between the County, as licensor, and the City of Norwalk, as licensee, under which the City of Norwalk has the non-exclusive right to use radio rack and antenna space on the roof and within a designated room of the Norwalk Courthouse (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License, together with the prorated amount of any rent, security deposit, and other consideration (collectively, “**Consideration**”) that the County collects from the City of Norwalk under the License that is allocable to the period on and after the Effective Date.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License and the Consideration, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related exclusively to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the City of Norwalk of its intention to assign the License to the Council, and the City of Norwalk has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

[Signature page follows.]

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

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
Administrative Office of the Courts

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: _____
William T Fujioka
Chief Executive Officer

ATTACHMENT 1 TO EXHIBIT "I"

COPY OF COUNTY LICENSE AGREEMENT #COL-549

Attached to original, but not to this Exhibit "I" to the Transfer Agreement.

AOC Facility # 19-AK1
County LACO #5685
Norwalk Courthouse JOA
12720 Norwalk Blvd., Norwalk, California 90650

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 NORWALK 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 _____, 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 Norwalk Courthouse, located at 12720 Norwalk Blvd., Norwalk, California 90650, 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 on the Land, except that the Building will in no event include the Option Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building or, if included in the Transfers under section 4.5 of the Transfer Agreement, the Option Parking Structure generally, and only that plumbing that is within the walls of the Building or, if applicable, the Option Parking Structure, 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) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Staff 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 85.03 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 20,622 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 14.97 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 12 parking spaces in the northerly portion and four parking spaces in the southerly portion of the Staff Parking Area, as shown on

Exhibit “C” to the Transfer Agreement, subject any made changes pursuant to section 4.5 of the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 14.97 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 117,157 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 85.03 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.

“**Land**” means the real property on which the Building and the Parking Area are located, comprising approximately 3.4 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, and subject to the provisions of section 4.5 of the Transfer Agreement.

“**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-Ownning 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.

“Option Agreement” means the Option Agreement for Transfer of Real Property by and between the City of Norwalk Redevelopment Agency and the County of Los Angeles, which is County Agreement #73972, dated February 5, 2002, as amended on July 30, 2002, and on November 8, 2006, and as may be further amended.

“Option Parking Structure” means the parking structure that may be constructed pursuant to the Option Agreement.

“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 on the Land. The Parking Area does not include the Provided Superior Court Parking.

“Parking Structure” means the Norwalk Civic Center Parking Structure located immediately east of the Real Property, as shown on **Exhibit “C”** to the Transfer Agreement.

“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.

“Provided Superior Court Parking” means a quarterly average of 291 parking spaces per day that the County will provide and allocate to the Council, for use by the Superior Court in respect of the Court Facility, in the Parking Structure as shown on **Exhibit “C”** to the Transfer Agreement, or parking of comparable number, type and convenience.

“Real Property” means the Land and the Building, except that if the Option Parking Structure is included in the Transfers pursuant to section 4.5 of the Transfer Agreement, then **“Real Property”** means the Land, the Building, and the Option Parking Structure.

“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, 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 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 Area” means the parking area on the Land east of the Building, as shown on **Exhibit “C”** to the Transfer Agreement, containing 37 parking spaces in the northerly portion and 28 parking spaces in the southerly portion, subject to any changes made pursuant to section 4.5 of the Transfer Agreement.

“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, together, the Provided Superior Court Parking and the Transferred Superior Court Parking.

“Transferred Superior Court Parking” means 25 parking spaces in the northerly portion and 24 parking spaces in the southerly portion of the Staff Parking Area, as shown on **Exhibit “C”** to this Agreement, subject to any changes made pursuant to section 4.5 of 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 Norwalk Courthouse, of even date herewith.

“Transfer” and **“Transfers”** have the meanings given to them in the Transfer Agreement.

“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.

3.1.1 Access Rights. Notwithstanding anything to the contrary herein, on and after the Effective Date, the County shall provide reasonable cooperation to the State Parties in any efforts they may make to obtain from the City of Norwalk the right to access and use the driveway shown as "Access Driveway" on Exhibit "C" to the Transfer Agreement for the purpose of vehicular access to and from the Staff Parking Area, the Parking Structure, and, if included in the Transfers pursuant to section 4.5 of the Transfer Agreement, the Option Parking Structure, and the County shall take no actions that impede the State Parties' rights to use those driveways and drive aisles that provide direct ingress, egress, and access to and from the Staff Parking Area, the Parking Structure, and, if applicable, the Option Parking Structure, including through that "Access Driveway".

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 at least through June 30, 2009, 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, if included in the Transfers pursuant to section 4.5 of the Transfer Agreement, the Option Parking Structure, 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 at least through June 30, 2009, 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, the Building Equipment, and, if included in the Transfers under section 4.5 of the Transfer Agreement, the Option Parking Structure, 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 56.00 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 44.00 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 56.00 percent Court Exclusive-Use Area and 44.00 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-Ownning 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. 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 six of the parking spaces allocated to the County Parking in the Staff Parking Area, and up to 22 of the parking spaces allocated to the Transferred Superior Court Parking in the Staff Parking Area 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.

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-Ownning Party, and ensure that the Non-Ownning 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 City of Norwalk's license for use of the roof and communications room to operate and maintain communications equipment, and the Parties shall share in any revenues received by the Managing Party arising from any

other 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 3.2.8 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 Costs 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) \$420,478 (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 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 Inflation Index (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 of this JOA. As used in this section 4.6.1.2, the term "**DOF Inflation Index**" 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) \$420,478, 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 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 6.3.1 and 6.3.2.1 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-Ownning Party will no longer occupy any space in the Building and the Non-Ownning 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, if included in the Transfers under section 4.5 of the Transfer Agreement, the Option Parking Structure, 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this 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.

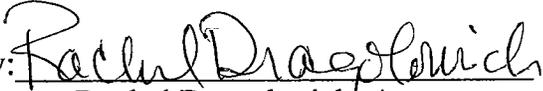
14.14 Independent Contractors. The relationship of the Parties to each other hereunder will be that of independent contractors, and nothing herein shall be construed to create a partnership, joint venture, employer-employee, or agency relationship between or among any of the County Parties or the State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

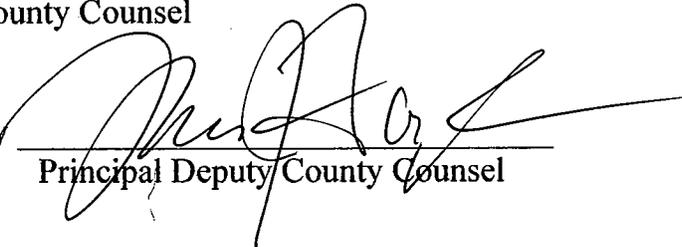
**COUNTY OF LOS ANGELES, a body
corporate and politic**

By: _____
Deputy

By: _____
YVONNE B. BURKE
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: 
Principal Deputy County Counsel

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 Norwalk Courthouse, which is located on certain real property in the City of Norwalk, County of Los Angeles, State of California and has a street address of 12720 Norwalk Boulevard (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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								
Building-related signage (but not customer signage)					X	X	X	
Electrical Systems								
All electrical systems	X	X	X			X	X	X
Electrical panels	X			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								
Emergency power systems	X							
BEAS equipment: data gathering panels; space sensors; equipment control points	X		X		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

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
Escalators	X		X		X	X	X	X
Dumbwaiters	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	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	X
Ground Cover									X	X
Aeration										
General									X	
Areas around office buildings								X		
Fertilization										
Turf areas								X		
Irrigation Systems Maintenance										
Unplug clogged drains							X			
Flush lines							X			

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: (a) 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-AP1
County LACO # 3060, 5707, A626, L782
Santa Monica Courthouse TA
1725 Main Street
Santa Monica, California 90401

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 SANTA MONICA COURTHOUSE

76829

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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 November 18, 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 Santa Monica 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.

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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.

“**Annex**” means the building commonly known as the Santa Monica Courthouse Annex, located on the Land to the northeast of the Courthouse.

“Assignment of Occupancy Agreement” means the document titled Assignment and Assumption of Occupancy Agreement that is attached to this Agreement as **Exhibit “H”**.

“Buildings” means, together, the Courthouse and the Annex, all Building Equipment, and all connected or related structures and improvements.

“Building Equipment” means all installed equipment and systems that serve one or both of the Buildings generally, and only that plumbing that is within the walls of the Buildings 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.

“City Parking License” means County License Agreement #61543, dated June 27, 1989, between the County, as licensee, and the City of Santa Monica, as licensor, as amended by the First Modification of License Agreement Number 61543, dated November 15, 2004, and the Second Modification of License Agreement Number 61543, dated June 27, 2006.

“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 Buildings 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 Buildings, (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 Buildings, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Courthouse Parking Lot. 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 20,888 square feet of the interior of the Buildings 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 21.51 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) six parking spaces in the Courthouse Parking Lot, and (ii) 71 parking spaces in the Licensed Parking.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 76,222 square feet of the interior of the Buildings 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 78.49 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 Buildings and the Courthouse Parking Lot on the Land, and a set of floor plans showing the layout of the

Court Facility in the interior of the Buildings, are attached as **Exhibits “C” and “D”** to this Agreement.

“Courthouse” means the building commonly known as the Santa Monica Courthouse located on the Land, and having a street address of 1725 Main Street, Santa Monica, California 90401.

“Courthouse Parking Lot” means the secured surface parking lot located on the Land, as shown on **Exhibit “C”** to this Agreement, containing 31 parking spaces, as well as associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

“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 Real 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 Real 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 Buildings and the Courthouse Parking Lot are located, comprising approximately 3.1 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.

“**Licensed Parking**” means 325 parking spaces in the Santa Monica Civic Auditorium Parking Lot located at 1855 Main Street, Santa Monica, California 90401, pursuant to the City Parking License, as shown on **Exhibit “C”** to this Agreement.

“**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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“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 Buildings.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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 25 parking spaces in the Courthouse Parking Lot, and 254 parking spaces in the Licensed Parking.

“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.

“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. 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, 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 Assigned Occupancy Agreements. The Parties agree that one Occupancy Agreement under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area (the “**Assigned Occupancy Agreement**”) will be assigned to the Council pursuant to the Assignment of Occupancy Agreement, as follows:

(a) Los Angeles County Law Library is the Occupant of space on the second floor of the Courthouse pursuant to County Lease Agreement #75515. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease Agreement # 75515.

4.3.8.3 Unassigned Occupancy Agreements. The Parties acknowledge that some of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not 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 of Los Angeles County is the Occupant of space on the first floor of the Courthouse pursuant to County License Agreement #COL-448. Prior to the Responsibility Transfer Date, the County shall give this Occupant written notice that its license agreement with the County will terminate in respect of the Courthouse on the Responsibility Transfer Date. By the first anniversary of the Responsibility Transfer Date, the Council shall either cause this Occupant to vacate the Courthouse or enter into an occupancy arrangement with this Occupant on terms satisfactory to the Council and the AOC; and

(b) Compass Group, North-American Division, DBA: Canteen Services is the Occupant of various spaces in the Buildings, for the provision of a Vending Facility, specifically vending machines, pursuant to County Concession Agreement #73940. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of such Vending Facility and the continuity of vending services in the Buildings. If County Concession Agreement #73940 has not been earlier terminated or replaced in respect of the Buildings, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Buildings from the list of approved locations in County Concession Agreement #73940.

4.3.8.4 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. With respect to Occupants under Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 Buildings

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 Courthouse 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 shall be responsible for the Council Share of the Shared Costs of Operation of the Parking Lot, and the Council Share of any license fees or other payments required under the City Parking License, as provided in this Agreement and the JOA. The Superior Court Parking in the Courthouse Parking Lot is available to Superior Court judges, staff, and employees, and the Superior Court Parking in the Licensed 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.

4.3.10.1 City Parking License. On the Effective Date, the County, as licensee, and the City of Santa Monica (“City”), as licensor, are parties to the City Parking License under which the County licenses from the City the Licensed Parking for use by the County and the Superior Court. On and after the Responsibility Transfer Date, the Parties will work cooperatively together and with the City to assign the County’s rights and obligations under the City Parking License to the Council effective no later than the termination of the Common Area Delegation Period (as defined in the JOA), and to ensure the continuity of the Parties’ use of the Licensed Parking. If the City Parking License is assigned, in its entirety, to the Council, including both the County Share and the Council Share of the parking subject to the City Parking License, then the County shall be responsible for the County Share of any license fees or other payments required under the City Parking License. If, in lieu of the County’s assignment of the City Parking License to the Council, the Parties divide the City Parking License between the County and the Council for their respective uses, such that each Party thereafter has its own license with the City for use of its portion of the Licensed Parking, then thereafter, each Party shall be responsible for its own license fees or other payments required under its own parking license with the City.

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. Notwithstanding the foregoing, the terms of section 70324 of the Act and this section 4.3.11 do not apply to the Annex.

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 Courthouse in order to bring the portions of the Courthouse 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 Courthouse that are required by Law as a result of the repair of the seismic-related damage to the Courthouse; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Buildings are deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Courthouse, 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 Courthouse if the Buildings are 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 Buildings 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 Buildings. 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-Ownning Party for its Equity interest in the Buildings 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-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 on 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;
- (b) the Assignments of Occupancy Agreements; and
- (c) 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 and the Assignments of Occupancy Agreements within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 approved by the DOF is \$931,342, 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 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 Responsibility Transfer Document 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.

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, and neither of the Buildings is an "historical building" as defined in section 70301(f) of the Act. The Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) 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 Buildings under CERCLA or any other Law, except that the County confirms that this provision does not alter, diminish, or negate the County's obligation to indemnify the State in accordance with the terms of 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 CFDRRC. 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 CFDRRC for hearing and recommendation to the Director of Finance, as contemplated in the Act and in accordance with the CFDRRC 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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.

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

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

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

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

By: *Sonnie Bohana*
Deputy

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



Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Ray Fortner*
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: *Sonnie Bohana*
Deputy

76829

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deed

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plan of Interior of Buildings

Exhibit "E" – Categories of Property Disclosure Documents

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

Exhibit "G" – Section 70324 of the Act

Exhibit "H" – Assignment and Assumption of Occupancy Agreement

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

That portion of RANCHO SAN VICENTE Y SANTA MONICA, as shown on map recorded in Book 3, pages 30 and 31, of Patents, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and that portion of Lot 15, Block No.3, Bandini Tract, as shown on map recorded in Book 55, pages 56 and 57, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with that portion of that certain Alley adjoining lots 1,2, and 15, said Block No.3, within the following described boundaries:

Beginning at the most southerly corner of that certain parcel of land described as Parcel A in deed to the County of Los Angeles, recorded on December 14, 1962, as Document No. 5186, Book D1856, page 202, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence northwesterly along the most southwesterly line of said certain parcel of land and continuing northwesterly along the northwesterly prolongation of said most southwesterly line to the most westerly corner of said certain parcel of land; thence northeasterly along the most northwesterly line of said certain parcel of land to the most northerly corner of said certain parcel of land; thence southeasterly along the northeasterly line of said certain parcel of land to the most easterly corner of said certain parcel of land; thence southwesterly along the most southeasterly line of said certain parcel of land to the point of beginning.

A-1

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6

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.

Assessor's Identification Number:
4290-012-903

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

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 Santa Monica, 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

SANTA MONICA COURTHOUSE
(File: Santa Monica Civic Center (2))
I.M. 114-137
S.D. 3

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.

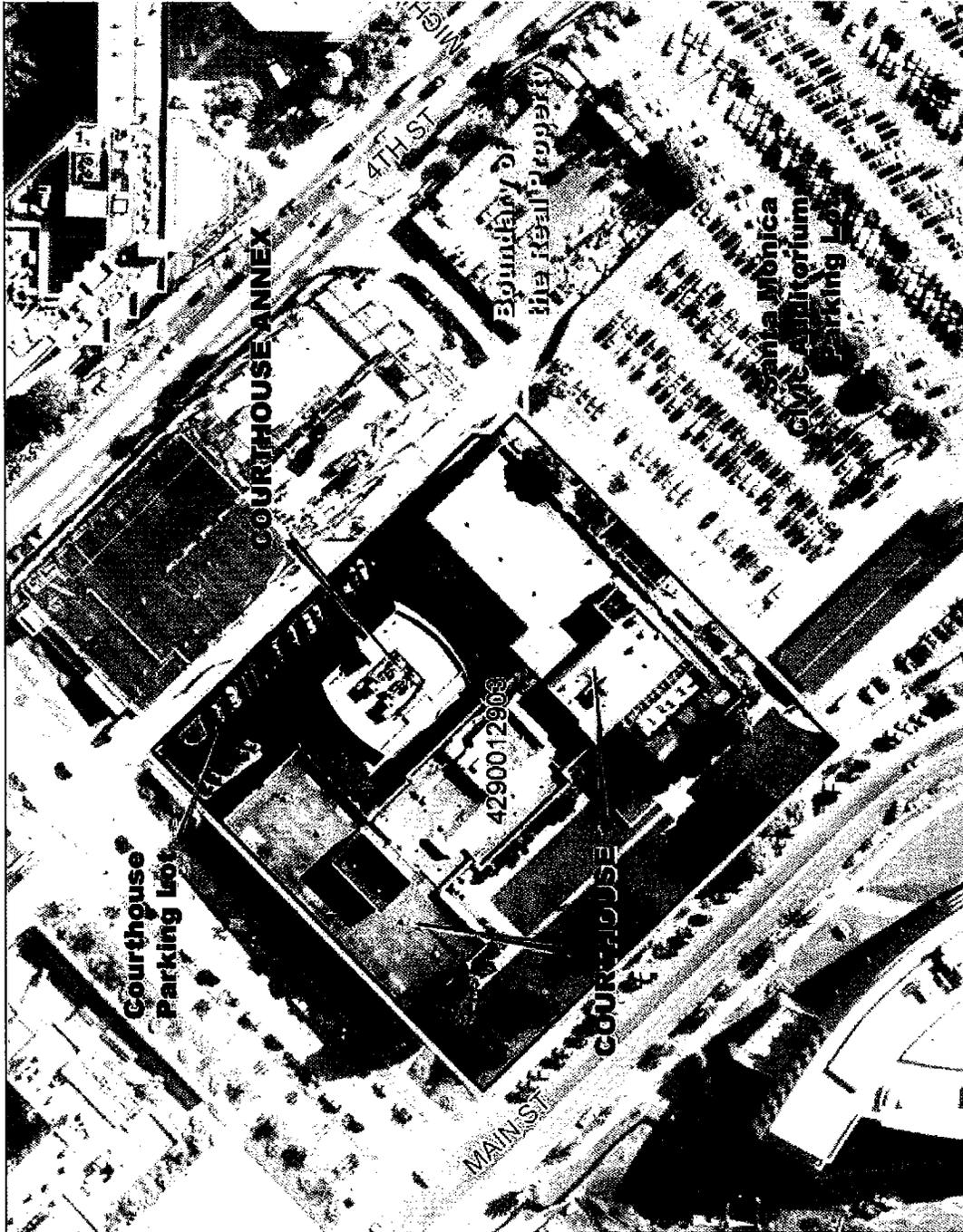
DEAN C. LOGAN, Registrar-Recorder/
County Clerk of the County of Los Angeles

By _____
Deputy County Clerk

(Seal)

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6

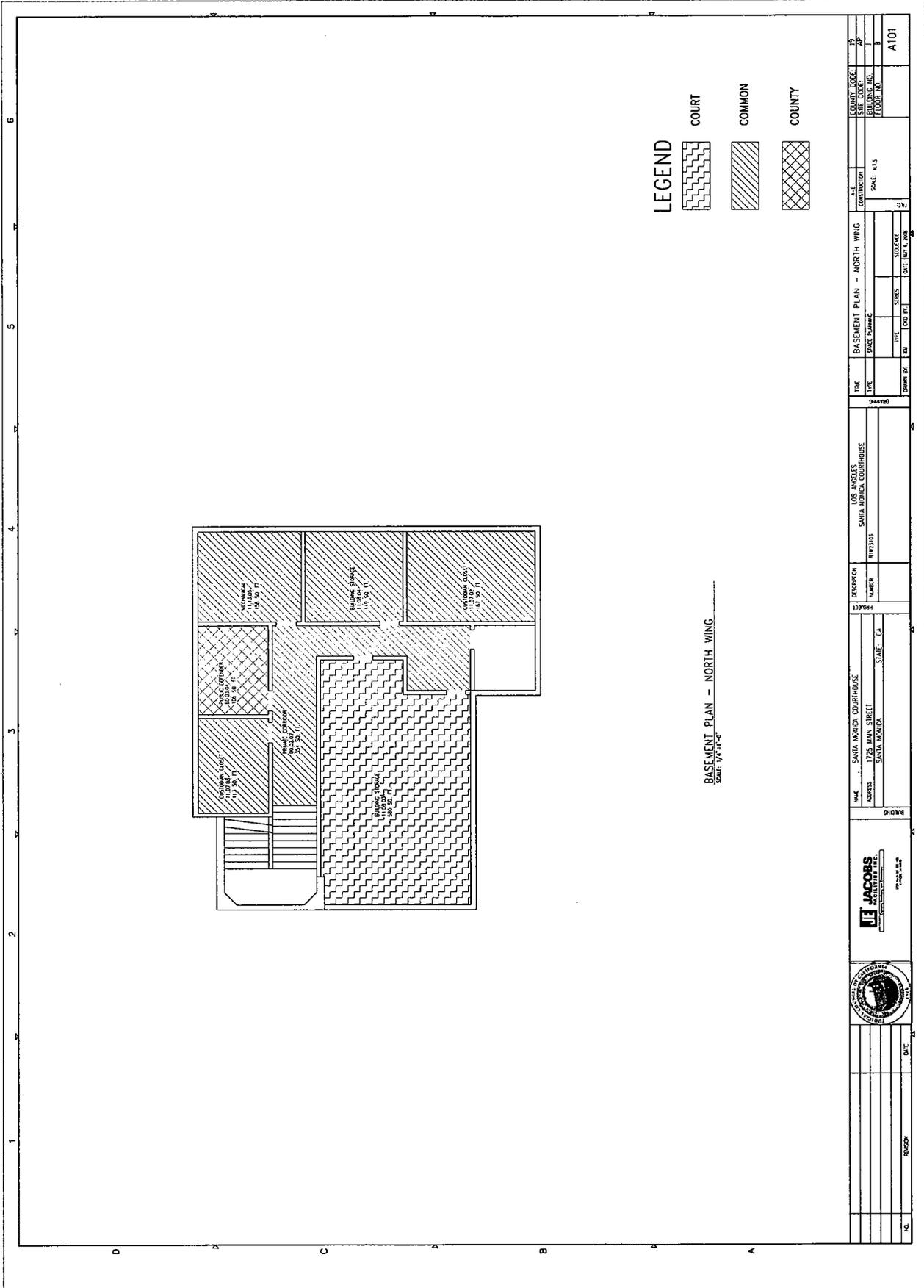
EXHIBIT "D"

FLOOR PLAN OF INTERIOR OF BUILDINGS

[See attached.]

D-1

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6



LEGEND

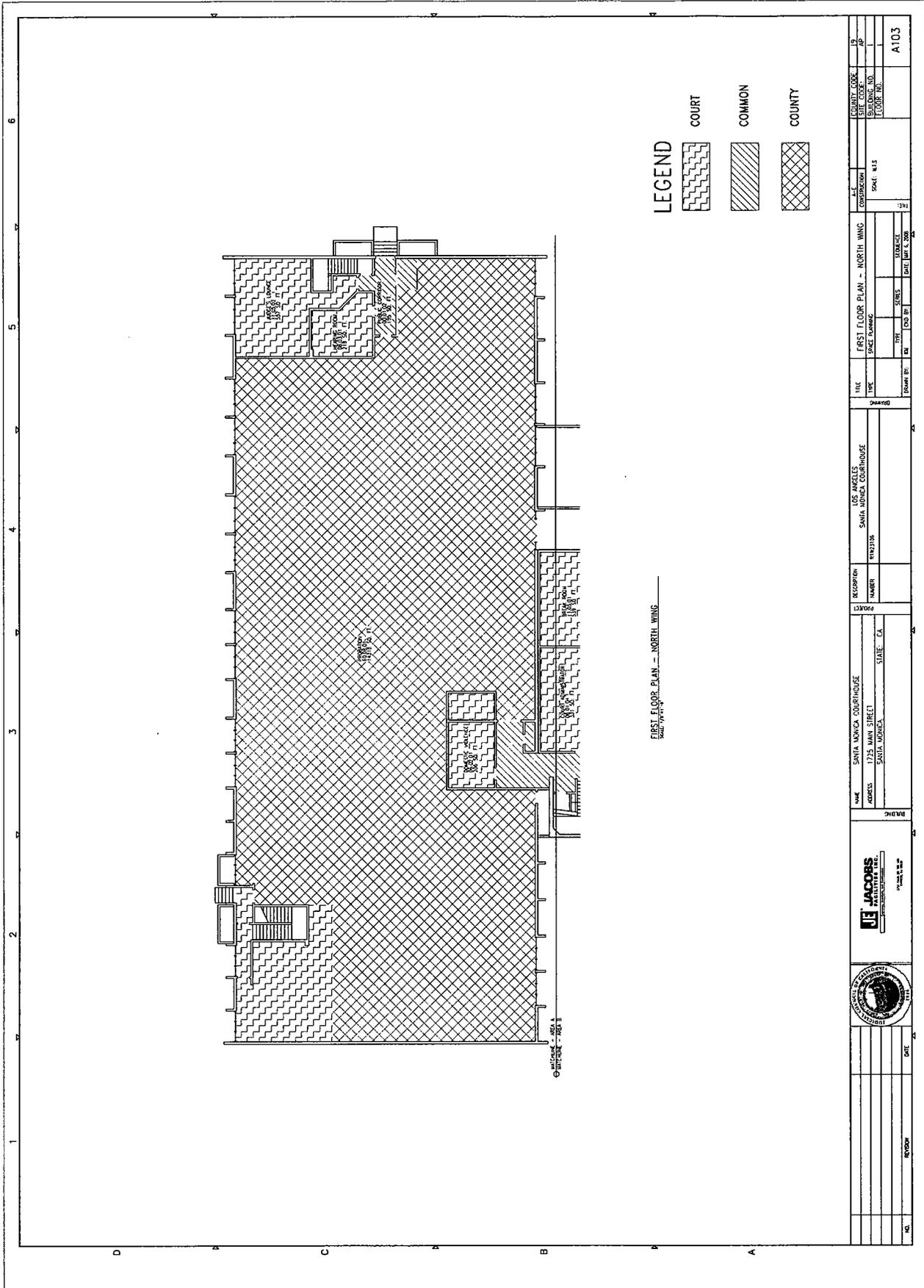
COURT

COMMON

COUNTY

BASEMENT PLAN - NORTH WING
SCALE: 1/4"=1'-0"

NO.	REVISION	DATE			NAME: SANTA MONICA COURTHOUSE ADDRESS: 1725 MAIN STREET, SANTA MONICA, CALIF.		PROJECT NUMBER: 1725 MAIN STREET, SANTA MONICA, CALIF.		CITY: LOS ANGELES COUNTY: SANTA MONICA		DRAWING TITLE: BASEMENT PLAN - NORTH WING SHEET NO.: 101 OF 100		SCALE: N.T.S. DATE: 10/1/78		COUNTY CODE: 9 SITE CODE: 101 FLOOR NO.: 101		A101
DATE	DATE	DATE			DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE

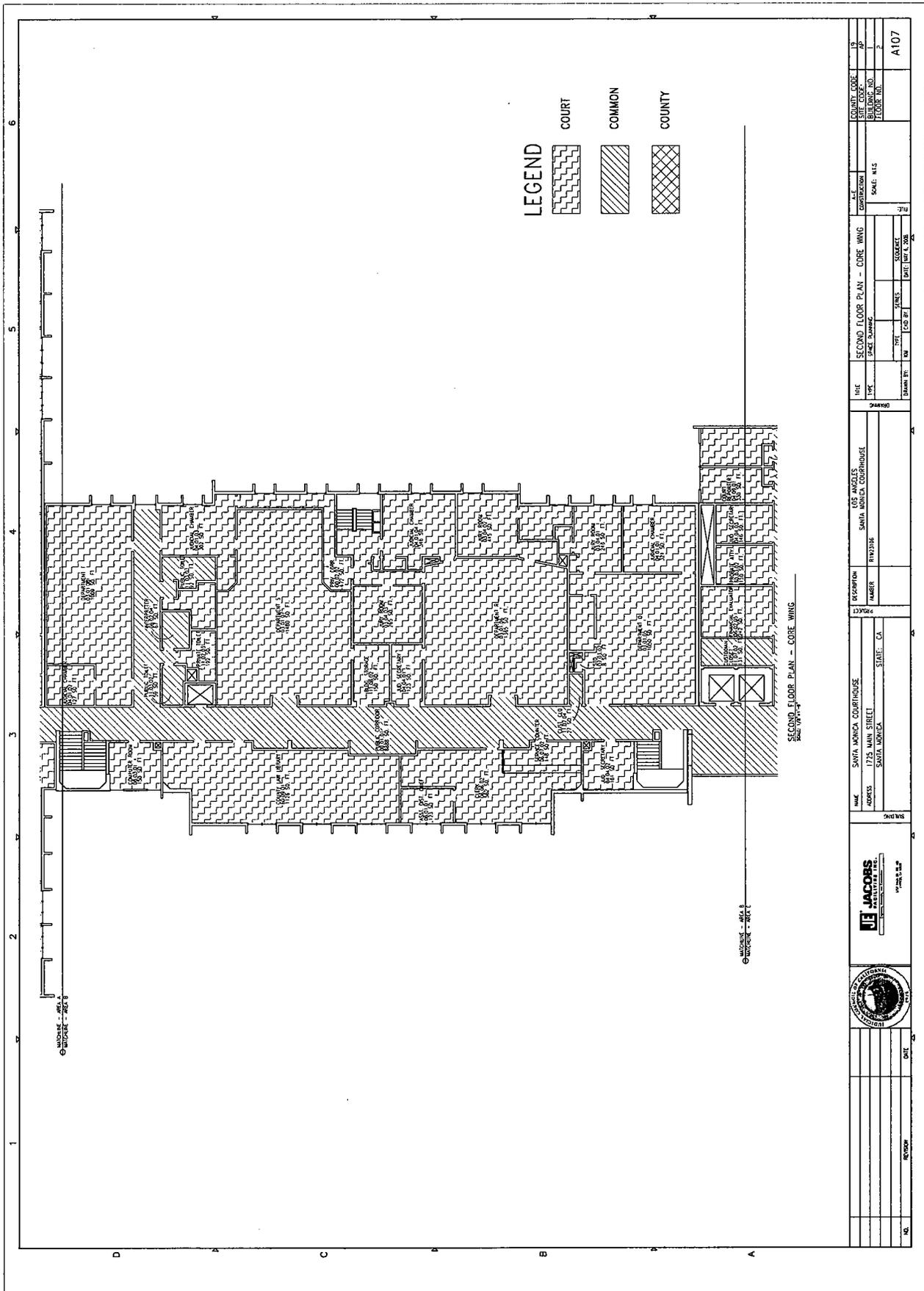


FIRST FLOOR PLAN - NORTH WING

LEGEND

	COURT
	COMMON
	COUNTY

NO.	REVISION	DATE
J.E. JACOBS ARCHITECTURE INC. 1735 MARA STREET SANTA MONICA, CALIF. 90401 PHONE (310) 318-1111		
NAME: SANTA MONICA COURTHOUSE ADDRESS: 1735 MARA STREET SANTA MONICA, CALIF. 90401		
PROJECT NUMBER	REVISION NUMBER	DATE
1000000	1	10/1/80
CITY: LOS ANGELES COUNTY: LOS ANGELES STATE: CALIFORNIA		
DRAWING TITLE: FIRST FLOOR PLAN - NORTH WING		
SCALE: 1/8" = 1'-0"	DATE: 10/1/80	PROJECT NO.: A103



LEGEND

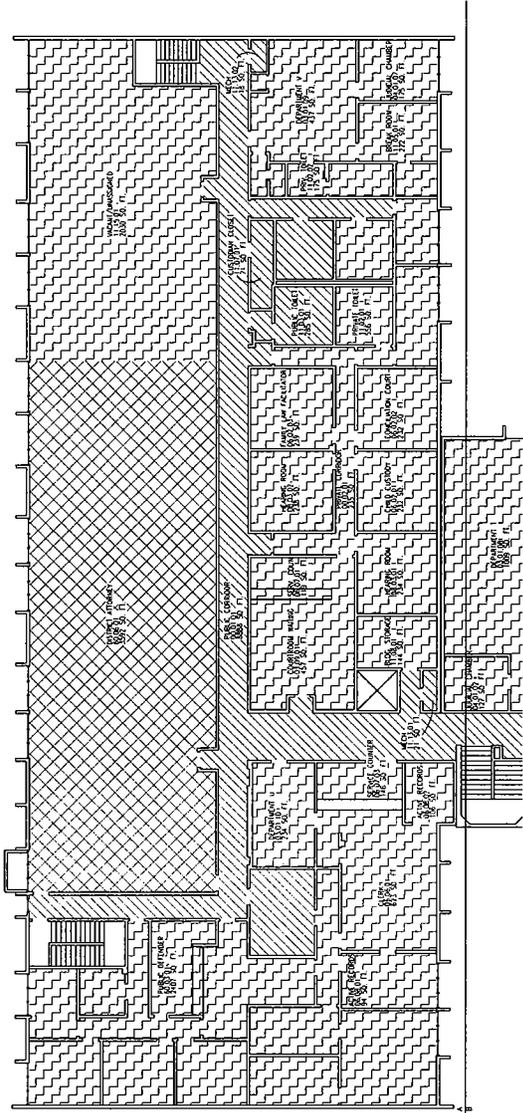
	COURT
	COMMON
	COUNTY

SECOND FLOOR PLAN - CORE WING
SAC 10-14-74

ENGINEER - ARCHT
ARCHITECT - ARCHT

	J. JACOBS ARCHITECTURE INC. 1735 MAIN STREET SANTA MONICA, CALIF. 90401	PROJECT: SANTA MONICA COURTHOUSE 1735 MAIN STREET SANTA MONICA, CALIF.	DESCRIPTION: SANTA MONICA COURTHOUSE	SHEET NO.: 2 TOTAL SHEETS: 2	SCALE: N.E.S.	COUNTY CODE: 19 DIST. CODE: 20 FLOOR NO.: 2	TITLE:

6
5
4
3
2
1



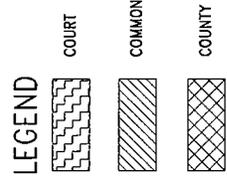
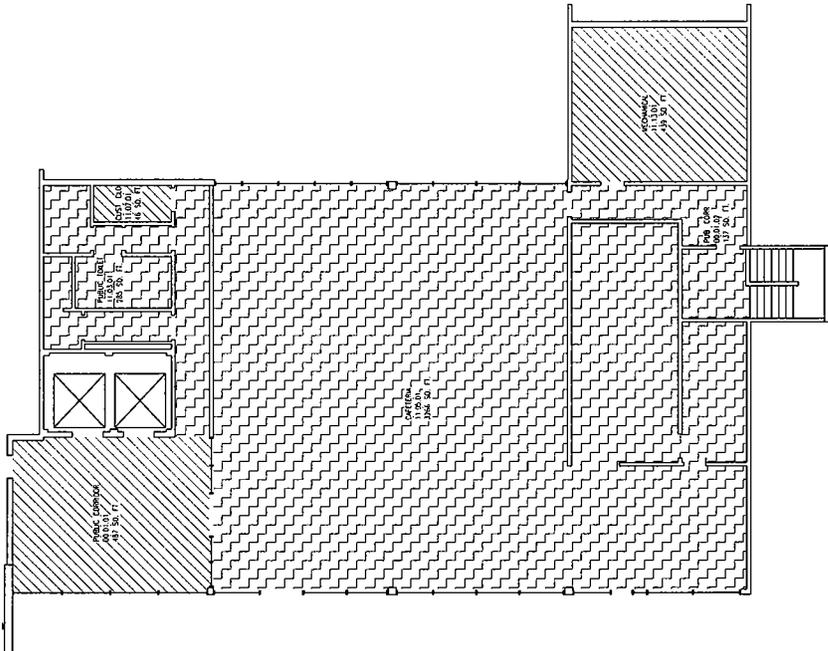
LEGEND

-  COURT
-  COMMON
-  COUNTY

SECOND FLOOR PLAN - NORTH WING

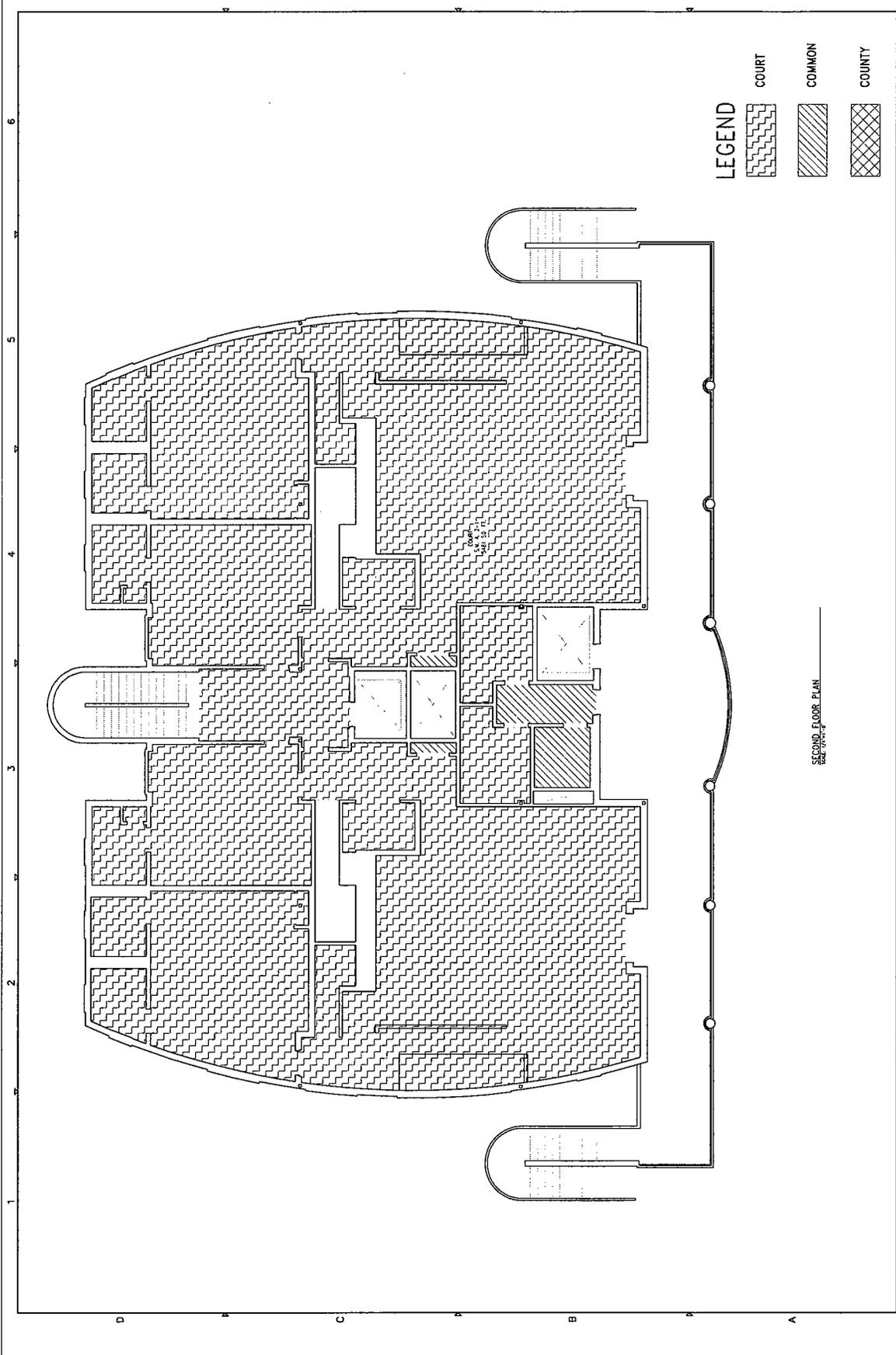
NO.	STORY	DATE			PROJECT NAME: SANTA MONICA COURTHOUSE ADDRESS: 1725 MAIN STREET SANTA MONICA, STATE: CA		DESCRIPTION NUMBER: SANTA MONICA COURTHOUSE CITY: SANTA MONICA		FILE NAME: SECOND FLOOR PLAN - NORTH WING DATE: 11/11/11		SCALE: 1/8" = 1'-0" SHEET NO.: 2 TOTAL SHEETS: 2		COUNTY CODE: 19 SITE CODE: AP FLOOR NO.: 2 A106
					DRAWN BY: [] CHECKED BY: [] DATE: 11/11/11	DATE: 11/11/11							

6 5 4 3 2 1



PENITENTIARY PLAN - SOUTH WING

											
JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401		JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401		JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401		JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401		JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401		JACOBSON ENGINEERING INC. 1725 MAIN STREET SANTA MONICA, CALIF. 90401	
NAME: SANTA MONICA COURTHOUSE ADDRESS: 1725 MAIN STREET SANTA MONICA, CALIF. 90401		PROJECT NUMBER: 1725 MAIN STREET STATE: CA		TITLE: ARCHITECT DATE: 1/18/68		PROJECT: PENITENTIARY PLAN - SOUTH WING SCALE: 1/4" = 1'-0"		COUNTY: LOS ANGELES CITY: SANTA MONICA		COUNTY CODE: 19 SITE CODE: RP FLOOR NO.: 3	
DRAWN BY: J. JACOBSON CHECKED BY: J. JACOBSON		DATE: 1/18/68		PROJECT: PENITENTIARY PLAN - SOUTH WING		SCALE: 1/4" = 1'-0"		COUNTY: LOS ANGELES CITY: SANTA MONICA		COUNTY CODE: 19 SITE CODE: RP FLOOR NO.: 3	



LEGEND

-  COURT
-  COMMON
-  COUNTY

SECOND FLOOR PLAN
SEE WORKSHEET

NO.	REVISION	DATE			PROJECT: SANTA MONICA COURTHOUSE ANNEX ADDRESS: 1725 MAIN STREET SANTA MONICA, STATE: CA		DESCRIPTION: SANTA MONICA COURTHOUSE ANNEX NUMBER:		SHEET: 102 OF 102 DATE: 10/27/20	
					TITLE: SECOND FLOOR PLAN TYPE: SPACE PLANNING DRAWN BY: PMS CHECKED BY:		COUNTY CODE: 19 SITE CODE: A102 FLOOR NO.: 2			

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**

**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: 4290-012-903

**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 Santa Monica, County of Los Angeles, State of California, having a street address of 1725 Main Street, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements

F-1

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6

located thereon containing the court facility commonly known as the Santa Monica 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 Santa Monica Courthouse dated as of _____, 2008 (**“TA”**). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Santa Monica Courthouse of even date therewith (**“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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

That portion of RANCHO SAN VICENTE Y SANTA MONICA, as shown on map recorded in Book 3, pages 30 and 31, of Patents, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, and that portion of Lot 15, Block No.3, Bandini Tract, as shown on map recorded in Book 55, pages 56 and 57, of Miscellaneous Records, in the office of said Registrar-Recorder/County Clerk, together with that portion of that certain Alley adjoining lots 1,2, and 15, said Block No.3, within the following described boundaries:

Beginning at the most southerly corner of that certain parcel of land described as Parcel A in deed to the County of Los Angeles, recorded on December 14, 1962, as Document No. 5186, Book D1856, page 202, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence northwesterly along the most southwesterly line of said certain parcel of land and continuing northwesterly along the northwesterly prolongation of said most southwesterly line to the most westerly corner of said certain parcel of land; thence northeasterly along the most northwesterly line of said certain parcel of land to the most northerly corner of said certain parcel of land; thence southeasterly along the northeasterly line of said certain parcel of land to the most easterly corner of said certain parcel of land; thence southwesterly along the most southeasterly line of said certain parcel of land to the point of beginning.

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.

EXHIBIT "H"

**ASSIGNMENT AND ASSUMPTION OF
OCCUPANCY AGREEMENT**

[See attached.]

H-1

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

LOS ANGELES COUNTY LAW LIBRARY County Lease Agreement #75515

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Santa Monica Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Santa Monica Courthouse, located at 1725 Main Street, Santa Monica, California 90401 (the “**Real Property**”).

C. The County is a party to County Lease Agreement #75515, dated January 10, 2006, between the County, as lessor, and the Los Angeles County Law Library (“**Lessee**”), as lessee, under which Lessee has the right to occupy and use approximately 1,302 square feet of space in Room 219, on the second floor of the Santa Monica Courthouse (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

H-1

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the Lease.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.
4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

H-2

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

JUDICIAL COUNCIL OF CALIFORNIA

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

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

By: _____
Name: Rachel Dragolovich, Attorney

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

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

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

ATTACHMENT 1

COPY OF COUNTY LEASE # 75515

Attached to original, but not to this Exhibit "H" of the Transfer Agreement

H-4

Santa Monica TA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102916v6

AOC Facility # 19-AP1
County LACO # 3060, 5707, A626, L782
Santa Monica Courthouse JOA
1725 Main Street
Santa Monica, California 90401

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 SANTA MONICA COURTHOUSE

76844

Santa Monica JOA
AOC Court Facility # 19-AP1
County LACO #3060, 5707, A626, L782
Owned-Shared (TOR/DTOR)
October 27, 2008
IMANDB/1102910v8

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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 November 18, 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 building commonly known as the Santa Monica Courthouse Annex, located on the Land to the northeast of the Courthouse.

“**Buildings**” means, together, the Courthouse and the Annex, all Building Equipment, and all connected or related structures and improvements.

“**Building Equipment**” means all installed equipment and systems that serve one or both of the Buildings generally, and only that plumbing that is within the walls of the Buildings 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.

“**City Parking License**” means County License Agreement #61543, dated June 27, 1989, between the County, as licensee, and the City of Santa Monica, as licensor, as amended by the First Modification of License Agreement Number 61543, dated November 15, 2004, and the Second Modification of License Agreement Number 61543, dated June 27, 2006.

“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 Buildings 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 Buildings, (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 Buildings, (5) all Utilities, and (6) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Courthouse Parking Lot. 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 78.49 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 20,888 square feet of the interior of the Buildings 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 21.51 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) six parking spaces in the Courthouse Parking Lot; and (ii) 71 parking spaces in the Licensed Parking.

“County Parties” means the County, and its officers, agents, and employees.

“County Share” means 21.51 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 76,222 square feet of the interior of the Buildings 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 78.49 percent of the Total Exclusive-Use Area.

“Courthouse” means the building commonly known as the Santa Monica Courthouse, located on the Land, and having a street address of 1725 Main Street, Santa Monica, California 90401.

“Courthouse Parking Lot” means the secured, surface parking lot located on the Land, as shown on Exhibit “C” to the Transfer Agreement, containing 31 parking spaces, as well as associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements.

“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 Buildings; 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 Buildings.

“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 areas of the Courthouse that are located in the basement and on the first floor and labeled **“Joint Sheriff Area”** on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Buildings and the Courthouse Parking Lot are located, comprising approximately 3.1 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.

“Licensed Parking” means 325 parking spaces in the Santa Monica Civic Auditorium Parking Lot located at 1855 Main Street, Santa Monica, California 90401, pursuant to the City Parking License, as shown on Exhibit “C” to the Transfer Agreement.

“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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“**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 Buildings.

“**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, 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; (v) the Utility Costs for the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas; and (vi) the cost of parking spaces in the Licensed Parking or any future replacement therefor, except as otherwise provided in section 4.3.10.1 of the Transfer Agreement. 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.

“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 25 parking spaces in the Courthouse Parking Lot, and 254 parking spaces in the Licensed Parking.

“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 Santa Monica 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 at least through June 30, 2009, 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 Buildings, 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 at least through June 30, 2009, 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 Buildings 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 23.97 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 76.03 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 23.97 percent Court Exclusive-Use Area and 76.03 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 Buildings 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-Ownning 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 Courthouse Parking Lot, which is included in the Common Area, and the Party that is the licensee under the City Parking License is responsible for the Licensed Parking under the terms of the City Parking License. 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 four of the parking

spaces allocated to the County Parking in the Courthouse Parking Lot, and up to 21 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 Courthouse Parking Lot, and each Party is responsible for its Share of the Shared Costs of the Licensed Parking, as provided in the Transfer Agreement and this JOA; provided that, if the Parties divide the City Parking License between the County and the Council for their respective uses, such that each Party thereafter has its own license with the City of Santa Monica for use of its portion of the Licensed Parking, then thereafter, each Party shall be responsible for its own license fees or other payments required under its own parking license with the City of Santa Monica. 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-Ownning Party, and ensure that the Non-Ownning 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 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 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 Courthouse 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. 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. 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. 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 shall 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 Costs 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) \$228,748 (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) \$228,748, 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 Buildings

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 Buildings.

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 Buildings 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 Buildings.

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 Buildings to require the other Party to vacate the Real Property), the Party that is required to vacate the Buildings ("**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 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 Buildings 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 one or both of the Buildings, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in the Buildings 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 Buildings 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this 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: *Grant Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: *Vivonne B. Burke*
Deputy

COUNTY OF LOS ANGELES, a body corporate and politic

By: *Vivonne B. Burke*
VIVONNE B. BURKE
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
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: *Vivonne B. Burke*
Deputy

76844

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Santa Monica Courthouse and the Santa Monica Courthouse Annex, which are located in buildings on certain real property in the City of Santa Monica, County of Los Angeles, State of California, having a street address of 1725 Main 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.

(SIGNATURE PAGE TO FOLLOW)

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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
X		X		X	X	X	X
X			X	X	X		X
X				X	X		
X				X	X		
X				X			
X				X			

Heating/Ventilation/Air Conditioning (HVAC) Equipment

Air conditioning systems	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				X		
Boilers	X			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	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
	X								

Concrete Areas/Hard Courts/Parking Lots									
Sweeping/washing, except parking lots									
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									X
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									
- Customer's 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 Buildings, 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 Buildings, or the property inside the Buildings, caused by rain, snow, sand, or dust, whether driven by wind or not, unless either of the Buildings 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 either or both of the Buildings 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 Buildings 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: (a) personal property in the open; or (b) the interior of the Buildings, or property inside the Buildings, unless the roof or an outside wall of the Buildings 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 Buildings.
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 Buildings; 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 Buildings 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-C1 through 19-C4
County LACO # 5177, 5043, L825, P045, T019, T825
Torrance Courthouse TA
825 Maple Avenue
Torrance, California 90503

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 TORRANCE COURTHOUSE

76830

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO # 5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1101322v26

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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 November 18, 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 Torrance 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.

“**Annex**” means the building commonly known as the Torrance Courthouse Annex, located on the Land, and having street addresses of 825 Maple Avenue and 3221 Torrance Boulevard, Torrance, California 90503.

“**Annex Parking Lot**” means the surface parking lot located on the Land south of the Traffic Division Trailer and the Annex, as shown on **Exhibit “C”** to this Agreement, containing 45 parking spaces.

“**Assignments of Occupancy Agreements**” means the documents titled Assignment and Assumption of Occupancy Agreement that are attached to this Agreement as **Exhibit “G”**.

“**Buildings**” means, together, the Courthouse, the Annex, the Jury Assembly Trailer, and the Traffic Division Trailer, all Building Equipment, and all connected or related structures and improvements.

“**Building Equipment**” means all installed equipment and systems that serve the Buildings generally, and only that plumbing that is within the walls of the Buildings 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 Buildings 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 Buildings, (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 Buildings, (5) all Utilities, (6) the utility tunnel located underneath portions of the Real Property, and (7) any of the Real Property not otherwise defined as either Party’s Exclusive-Use Area, including the Parking Area and the Surplus Courthouse Site. 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 16,685 square feet of the interior of the Courthouse and the Annex that are exclusively occupied and used by the County, as shown on **Exhibit “D”** to this Agreement. The County Exclusive-Use Area comprises 8,964 square feet in the Courthouse and 7,721 square feet in the Annex. As of the Effective Date, the County Exclusive-Use Area constitutes 14.86 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) 25 parking spaces in the Employee Parking Lot; and (ii) 111 parking spaces in the North 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 95,585 square feet of the interior of the Buildings that are exclusively occupied and used by the Superior Court, as shown on **Exhibit “D”** to this Agreement. The Court Exclusive-Use Area comprises 84,710 square feet in the Courthouse, 5,110 square feet in the Annex, 2,891 square feet in the Traffic Division Trailer, and 2,874 square feet in the Jury Assembly Trailer. As of the Effective Date, the Court Exclusive-Use Area constitutes 85.14 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 Buildings 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 Buildings, are attached as **Exhibits "C" and "D"** to this Agreement.

"Courthouse" means the building commonly known as the Torrance Courthouse, located on the Land, and having a street address of 825 Maple Avenue, Torrance, California 90503.

"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.

"Employee Parking Lot" means the surface parking lot located on the Land north and east of the Annex and south and west of the Courthouse, as shown on **Exhibit "C"** to this Agreement, containing 169 parking spaces,

"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.

"HCD" means the State Department of Housing and Community Development.

"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.

“Jury Assembly Trailer” means the modular court structure commonly known as the Jury Assembly Trailer, located on the Land, and having a street address of 825 Maple Avenue, Torrance, California 90503, as shown on **Exhibit “C”** to this Agreement.

“Land” means the real property on which the Buildings, the Parking Area, and the Surplus Courthouse Site are located, comprising approximately 16.6 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-Ownning Party**” means the Party that is not the Owner.

“**North Parking Lot**” means the surface parking lot located on the Land north of the Courthouse, as shown on **Exhibit “C”** to this Agreement, containing 525 parking spaces.

“**Occupancy Agreement**” means any written agreement 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 under 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 located on the Land east of the Courthouse, as shown on **Exhibit “C”** to this Agreement, containing 83 parking spaces.

“PWB” means the State Public Works Board.

“Quitclaim Deeds” means the documents entitled Quitclaim Deed that are similar in form and content to the documents 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 Buildings.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) 45 parking spaces in the Annex Parking Lot; (ii) 144 parking spaces in the Employee Parking Lot; (iii) 83 parking spaces in the Public Parking Lot; and (iv) 414 parking spaces in the North Parking Lot, all as shown on **Exhibit “C”** to this Agreement.

“Surplus Courthouse Site” means the unimproved parcel of land comprising 6.2 acres to the north of the Courthouse, with a street address of 555-575 Maple Avenue, Torrance, CA, 90503, 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 Deeds are 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.

“Traffic Division Trailer” means the modular court structure commonly known as the Traffic Division Trailer, located on the Land, and having street addresses of 825 Maple Avenue and 3221 Torrance Boulevard, Torrance, California 90503, as shown on **Exhibit “C”** to this Agreement.

“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. 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 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 Assigned Occupancy Agreements. The Parties agree that 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 pursuant to the Assignments of Occupancy Agreements, as follows:

(a) The City of Torrance is the Occupant of a portion of the Land for the purpose of after-hours parking and the provision of landscape services on the Real Property pursuant to County License #COL-447. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #COL-447;

(b) The City of Torrance is the Occupant of a portion of the Land for the purpose of installing and maintaining a drainage system on the Real Property pursuant to County License #COL-2. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County License #COL-2. Notwithstanding anything to the contrary in this Agreement, the Council shall consult with the County prior to terminating County License #COL-2 with respect to the drainage system on the Real Property. If after consultation, the Council terminates County License #COL-2 without the concurrence of the County, which shall not be unreasonably withheld, then the Council shall be responsible for all damage or liability resulting from any failure to take reasonable measures to maintain the drainage system, and will indemnify the County to that extent; and

(c) The Los Angeles County Law Library is the Occupant of Room 110 on the first floor of the Courthouse under County Lease Agreement #75516. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease Agreement #75516.

4.3.8.3 Unassigned Occupancy Agreements. The Parties acknowledge that certain of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area will not 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 Agreement, as follows:

(a) Southern California Edison Company 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 pursuant to County License #COP-107. On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the replacement of this license, prior to or concurrently with the Transfer of Title, and the continuity of electrical services in the Courthouse; and

(b) The State Department of Rehabilitation is the Occupant of space on the first floor of the Courthouse for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Building as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of this Vending Facility and the continuity of vending services in the Courthouse. If the Master License Agreement has not been earlier terminated or replaced in respect of the Courthouse, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Courthouse from the list of approved locations in the Master License Agreement.

4.3.8.4 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. With respect to the Occupant under the Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations under the Unassigned Occupancy Agreement related to such Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 Buildings house 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 Buildings in order to bring the portions of the Buildings 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 Buildings that are required by Law as a result of the repair of the seismic-related damage to the Buildings; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) one or more of the Buildings are deemed unsafe for occupancy by the Superior Court during the period that the County is repairing the seismic-related damage to the Buildings, 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 Buildings if the Buildings are 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

Buildings 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 Real Property. 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 Real Property 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.

4.3.13.5 Equity in the Surplus Courthouse Site. For purposes of clarification, Equity interests in the Surplus Courthouse Site will be allocated between the Parties on a different percentage than the other portions of the Real Property. On the Responsibility Transfer Date, the County shall Transfer to the Council 70 percent of the Equity interests in the Surplus Courthouse Site and the County shall retain the remaining 30 percent. As further provided in the JOA, on and after the Responsibility Transfer Date, the Council shall be responsible for its applicable Share of the costs and expenses incurred with respect to Operation of the Surplus Courthouse Site.

4.3.14 Transfer of Title to Modular Court Structures. In the event that the Parties determine that either the Jury Assembly Trailer or the Traffic Division Trailer, or both, are not affixed or attached to the Land or to a foundation system on the Land, or that they are, or are required by Law to be, titled by or registered with HCD, then the

Parties shall cooperate with one another, in good faith, to take all actions and sign all documents that are necessary to cause each modular court structure to be properly titled and registered by HCD in the name of the Council, and to transfer to the Council all right, title, and interest of the County in and to the modular structures on, or as promptly as reasonably possible after, the Title Transfer Date.

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 Deeds, which are **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 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;
- (b) the Assignments of Occupancy Agreements; and

(c) 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 and the Assignments of Occupancy Agreements within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 Deeds 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 Documents. The Title Transfer Documents are as follows:

(a) the Quitclaim Deeds.

5.2.2 Execution and Delivery of Title Transfer Documents. The County shall execute and deliver the Title Transfer Documents 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 4.3.15 of this Agreement. 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 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 \$840,933, 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 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 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.

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, and the Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) of the Act. None of the Buildings is 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.

7.1.13 Modular Court Structures. To the best of the County's knowledge, the modular court structures are affixed or attached to the Land, or a foundation on the Land, and are not titled or registered with HCD.

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 Buildings under CERCLA or any other Law, except that the County confirms that this provision does not alter, diminish, or negate the County's obligation to indemnify the State in accordance with the terms of 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; provided however, that if only one, or a portion of only one, of the Buildings is condemned, the Parties shall allocate the award received on the basis of their respective pro rata occupancies of the Building or Buildings, or the portion of the Building or Buildings, condemned.

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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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.

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: *Dianne Barry*
Name: Dianne Barry, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Sharon Khana*
Deputy

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

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
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: *Sharon Khana*
Deputy

76830

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deeds

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plans of the Interior of the Buildings

Exhibit "E" – Categories of Property Disclosure Documents

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

Exhibit "G" – Assignments and Assumptions of Occupancy Agreements

Exhibit "H" – Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

Part A:

That portion of Lot 5, Tract No. 7873, as shown on map recorded in Book 109, pages 99 and 100, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the most easterly northeasterly corner of that certain parcel of land described in deed to the City of Torrance, recorded on August 27, 1968, as Document No. 2085, in Book 04113, page 642, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence westerly and northerly along the boundaries of said certain parcel of land to that certain 275-foot radius curve in the northwesterly boundary of that certain parcel of land, described as PARCEL 1 in deed to said county, recorded on December 21, 1961, as Document No. 2515, in Book 01457, page 879, of said Official Records; thence easterly, northeasterly, and northerly along said curve and its northerly continuation to a line parallel with and 80 feet easterly, measured at right angles, from the westerly line of that certain parcel of land described in deed to said county, recorded on October 18, 1968, as Document No. 3528, in Book 04168, page 858, of said Official Records; thence northerly along said parallel line to the southerly boundary of that certain parcel of land described as Parcel A in deed to the City of Torrance, recorded on November 24, 1980, as Document No. 80-1187821, of said Official Records; thence easterly along said southerly boundary to the westerly line of the easterly 10 feet of said lot; thence southerly along said westerly line to the southerly line of the northerly 504 feet of said lot; thence easterly along said southerly line, a distance of 10.00 feet to the easterly line of said lot; thence southerly along said easterly line to the southeasterly corner of that certain parcel of land described as PARCEL 2 in said deed recorded as Document No. 2515; thence westerly along the southerly lines of said PARCEL 2 and said PARCEL 1 to that certain course having a bearing and distance of South 17036'35" West 100.00 feet in the generally southerly boundary of said PARCEL 1; thence southerly along said certain course and its southerly prolongation to the Point of Beginning.

A-1

Part B:

Parcel 2, as shown on map of Parcel Map No. 19504, filed in Book 213, pages 14 and 15, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, the northerly line of said Parcel 2 being further identified in the Certificate of Correction, recorded on December 21, 1988, as Document No. 88-2040038, of Official Records, file in the office of said Registrar-Recorder/County Clerk.

A-2

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

EXHIBIT "B"
FORM OF QUITCLAIM DEEDS

[See attached.]

B-1

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

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:
7353-001-905, 7353-001-908, 7353-
001-910, 7353-001-912 and 7353-001-
916

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 Torrance, 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

TORRANCE COURTHOUSE
(File: Torrance Civic Center (1))
I.M. 054-177
S.D. 4

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

TORRANCE (SOUTH BAY) COURTHOUSE

File with: Torrance Civic Center (1)
A.I.Ns. 7353-001-905, 908, 910, 912 & 916
T.G. 763-E5
I.M. 054-177
Fourth District

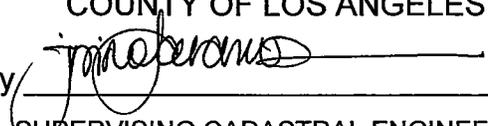
LEGAL DESCRIPTION

That portion of Lot 5, Tract No. 7873, as shown on map recorded in Book 109, pages 99 and 100, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the most easterly northeasterly corner of that certain parcel of land described in deed to the City of Torrance, recorded on August 27, 1968, as Document No. 2085, in Book D4113, page 642, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence westerly and northerly along the boundaries of said certain parcel of land to that certain 275-foot radius curve in the northwesterly boundary of that certain parcel of land, described as PARCEL 1 in deed to said county, recorded on December 21, 1961, as Document No. 2515, in Book D1457, page 879, of said Official Records; thence easterly, northeasterly, and northerly along said curve and its northerly continuation to a line parallel with and 80 feet easterly, measured at right angles, from the westerly line of that certain parcel of land described in deed to said county, recorded on October 18, 1968, as Document No. 3528, in Book D4168, page 858, of said Official Records; thence northerly along said parallel line to the southerly boundary of that certain parcel of land described as Parcel A in deed to the City of Torrance, recorded on November 24, 1980, as Document No. 80-1187821, of said Official Records; thence easterly along said southerly boundary to the westerly line of the easterly 10 feet of said lot; thence southerly along said westerly line to the southerly line of the northerly 504 feet of said lot; thence easterly along said southerly line, a distance of 10.00 feet to the easterly line of said lot; thence southerly along said easterly line to the southeasterly corner of that certain parcel of land described as PARCEL 2 in said deed recorded as Document No. 2515; thence westerly along the southerly lines of said PARCEL 2 and said PARCEL 1 to that certain course having a bearing and distance of South 17°36'35" West 100.00 feet in the generally southerly boundary of said PARCEL 1; thence southerly along said certain course and its southerly prolongation to the Point of Beginning.

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.

JMB C:\MyFiles\word\legals\CountyCourthouses\South Bay Ct north.doc

APPROVED AS TO DESCRIPTION	
April 28, 2008	
COUNTY OF LOS ANGELES	
By	
SUPERVISING CADASTRAL ENGINEER III	
Mapping and Property Management Division	

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.

Assessor's Identification Number:
7352-010-901

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

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 Torrance, 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

TORRANCE COURTHOUSE
(File: Torrance Civic Center (1))
I.M. 054-177
S.D. 4

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

TORRANCE (SOUTH BAY) COURTHOUSE, LAND

File with: Torrance Civic Center (1)

A.I.N. 7352-010-901

T.G. 763-E5

I.M. 054-177

Fourth District

LEGAL DESCRIPTION

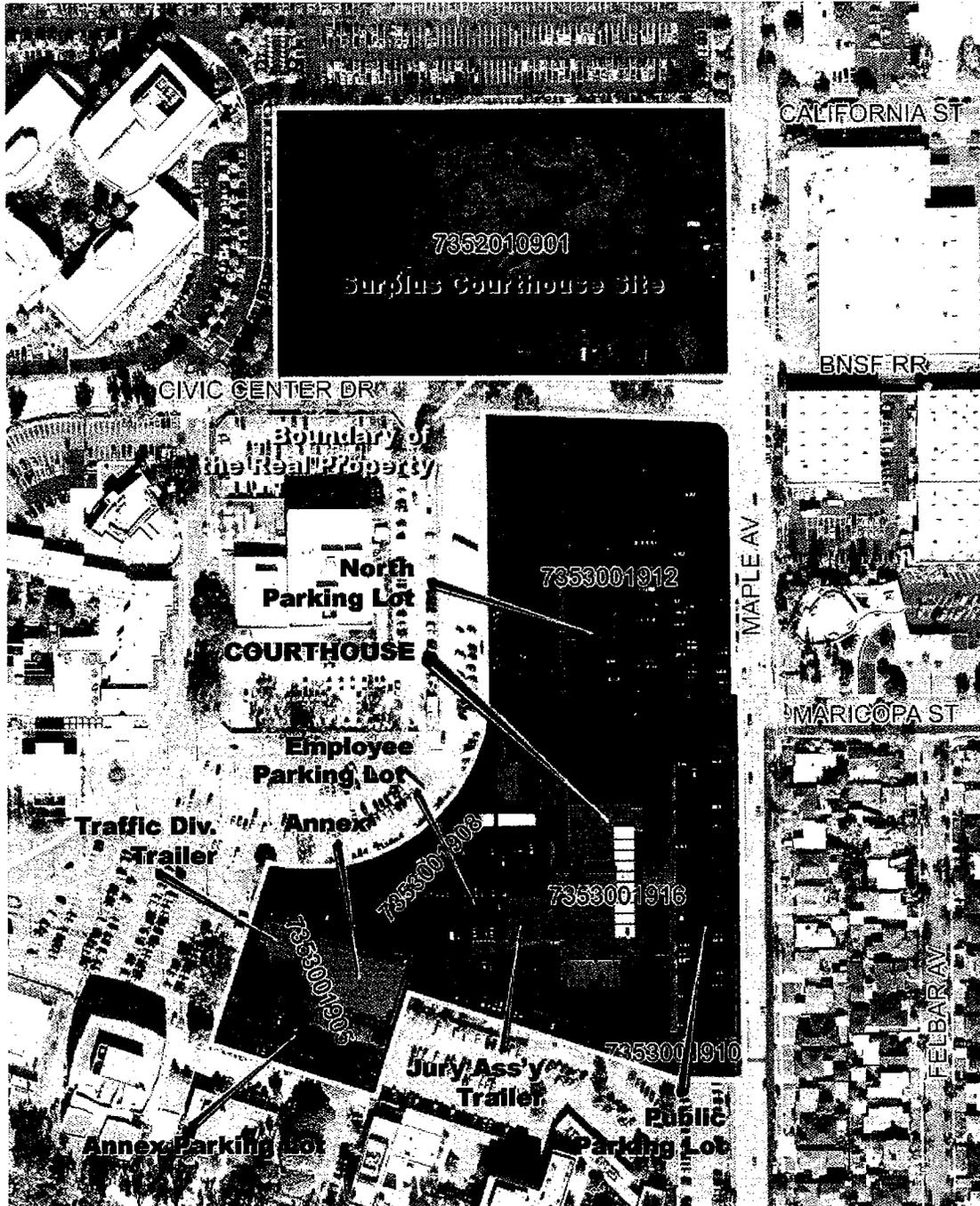
Parcel 2, as shown on map of Parcel Map No. 19504, filed in Book 213, pages 14 and 15, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, the northerly line of said Parcel 2 being further identified in the Certificate of Correction, recorded on December 21, 1988, as Document No. 88-2040038, of Official Records, file in the office of said Registrar-Recorder/County Clerk.

<p>APPROVED AS TO DESCRIPTION</p> <p>_____ May 6, 2008 COUNTY OF LOS ANGELES</p> <p>By _____ SUPERVISING CADASTRAL ENGINEER III Mapping and Property Management Division</p>
--

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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

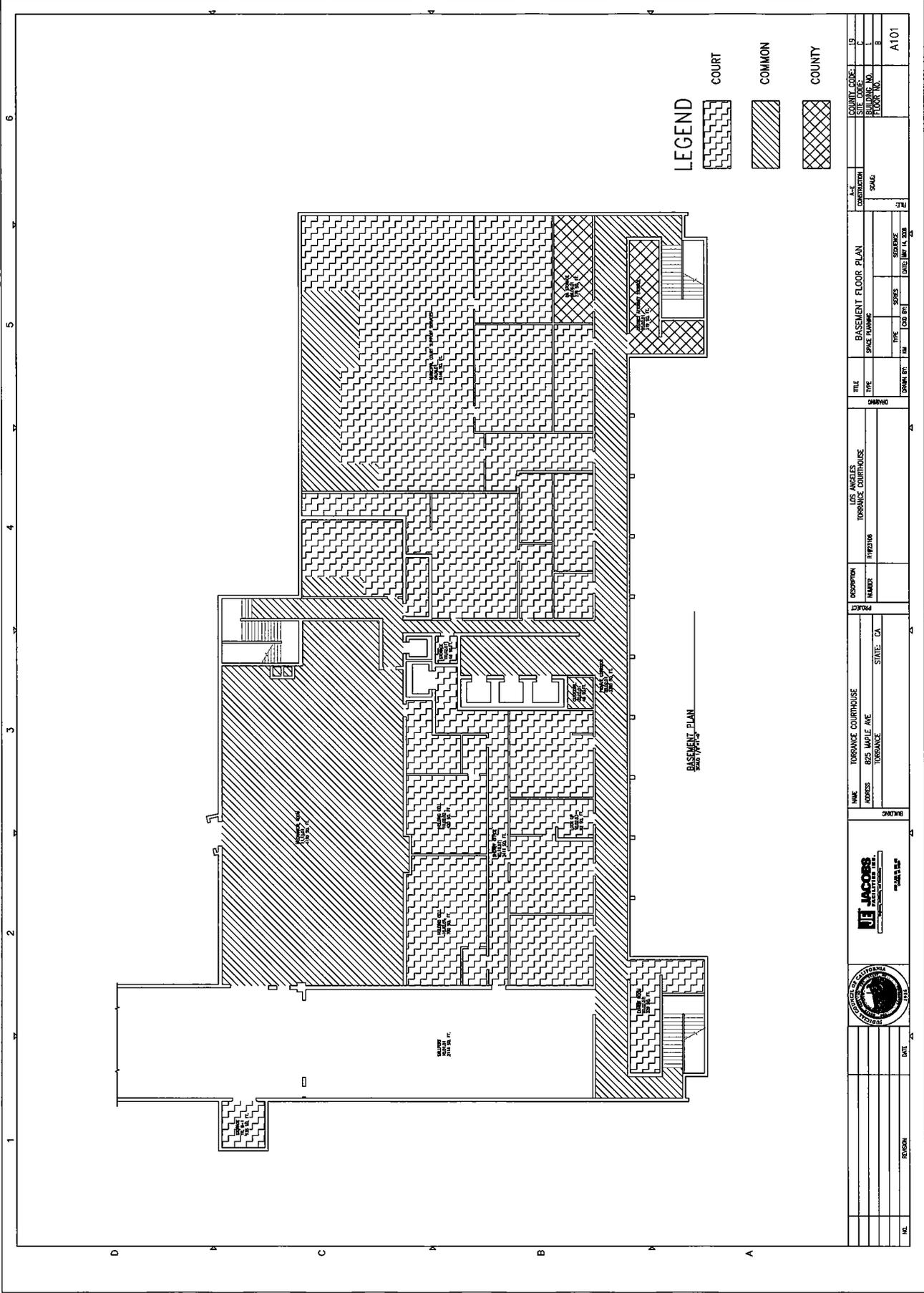
EXHIBIT "D"

FLOOR PLANS OF THE INTERIOR OF THE BUILDINGS

[See attached.]

D-1

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5



LEGEND

COURT

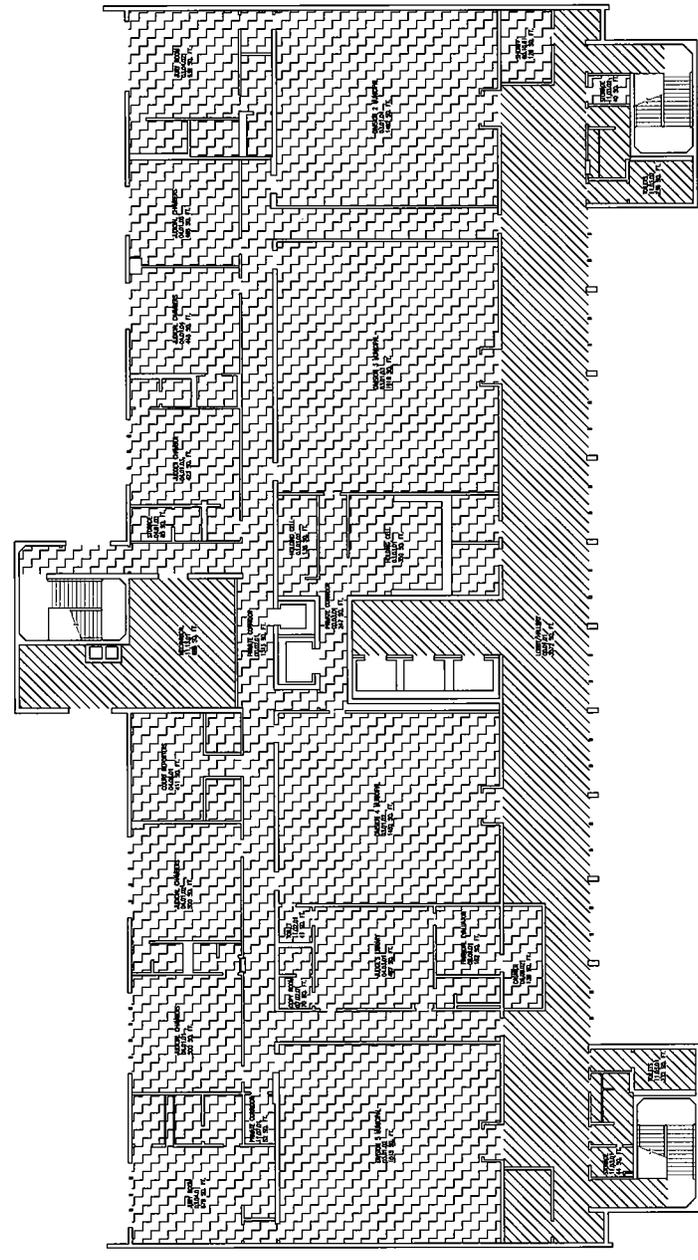
COMMON

COUNTY

NO.	REVISION	DATE			NAME: TORRANCE COURTHOUSE ADDRESS: 675 MAPLE AVE TORRANCE		PROJECT NUMBER: RTR2100 STATE: CA		DESCRIPTION: LOS ANGELES TORRANCE COURTHOUSE		DRAWING TITLE: BASEMENT FLOOR PLAN		L.S. CONTRACTOR: SCALE:		COUNTY CODE: 19 SITE CODE: C BUILDING NO.: L FLOOR NO.: B	
					DRAWN BY:	CHECK BY:	DATE: MAY 14, 2008	SHEET NO.: A101								

1 2 3 4 5 6

D A C A B A



LEGEND

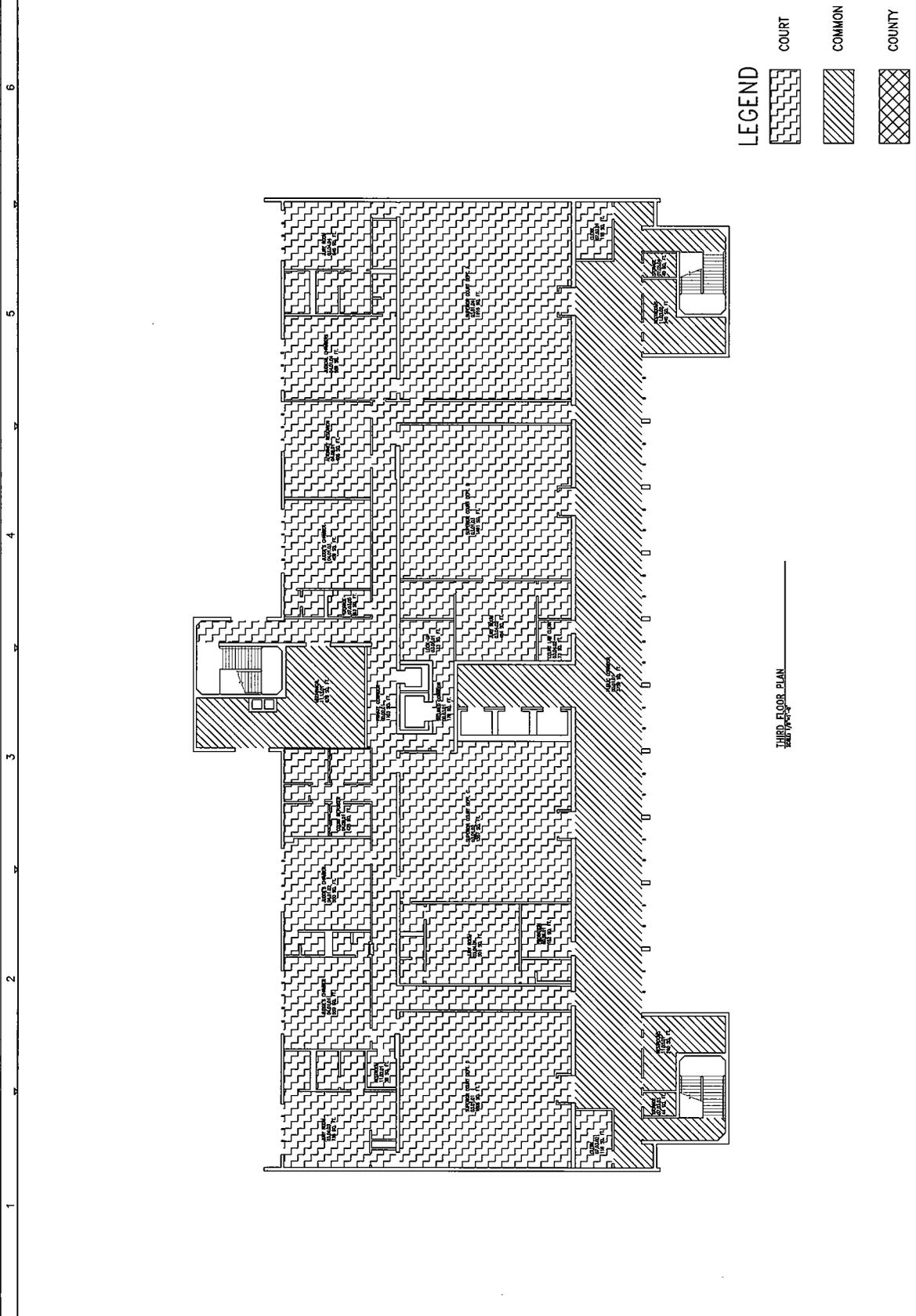
 COURT

 COMMON

 COUNTY

SECOND FLOOR PLAN

NO.	REVISION	DATE			BUILDING TORRANCE		STATE: CA		COUNTY: LOS ANGELES		PROJECT TORRANCE COURTHOUSE		DRAWING SECOND FLOOR PLAN		TITLE SPACE PLANNING		ARCHITECT JACOBSON		COUNTY CODE: 19	
					ADDRESS 825 MAPLE AVE TORRANCE		CITY: TORRANCE		DRAWING NO.: A104		SHEET NO.: 2		SCALE:		FLOOR NO.: 2		BUILDING NO.: 1		SITE CODE: C	



LEGEND

 COURT

 COMMON

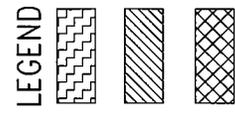
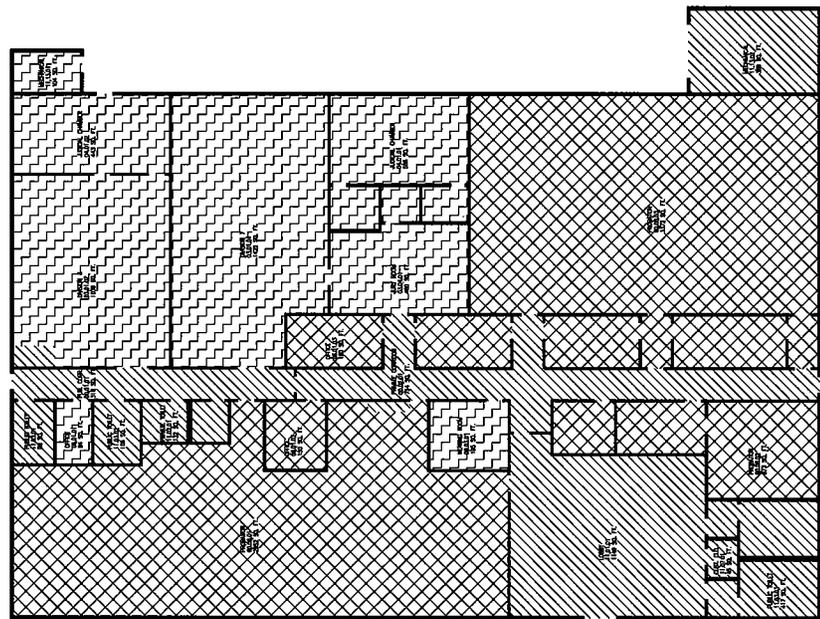
 COUNTY

THIRD FLOOR PLAN

NO.	REVISION	DATE
		
JEFFREY JACOBS ARCHITECT 1234 MAIN ST. LOS ANGELES, CA 90001		
NAME: TORRANCE COURTHOUSE ADDRESS: 505 MAPLE AVE CITY: TORRANCE STATE: CA		
PROJECT: LOS ANGELES TORRANCE COURTHOUSE		
ARCHITECT: JACOBSON NUMBER: 1000		
TITLE: THIRD FLOOR PLAN SCALE: 1/8" = 1'-0"		
COUNTY CODE: 19 SITE CODE: C BUILDING NO.: 1 FLOOR NO.: 3 COUNTY: A105		

1 2 3 4 5 6

D A C A B A A

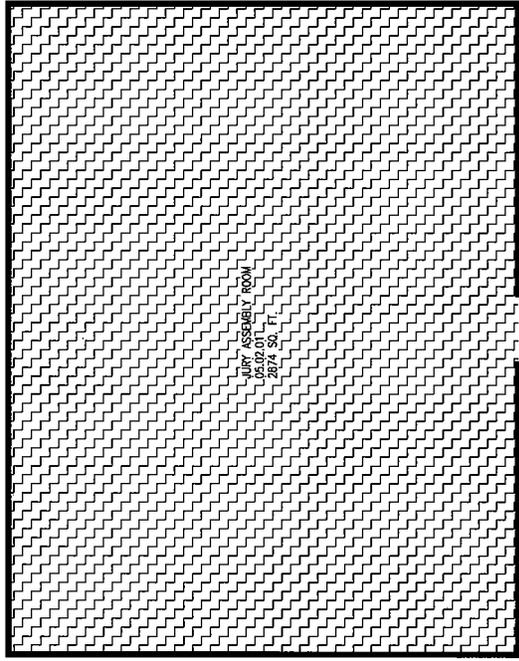


FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

NO.	REVISION	DATE			NAME: TORRANCE COURTHOUSE ADDRESS: 825 MAPLE AVENUE CITY: LOS ANGELES STATE: CA		PROJECT NUMBER: _____ PROJECT NAME: TORRANCE COURTHOUSE - ANNEX		TITLE: _____ TYPE: _____ DESIGN BY: _____		FIRST FLOOR PLAN SPACE PLANNING TYPE: _____ SERIES: _____ SCALE: _____ DATE: MAR 15, 2005		ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA BUILDING CODE AND ALL APPLICABLE ORDINANCES.		COUNTY CODE: 19 SITE CODE: C BUILDING NO.: 2 FLOOR NO.: A108
					TORRANCE COURTHOUSE - ANNEX		ELEVATOR		LOS ANGELES		COUNTY		DATE: MAR 15, 2005		SCALE: _____

1 2 3 4 5 6

D A C A A A A



JURY ASSEMBLY ROOM
05/02/01
2874 SQ. FT.

LEGEND

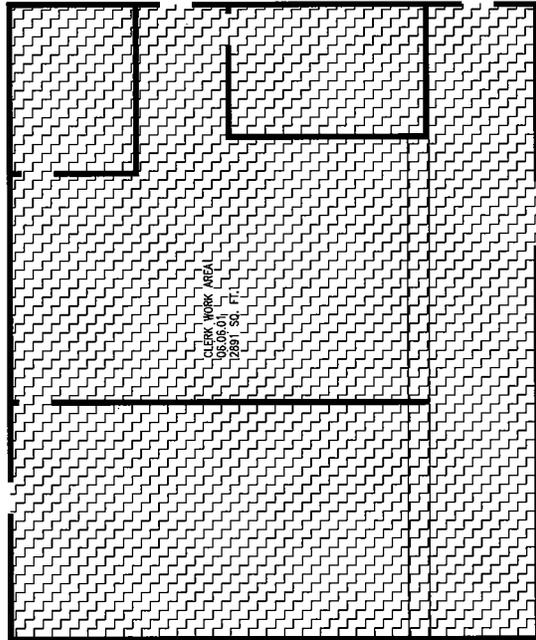
- COURT
- COMMON
- COUNTY

FIRST FLOOR PLAN

NO.	ROOM	DATE			BUILDING		NAME TORRANCE COURTHOUSE ADDRESS 825 MAPLE AVENUE CITY LOS ANGELES STATE CA		PROJECT NUMBER DESCRIPTION TORRANCE COURTHOUSE - JURY ASSEMBLY		TITLE TYPE FIRST FLOOR PLAN		A/E CONSTRUCTION SALE		COUNTY CODE: 19 SITE CODE: C BUILDING NO. 3 FLOOR NO. 1 COUNTY A109	
					DRAWING BY: JAJ CHECK BY: JAJ DATE: 05/02/01	TYPE: COMMON SERIES: 1 SEQUENCE: 1	DATE: 05/14/01									

1 2 3 4 5 6

D A C A B A A



FIRST FLOOR PLAN

LEGEND

-  COURT
-  COMMON
-  COUNTY

NO.	REVISION	DATE			BUILDING NAME TORRANCE COURTHOUSE ADDRESS 825 MAPLE AVENUE LOS ANGELES, CA STATE: CA		ADOPTIVE NUMBER REVISION		LOS ANGELES TORRANCE COURTHOUSE - TRAFFIC REVISION		COUNTY LOS ANGELES	COUNTY CODE 19
					TITLE TYPE FIRST FLOOR PLAN		SCALE 1/8" = 1'-0"		DRAWN BY JH	CHECK BY JH	DATE MAY 14, 2008	SHEET NO. A110

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

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Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

EXHIBIT "F"

**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

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 Nos.: 7352-010-901, 7353-001-905,
7353-001-908, 7353-001-910,
7353-001-912 and 7353-001-916

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 Torrance, County of Los Angeles, State of California, having a street address of 825 Maple Avenue, as more particularly described on **Attachment 1** to this

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Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
MANDB/1192759v5

Memorandum of TA and JOA (“**Land**”), together with the improvements located thereon containing the court facility commonly known as the Torrance 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 Torrance Courthouse dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Torrance Courthouse, dated of even date therewith (“**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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Dianne Barry, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____

Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Part A:

That portion of Lot 5, Tract No. 7873, as shown on map recorded in Book 109, pages 99 and 100, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the most easterly northeasterly corner of that certain parcel of land described in deed to the City of Torrance, recorded on August 27, 1968, as Document No. 2085, in Book 04113, page 642, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence westerly and northerly along the boundaries of said certain parcel of land to that certain 275-foot radius curve in the northwesterly boundary of that certain parcel of land, described as PARCEL 1 in deed to said county, recorded on December 21, 1961, as Document No. 2515, in Book 01457, page 879, of said Official Records; thence easterly, northeasterly, and northerly along said curve and its northerly continuation to a line parallel with and 80 feet easterly, measured at right angles, from the westerly line of that certain parcel of land described in deed to said county, recorded on October 18, 1968, as Document No. 3528, in Book 04168, page 858, of said Official Records; thence northerly along said parallel line to the southerly boundary of that certain parcel of land described as Parcel A in deed to the City of Torrance, recorded on November 24, 1980, as Document No. 80-1187821, of said Official Records; thence easterly along said southerly boundary to the westerly line of the easterly 10 feet of said lot; thence southerly along said westerly line to the southerly line of the northerly 504 feet of said lot; thence easterly along said southerly line, a distance of 10.00 feet to the easterly line of said lot; thence southerly along said easterly line to the southeasterly corner of that certain parcel of land described as PARCEL 2 in said deed recorded as Document No. 2515; thence westerly along the southerly lines of said PARCEL 2 and said PARCEL 1 to that certain course having a bearing and distance of South 170°36'35" West 100.00 feet in the generally southerly boundary of said PARCEL 1; thence southerly along said certain course and its southerly prolongation to the Point of Beginning.

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Part B:

Parcel 2, as shown on map of Parcel Map No. 19504, filed in Book 213, pages 14 and 15, of Parcel Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, the northerly line of said Parcel 2 being further identified in the Certificate of Correction, recorded on December 21, 1988, as Document No. 88-2040038, of Official Records, file in the office of said Registrar-Recorder/County Clerk.

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Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

EXHIBIT "G"

ASSIGNMENTS AND ASSUMPTIONS OF OCCUPANCY AGREEMENTS

[See attached.]

G-1

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

CITY OF TORRANCE County License #COL-447

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Torrance Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Buildings commonly known as the Torrance Courthouse, the Courthouse Annex, the Jury Assembly Trailer, and the Traffic Division Trailer, located at 825 Maple Avenue and 3221 Torrance Boulevard in Torrance, California (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-447 between the County, as licensor, and the City of Torrance (“**City**”), as licensee, under which the City has the right to occupy and use certain portions of the Land for the purpose of after-hours parking and the provision of landscape services on the Real Property (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

G-2

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the License.
2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.
3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.
4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.
5. The County has notified the City of its intention to assign the License to the Council, and the City has consented in writing to the assignment and delegation of the License to the Council.
6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.
7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.
8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

G-3

IN WITNESS WHEREOF, the Parties enter into this Assignment 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

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

ATTACHMENT 1

COPY OF COUNTY LICENSE #COL-447

Attached to original, but not to this Exhibit "G" of the Transfer Agreement

G-5

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
MANDB/1192759v5

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

**CITY OF TORRANCE
County License #COL-2**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Torrance Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Buildings commonly known as the Torrance Courthouse, the Courthouse Annex, the Jury Assembly Trailer, and the Traffic Division Trailer, located at 825 Maple Avenue and 3221 Torrance Boulevard in Torrance, California (the “**Real Property**”).

C. The County is a party to County License Agreement #COL-2 between the County, as licensor, and the City of Torrance (“**City**”), as licensee, under which the City has the right to occupy and use a portion of the Land for the purpose of installing and maintaining a drainage system on the Real Property (the “**License**”). A complete copy of the License is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the License.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the License.

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2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the License, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the License. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the License that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the License.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the License on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified the City of its intention to assign the License to the Council, and the City has consented in writing to the assignment and delegation of the License to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

IN WITNESS WHEREOF, the Parties enter into this Assignment 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

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

G-8

ATTACHMENT 1

COPY OF COUNTY LICENSE #COL-2

Attached to original, but not to this Exhibit "G" of the Transfer Agreement

G-9

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

**LOS ANGELES COUNTY LAW LIBRARY
County Lease #75516**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Torrance Courthouse, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Buildings commonly known as the Torrance Courthouse, the Courthouse Annex, the Jury Assembly Trailer, and the Traffic Division Trailer, located at 825 Maple Avenue and 3221 Torrance Boulevard in Torrance, California (the “**Real Property**”).

C. The County is a party to County Lease #75516, between the County, as lessor, and the Los Angeles County Law Library (“**Law Library**”), as lessee, under which the Law Library has the right to occupy and use approximately 1,360 square feet in Room 110 on the first floor of the Torrance Courthouse (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the Lease.

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Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

IN WITNESS WHEREOF, the Parties enter into this Assignment 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

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

G-12

ATTACHMENT 1

COPY OF COUNTY LEASE NO. 75516

Attached to original, but not to this Exhibit "G" to the Transfer Agreement

G-13

Torrance TA
AOC Court Facility # 19-C1 through # 19-C4
County LACO #5177, 5043, L825, P045, T019, T825
Owned/Shared (TOR/DTOT)
October 27, 2008
IMANDB/1192759v5

EXHIBIT "H"

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

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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-C1 through 19-C4
County LACO # 5177, 5043, L825, P045, T019, T825
Torrance Courthouse
825 Maple Avenue
Torrance, California 90503

**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 TORRANCE 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 November 18, 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 building commonly known as the Torrance Courthouse Annex, located on the Land, and having the street addresses of 825 Maple Avenue and 3221 Torrance Boulevard, Torrance, California 90503.

“**Annex Parking Lot**” means the surface parking lot located on the Land south of the Traffic Division Trailer and the Annex, as shown on Exhibit “C” to the Transfer Agreement, containing 45 parking spaces.

“**Buildings**” means, together, the Courthouse, the Annex, the Jury Assembly Trailer, and the Traffic Division Trailer, all Building Equipment, and all connected or related structures and improvements.

“**Building Equipment**” means all installed equipment and systems that serve the Buildings generally, and only that plumbing that is within the walls of the Buildings 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 Buildings 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 Buildings, (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 Buildings, (5) all Utilities, (6) the utility tunnel located underneath portions of the Real Property, and (7) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Area and the Surplus Courthouse Site. 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 85.14 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the Superior Court

"Council Surplus Site Share" means 70.00 percent, which is the percentage of the Equity interests in, and costs attributable to, the Surplus Courthouse Site that will be transferred and allocated to the Council on the Responsibility Transfer Date.

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

“County Exclusive-Use Area” means the 16,685 square feet of the interior of the Courthouse and the Annex that are exclusively occupied and used by the County, as shown on Exhibit “D” to the Transfer Agreement. The County Exclusive-Use Area comprises 8,964 square feet in the Courthouse and 7,721 square feet in the Annex. As of the Effective Date, the County Exclusive-Use Area constitutes 14.86 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) 25 parking spaces in the Employee Parking Lot; and (ii) 111 parking spaces in the North 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 14.86 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

“County Surplus Site Share” means 30.00 percent, which is the percentage of the Equity interests in, and costs attributable to, the Surplus Courthouse Site that will be retained by the County on and after the Responsibility Transfer Date.

“Court Exclusive-Use Area” means the 95,585 square feet of the interior of the Buildings that are exclusively occupied and used by the Superior Court, as shown on Exhibit “D” to the Transfer Agreement. The Court Exclusive-Use Area comprises 84,710 square feet in the Courthouse, 5,110 square feet in the Annex, 2,891 square feet in the Traffic Division Trailer, and 2,874 square feet in the Jury Assembly Trailer. As of the Effective Date, the Court Exclusive-Use Area constitutes 85.14 percent of the Total Exclusive-Use Area.

“Courthouse” means the building commonly known as the Torrance Courthouse, located on the Land, and having a street address of 825 Maple Avenue, Torrance, California 90503.

“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 Buildings.

"Employee Parking Lot" means the surface parking lot located on the Land north and east of the Annex and south and west of the Courthouse, as shown on Exhibit "C" to the Transfer Agreement, containing 169 parking spaces.

"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 Courthouse, located on the first floor, that is labeled "Joint Sheriff Area," as shown on Exhibit "D" to the Transfer Agreement.

“Jury Assembly Trailer” means the modular court structure commonly known as the Jury Assembly Trailer, located on the Land, and having a street address of 825 Maple Avenue, Torrance, California 90503, as shown on Exhibit “C” to the Transfer Agreement.

“Land” means the real property on which the Buildings, the Parking Area, and the Surplus Courthouse Site are located, comprising approximately 16.6 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-Ownning Party” means the Party that is not the Owner.

“North Parking Lot” means the surface parking lot located on the Land north of the Courthouse, as shown on Exhibit “C” to the Transfer Agreement, containing 525 parking spaces.

“Occupancy Agreement” means any written agreement 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 under 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.

“Public Parking Lot” means the surface parking lot located on the Land east of the Courthouse, as shown on Exhibit “C” to the Transfer Agreement, containing 83 parking spaces.

“Real Property” means the Land and the Buildings.

“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, 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, except that with respect to Shared Costs or other transactions related to the Surplus Courthouse Site, “Share” means the County Surplus Site Share or the Council Surplus Site Share, as determined by the context.

“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.

"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) 45 parking spaces in the Annex Parking Lot; (ii) 144 parking spaces in the Employee Parking Lot; (iii) 83 parking spaces in the Public Parking Lot; and (iv) 414 parking spaces in the North Parking Lot, all as shown on Exhibit "C" to the Transfer Agreement.

"Surplus Courthouse Site" means the unimproved parcel of land comprising 6.2 acres to the north of the Courthouse, with a street address of 555-575 Maple Avenue, Torrance, CA, 90503, 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 Deeds (as defined in the Transfer Agreement) are 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.

“**Traffic Division Trailer**” means the modular court structure commonly known as the Traffic Division Trailer, located on the Land, and having street addresses of 825 Maple Avenue and 3221 Torrance Boulevard, Torrance, California 90503, as shown on Exhibit “C” to the Transfer Agreement.

“**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 Torrance 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 at least through June 30, 2009, 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 Buildings, 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 at least through June 30, 2009, 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 Buildings 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 30.00 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 70.00 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 30.00 percent Court Exclusive-Use Area and 70.00 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 Buildings 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-Ownning 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 11 of the parking spaces allocated to the County Parking in the Employee Parking Lot may be designated or reserved. Up to 22 of the parking spaces allocated to the Superior Court Parking in the Employee 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-Ownning Party, and ensure that the Non-Ownning 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 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 applicable 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 Buildings house 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 Costs 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 Surplus Courthouse Site Costs. The terms of section 4 of this JOA apply to the Shared Costs incurred in Operation of the Surplus Courthouse Site, except that the Parties are responsible for those Shared Costs based on the Council Surplus Site Share and the County Surplus Site Share, rather than based on the Parties' respective Shares of the Total Exclusive-Use Area.

4.7 Limitation on Actual Shared Costs.

4.7.1 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:

4.7.1.1 First Year Costs. In respect of the First Year, the Council shall pay the County an amount equal to the sum of (i) \$351,939 (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

4.7.1.2 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 4.7.1.2, 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) \$351,939, 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 4.7.1.2 applies will be the "**Second Year Basic Costs**" for purposes of this JOA.

4.7.1.3 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 4.7.1.1 and 4.7.1.2 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 4.7.1 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.

4.7.2 Costs After Expiration of Second Year.

4.7.2.1 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 Share or the Council Surplus Site Share, as applicable, 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 4.6 of this JOA.

4.7.2.2 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 Buildings

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 Buildings.

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 Buildings 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 Buildings.

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 Buildings to require the other Party to vacate the Real Property), the Party that is required to vacate the Buildings ("**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. For clarification, the rights granted under section 70344(b) of the Act and this section 5.3 in respect of the Real Property do not apply to the Surplus Courthouse Site.

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 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 Buildings 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 Buildings, or (ii) terminate this JOA, if the Non-Owning Party will no longer occupy any space in the Buildings 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 Buildings 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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: *Dianne Barry*
Name: Dianne Barry, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: *Sachi A. Hamai*
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: *Raymond G. Fortner, Jr.*
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: *Sachi A. Hamai*
Deputy

76845

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Torrance Courthouse, which is located in buildings on certain real property in the City of Torrance, County of Los Angeles, State of California and having the street addresses of 825 Maple Avenue and 3221 Torrance Boulevard (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: _____

Title: _____

Administrative Office of the Courts

By: _____

Name: _____

Title: _____

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____

Deputy

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
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
Escalators	X		X		X	X	X	X
Dumbwaiters	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	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
	X								

Concrete Areas/Hard Courts/Parking Lots

Sweeping/washing, except parking lots

Maintenance of parking lot surfaces

Vermin/Pest/Disease Control

Areas maintained free of rodents and insects

Landscaped areas free of disease that could damage plant materials

Cultivation (Retaining/Maintaining Original Conditions)

Beds

Planter areas

Turf Reseeding/Restoration of Bare Areas

Trash Removal

Collect and remove all clippings (when work performed)

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 Buildings, 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 Buildings, or the property inside the Buildings, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the Buildings first sustain wind or hail damage to a roof or wall 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 Buildings contain 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 Buildings 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: (a) personal property in the open; or (b) the interior of the Buildings, or property inside the Buildings, unless a roof or an outside wall of the Buildings 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 Buildings.

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: (1) 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 Buildings; 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 Buildings 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-AX1; 19-AX1-dup2
County LACO # 7278, 5370
Van Nuys Courthouse East TA
6230 Sylmar Avenue, Van Nuys, California 91401

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 VAN NUYS COURTHOUSE EAST

76831

Van Nuys East TA
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1266351v7

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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 November 18, 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 Van Nuys Courthouse East, 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.

“**Assignment of Occupancy Agreement**” means the document titled Assignment and Assumption of Occupancy Agreement that is attached to this Agreement as **Exhibit “H”**.

“**Building**” means the building commonly known as the Van Nuys Courthouse East, located at 6230 Sylmar Avenue, Van Nuys, California, 91401, on the Land in which

the Court Facility is located, all Building Equipment, and all connected or related structures and improvements, except that the Building does not include the Parking Structure.

“Building Equipment” means all installed equipment and systems that serve the Building or the Parking Structure generally, and only that plumbing that is within the walls of the Building or the Parking Structure, 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.

“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 Structure. 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 11,950 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 10.26 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) 63 parking spaces in the secured area; (ii) 8 parking spaces in the secured Sheriff area; and (iii) 151 parking spaces in the unsecured area of the Parking Structure, as shown on **Exhibit “C”** to this Agreement. The County Parking includes parking spaces for the County Parties and their employees, invitees, licensees, and patrons at both the Building and the West Courthouse.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 104,502 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 89.74 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 Structure 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.

“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 Real 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 Real 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 Real 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: (a) the real property on which the Building is located, and (b) the real property on which the Parking Structure is located, together comprising approximately 5.2 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.

“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 written agreement 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 under 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 Structure” means the Van Nuys Court Complex Parking Structure, also known as County Auto Park 48, on the Land to the south of the Building at 6170 Sylmar Avenue, Van Nuys, California, 91401, as shown on **Exhibit “C”** to this Agreement, containing 1,369 parking spaces, and associated 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 Deeds” means the two documents each entitled Quitclaim Deed that are similar in form and content to the documents 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, the Building, and the Parking Structure.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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) 212 parking spaces in the secured area; (ii) 26 parking spaces in the secured Sheriff area; and (iii) 909 parking spaces in the unsecured area of the Parking Structure, as shown on **Exhibit “C”** to this Agreement. The Superior Court Parking includes parking spaces for the State Parties and their judges, employees, jurors, invitees, licensees, and patrons at both the Building and the West Courthouse.

“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 Deeds are 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.

“**West Courthouse**” means the building commonly known as the Van Nuys Courthouse West, having a street address of 14400 Erwin Street Mall, Van Nuys, California 91401.

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 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 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 Assigned Occupancy Agreement. The Parties agree that one 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 pursuant to the Assignment of Occupancy Agreement, as follows:

(a) The Los Angeles County Law Library is the Occupant of Room 350 of the Building, for the purpose of providing a law library for public use, pursuant to County Lease Agreement #75517. By the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Lease Agreement #75517.

4.3.8.3 Unassigned Occupancy Agreements. The Parties acknowledge that some of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not 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 of Los Angeles County is the Occupant of Room 333 on the third floor of the Building under County License Agreement #COL-448. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County License Agreement #COL-448. By the first anniversary of 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

(b) The State Department of Rehabilitation is the Occupant of space in the Building for the purpose of providing a Vending Facility, specifically a cafeteria, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the "**Master License Agreement**", which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of this Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

4.3.8.4 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. With respect to Occupants under Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all Occupants under this section 4.3.8.

4.3.8.5 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 Structure, as provided in this Agreement and the JOA. The Superior Court Parking is available to Superior Court judges, staff, employees, jurors, and visitors at the Building and the West Courthouse, 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 at both the Building and the West Courthouse 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 and the Parking Structure in order to bring the portions of the Building and the Parking Structure 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 and the Parking Structure that are required by Law as a result of the repair of the seismic-related damage to the Building and the Parking Structure; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building or the Parking Structure 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 the Parking Structure, 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 or the Parking Structure if the Building or the Parking Structure 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 Real Property. 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 Real Property 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 Deeds, which are **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 on 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;
- (b) the Assignment of Occupancy Agreement; and
- (c) 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 Assignment of Occupancy Agreement and the Memorandum of TA and JOA within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 Deeds 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 Documents. The Title Transfer Documents are as follows:

(a) the Quitclaim Deeds.

5.2.2 Execution and Delivery of Title Transfer Documents. The County shall execute and deliver the Title Transfer Documents 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 Documents, 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 approved by the DOF is \$536,364, 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 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 Title Transfer Document 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.

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, and the Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) of the Act. 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 and the Parking Structure 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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: Sachi A. Hamai
Deputy

By: Vonne B. Burke
VONNE 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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: Raymond G. Fortner, Jr.
Principal Deputy County Counsel

By: Sachi A. Hamai
Deputy

76831

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deeds

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plans of the Building Interior

Exhibit "E" – Categories of Property Disclosure Documents

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

Exhibit "G" – Copy of Section 70324 of the Act

Exhibit "H" – Assignment and Assumption of Occupancy Agreement

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Part A:

Lots 1 to 6, inclusive, and Lots 19 to 24, inclusive, Block 14, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/ County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying westerly of a line that extends from the southeasterly corner of said Lot 6 to the northeasterly corner of said Lot 19.

Part B:

Lots 1 to 9, inclusive, and Lots 16 to 24, inclusive, Block 13, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/ County Clerk of the County of Los Angeles.

EXHIBIT "B"

COPY OF QUITCLAIM DEEDS

[See attached.]

B-1

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3

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.

Assessor's Identification Number:
2240-010-905

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

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 Los Angeles, 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

VAN NUYS COURTHOUSE (EAST)
(File: Van Nuys County Courts
Building (1))
I.M. 174-137
S.D. 3

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

VAN NUYS COURTHOUSE (EAST)

File with: Van Nuys County Courts Building (1)

A.I.N. 2240-010-905

T.G. 532 (A7)

I.M. 174-137

Third District

LEGAL DESCRIPTION

Lots 1 to 6, inclusive, and Lots 19 to 24, inclusive, Block 14, Tract No. 1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying westerly of a line that extends from the southeasterly corner of said Lot 6 to the northeasterly corner of said Lot 19.

APPROVED AS TO DESCRIPTION	
March 24, 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.

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.

Assessor's Identification Number:
2240-009-906

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

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 Los Angeles, 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

**VAN NUYS COURTHOUSE
PARKING LOT**
(File: Van Nuys County Courts
Building (1))
I.M. 174-137
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

VAN NUYS COURTHOUSE PARKING LOT

File with: Van Nuys County Courts Building (1)

A.I.N. 2240-009-906

T.G. 532 (A7)

I.M. 174-137

Third District

LEGAL DESCRIPTION

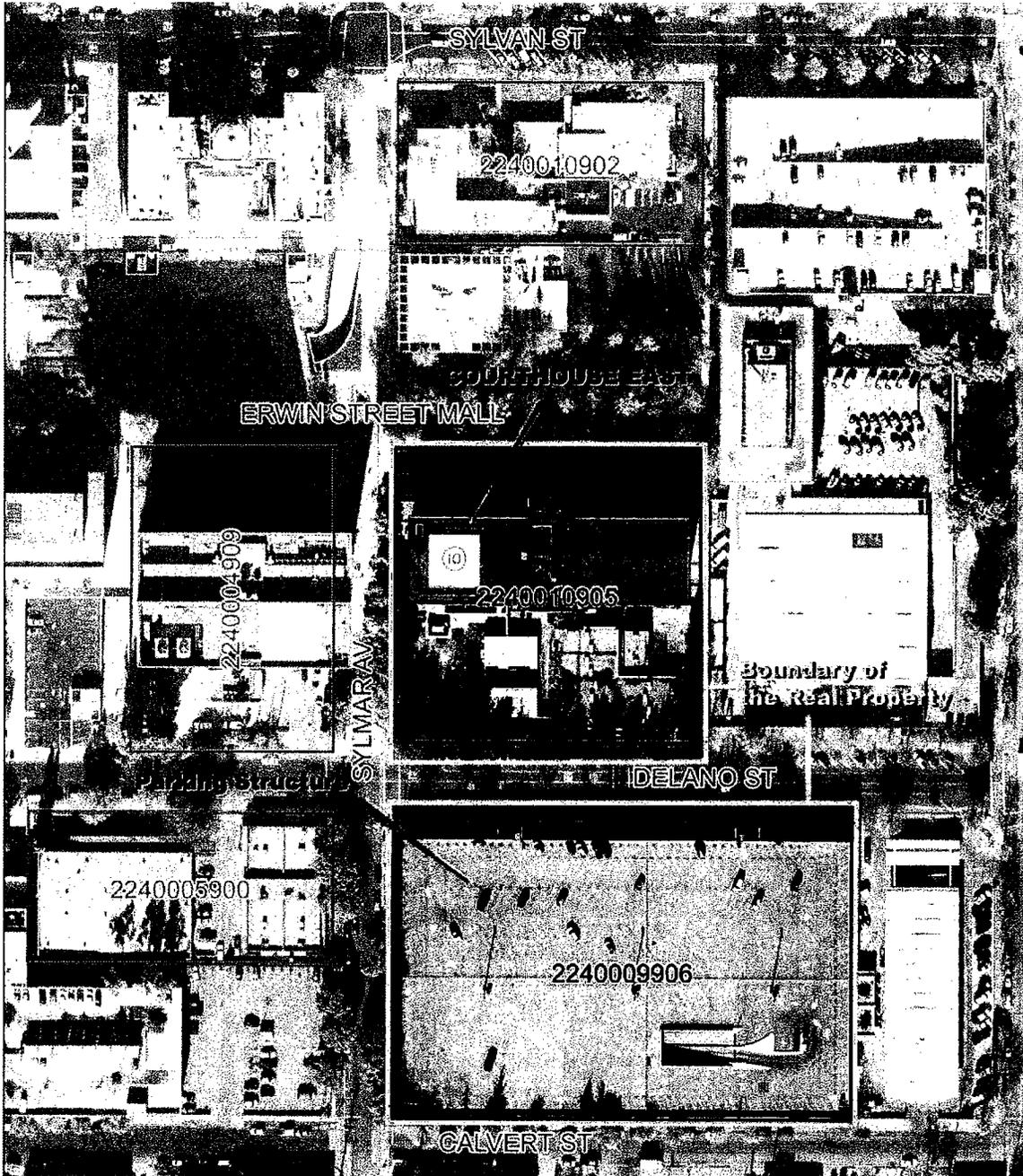
Lots 1 to 9, inclusive, and Lots 16 to 24, inclusive, Block 13, Tract No. 1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

APPROVED AS TO DESCRIPTION
March 24, 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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3

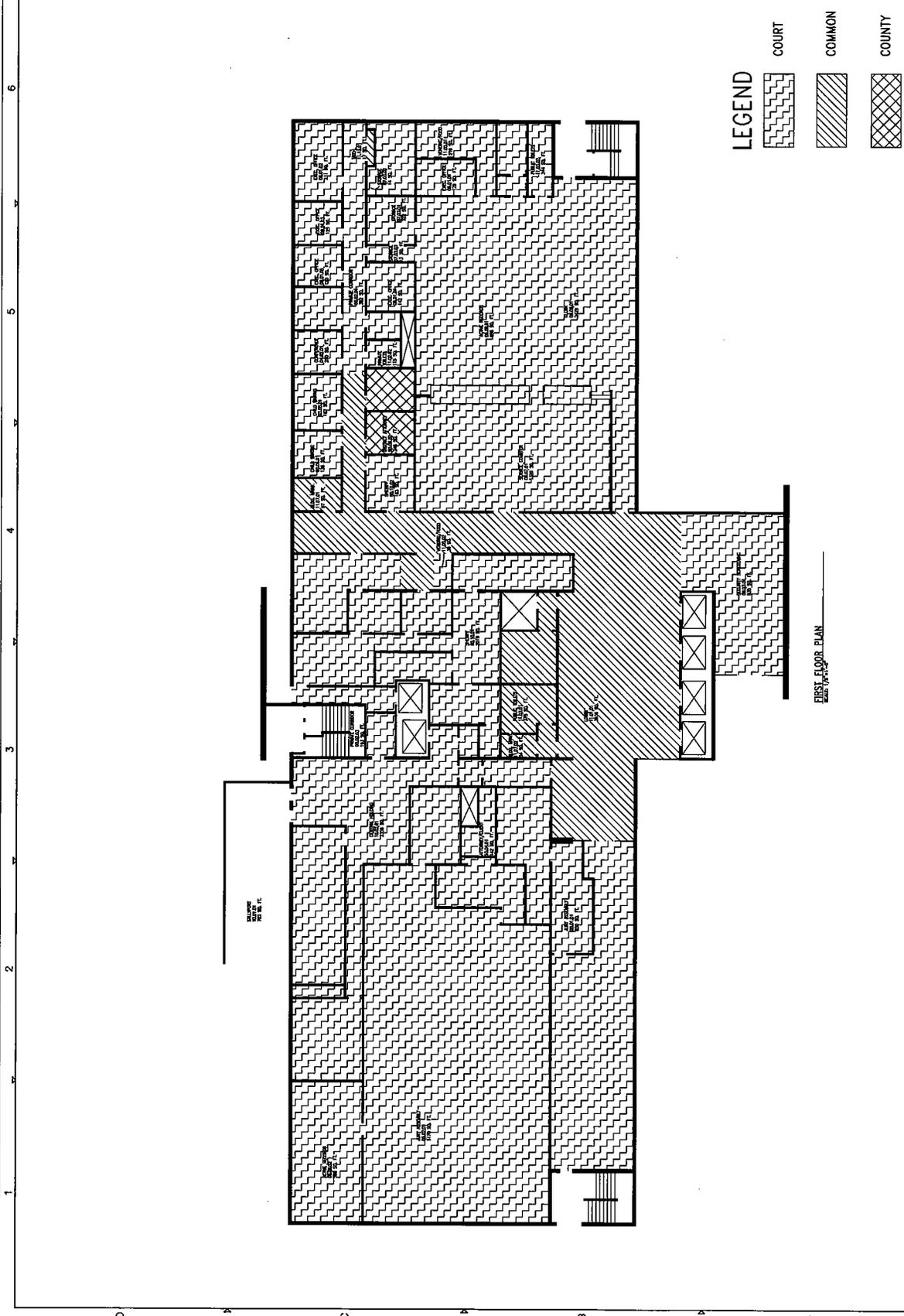
EXHIBIT "D"

FLOOR PLANS OF THE BUILDING INTERIOR

[See attached.]

D-1

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3



LEGEND

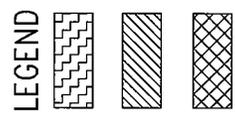
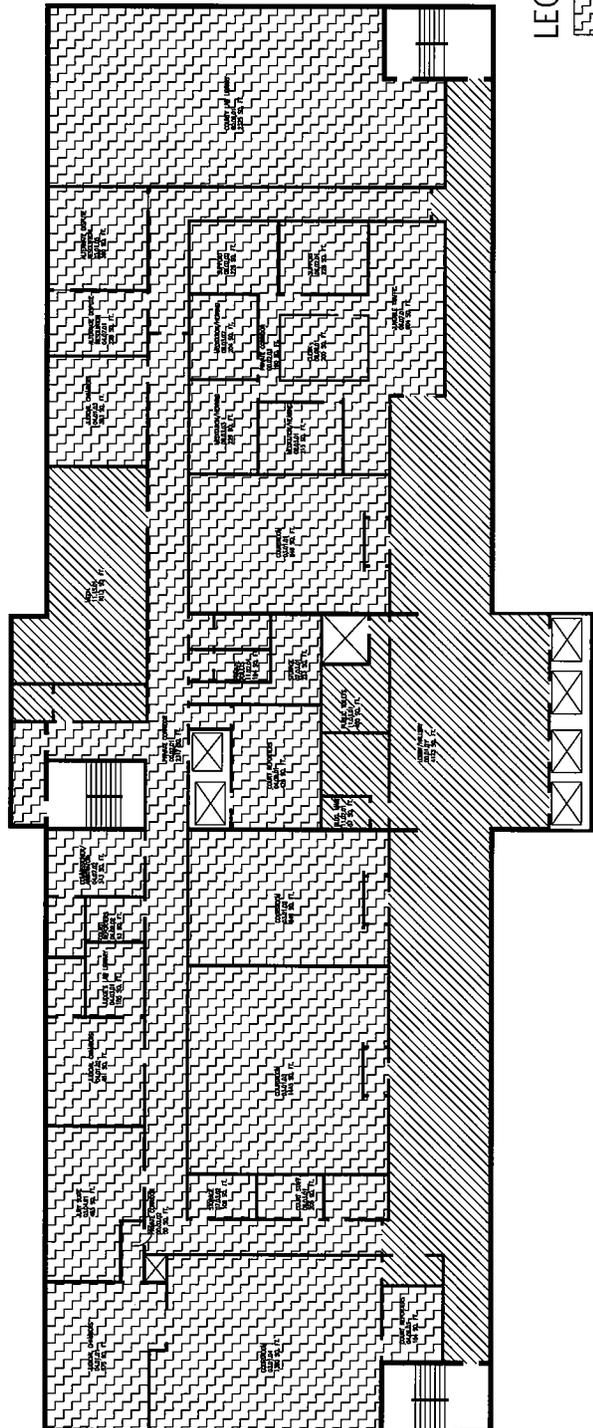
-  COURT
-  COMMON
-  COUNTY

FIRST FLOOR PLAN

DATE	REVISION			NAME VAN NUTS COURTHOUSE EAST	PROJECT VAN NUTS	DESCRIPTION VAN NUTS COURTHOUSE EAST	CLIENT VAN NUTS	DRAWING NO. A102
				ADDRESS 6530 SYLMAR AVENUE VAN NUTS STATE CA	PROJECT VAN NUTS	DESCRIPTION VAN NUTS COURTHOUSE EAST	CLIENT VAN NUTS	DRAWING NO. A102
TITLE FIRST FLOOR PLAN		DRAWING NO. A102		PROJECT VAN NUTS		CLIENT VAN NUTS		DRAWING NO. A102
TYPE SPACE PLANNING		DRAWING NO. A102		PROJECT VAN NUTS		CLIENT VAN NUTS		DRAWING NO. A102
DATE 10/11/08		DRAWING NO. A102		PROJECT VAN NUTS		CLIENT VAN NUTS		DRAWING NO. A102

1 2 3 4 5 6

D C B A

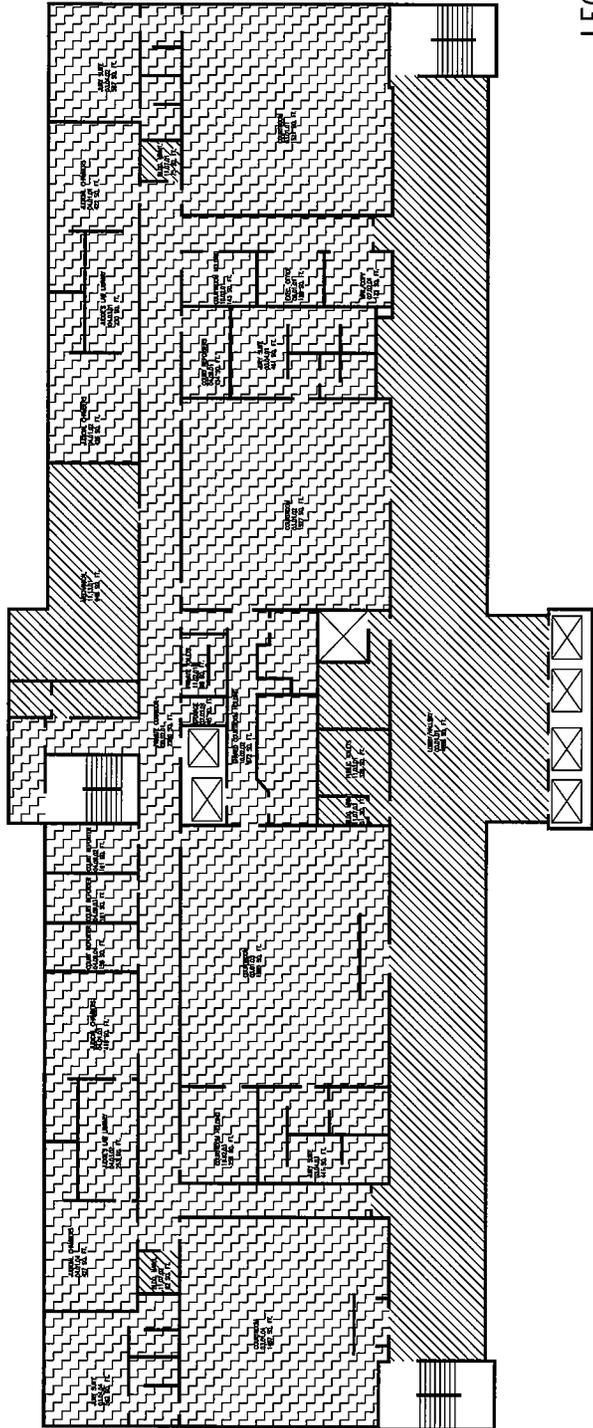


THIRD FLOOR PLAN
SCALE: 1/8" = 1'-0"

NO.	REVISION	DATE
JE JACOBS ENGINEERING GROUP, INC. 10000 WILSON AVENUE, SUITE 1000 VAN NUYS, CALIFORNIA 91411		
PROJECT VAN NUYS COURTHOUSE EAST 6230 SYLARA AVENUE VAN NUYS, CALIFORNIA		
DESCRIPTION VAN NUYS COURTHOUSE EAST 6230 SYLARA AVENUE VAN NUYS, CALIFORNIA		
THIRD FLOOR PLAN SPACE PLANNING DATE: 02/15/08 DRAWN BY: JAC CHECKED BY: JAC SCALE: 1/8" = 1'-0"		
CONTRACT COUNTY OF LOS ANGELES COUNTY CLERK BUILDING NO. 1 FLOOR NO. 3 COUNTY A104		

1 2 3 4 5 6

D C B A



LEGEND

-  COURT
-  COMMON
-  COUNTY

SIXTH FLOOR PLAN
VAN NUYS COURTHOUSE EAST

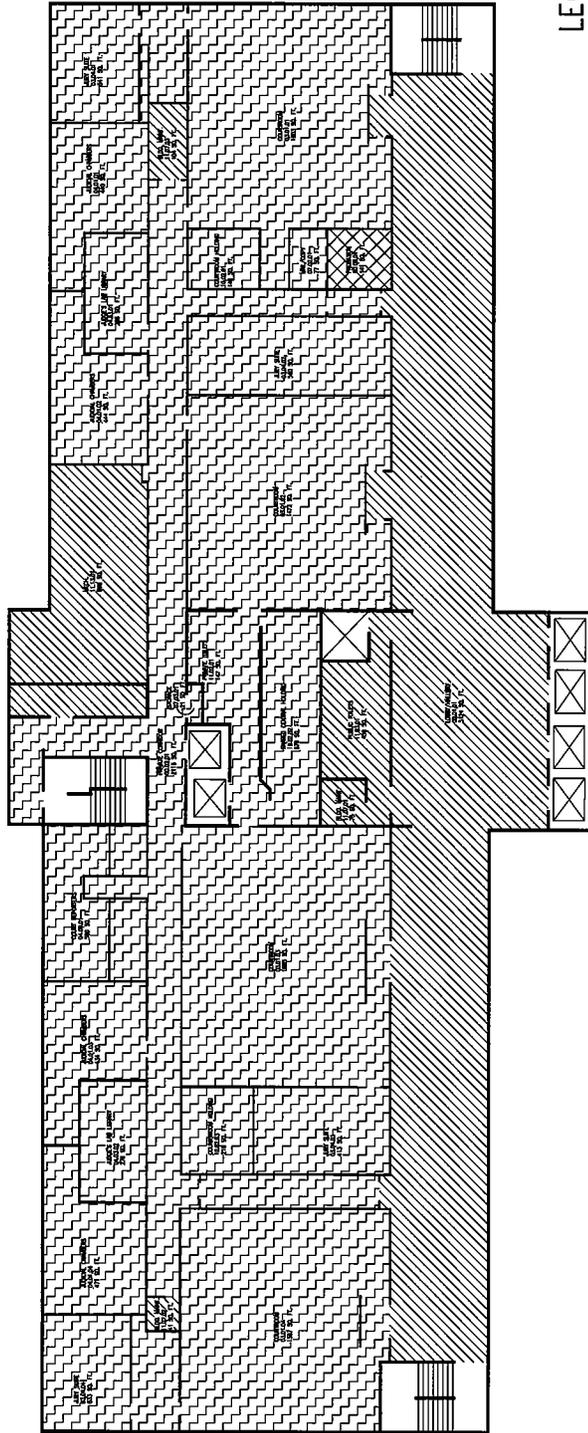
DATE	BY	PROJECT	NAME: VAN NUYS COURTHOUSE EAST ADDRESS: 6230 SYLMAR AVENUE VAN NUYS, STATE: CA	OCCUPATION: VAN NUYS COURTHOUSE EAST REVISION:	TITLE: SIXTH FLOOR PLAN TYPE: SPACE PLANNING				A.E. CORPORATION SCALE:	COUNTY CODE: TO SHE. CODE: AX BUILDING NO. 1 FLOOR NO. 6	FILE NO.: A107
					DRAWN BY: DM CHECKED BY:	DESIGNED BY:	DATE:	SCALE:			



J.E. JACOBS
ARCHITECT
12345
STATE OF CALIFORNIA

1 2 3 4 5 6

D C B A



LEGEND

- COURT
- COMMON
- COUNTY

SEVENTH FLOOR PLAN

NO.	PERSON	DATE		
NAME VAN NUYS COURTHOUSE EAST ADDRESS 6530 SYLMAR AVENUE VAN NUYS STATE CA			PROJECT NUMBER DISCIPLINE REVISION	
DRAWING NUMBER DATE MAY 15, 2008			TITLE TYPE SEVEN FLOOR PLAN SPACE PLANNING	
ARCHITECT JACOBSON			SCALE 1/8" = 1'-0"	
COUNTY CODE TO AX SITE CODE 1 BUILDING NO. 7 FLOOR NO. 7			COUNTY A108	

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**

**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 Nos. 2240-009-906, 2240-010-905

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 Los Angeles, County of Los Angeles, State of California, having a street address of 6230 Sylmar Avenue, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the

F-1

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3

court facility commonly known as the Van Nuys Courthouse East, 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 Van Nuys Courthouse East dated _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Van Nuys Courthouse East of even date therewith (“**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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"
LEGAL DESCRIPTION OF THE PROPERTY

Part A:

Lots 1 to 6, inclusive, and Lots 19 to 24, inclusive, Block 14, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/ County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying westerly of a line that extends from the southeasterly corner of said Lot 6 to the northeasterly corner of said Lot 19.

Part B:

Lots 1 to 9, inclusive, and Lots 16 to 24, inclusive, Block 13, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/ County Clerk of the County of Los Angeles.

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.

EXHIBIT "H"

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

[See attached.]

H-1

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3

ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT

LOS ANGELES COUNTY LAW LIBRARY County Lease #75517

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT (“**Assignment**”) is made effective as of the ____ day of _____, 2008 (the “**Effective Date**”), by and between the COUNTY OF LOS ANGELES, a body corporate and politic (“**County**”), and the JUDICIAL COUNCIL OF CALIFORNIA (“**Council**”), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the “**Act**”), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Van Nuys Courthouse East, dated _____, 2008 (the “**Transfer Agreement**”).

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Van Nuys Courthouse East, located at 6230 Sylmar Avenue, Van Nuys, California 91401 (the “**Real Property**”).

C. The County is a party to County Lease #75517, between the County, as lessor, and the Los Angeles County Law Library (“**Law Library**”), as lessee, under which the Law Library has the right to occupy and use Room 350 on the third floor of the Van Nuys Courthouse East (the “**Lease**”). A complete copy of the Lease is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County’s right, title, and interest in and to, and all of the County’s obligations, duties, and responsibilities under, the Lease.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County’s right, title, and interest in, to, and under the Lease.

H-2

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Lease, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Lease. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Lease that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Lease.

4. The County assigns and delegates to the Council its right, title, and interest in, to and under the Lease on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

6. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

7. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

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

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
Administrative Office of the Courts

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

ATTACHMENT 1

COPY OF COUNTY LEASE NO. 75517

Attached to original, but not to this Exhibit "H" to the Transfer Agreement

H-5

Van Nuys East TA Exhs.
AOC Court Facility #19-AX1; 19-AX1-dup2
County LACO #7278, 5370
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276245v3

AOC Facility # 19-AX1; 19-AX1-dup2
County LACO # 7278, 5370
Van Nuys Courthouse East JOA
6230 Sylmar Avenue, Van Nuys, California 91401

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 VAN NUYS COURTHOUSE EAST

76846

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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 November 18, 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 Van Nuys Courthouse East, located at 6230 Sylmar Avenue, Van Nuys, California, 91401, 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, except that the Building does not include the Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building or the Parking Structure generally, and only that plumbing that is within the walls of the Building or the Parking Structure, 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) all Utilities, and (6) any of the Real Property not otherwise defined as either Party's Exclusive-Use Area, including the Parking Structure. 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 89.74 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 11,950 square feet of the Building interior 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 10.26 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) 63 parking spaces in the secured area; (ii) 8 parking spaces in the secured Sheriff area; and (iii) 151 parking spaces in the unsecured area of the Parking Structure, as shown on Exhibit “C” to the Transfer Agreement. The County Parking includes parking spaces for the County Parties and their employees, Contractors, invitees, licensees, and patrons at both the Building and the West Courthouse.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 10.26 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 104,502 square feet of the Building interior 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 89.74 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: (a) the real property on which the Building is located, and (b) the real property on which the Parking Structure is located, together comprising approximately 5.2 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 written agreement 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 under 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 Structure” means the Van Nuys Court Complex Parking Structure, also known as County Auto Park 48, on the Land to the south of the Building at 6170 Sylmar Avenue, Van Nuys, California, 91401, as shown on Exhibit “C” to the Transfer Agreement, containing 1,369 parking spaces, 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, the Building, and the Parking Structure.

“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, 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.

"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) 212 parking spaces in the secured area; (ii) 26 parking spaces in the secured Sheriff area; and (iii) 909 parking spaces in the unsecured area of the Parking Structure, as shown on Exhibit "C" to the Transfer Agreement. The Superior Court Parking includes parking spaces for the State Parties and their judges, jurors, Contractors, invitees, licensees, and patrons at both the Building and the West Courthouse.

"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 Deeds (as defined in the Transfer Agreement) are 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 Van Nuys Courthouse East, 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.

“West Courthouse” means the building commonly known as the Van Nuys Courthouse West, having a street address of 14400 Erwin Street Mall, Van Nuys, California 91401.

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 at least through June 30, 2009, 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 Parking Structure, 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 at least through June 30, 2009, 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, the Parking Structure, and the 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-Ownning 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 Structure, which is included in Common Area. During the Second Year, the County shall be solely entitled to all revenues arising from the Operation of the Parking Structure, and the Council shall be solely entitled to all revenues arising from the leasing or licensing of the Parking Structure. Upon the earlier of (i) the end of the Second Year, or (ii) the termination of the Common Area Delegation Period, the Council shall be solely entitled to all revenues arising from the Operation, leasing, or licensing of the Parking

Structure. The County Parking may be used by the County Parties, and their Contractors, invitees, licensees, and patrons in the Building and in the West Courthouse, and the Superior Court Parking may be used by the State Parties, and their judges, jurors, Contractors, invitees, licensees, and patrons in the Building and in the West Courthouse, on a first-come, first-served basis, except that only judges and employees shall have access to the secured area of the Parking Structure. Up to four of the parking spaces allocated to the County Parking in the secured area of the Parking Structure, and up to 49 of the parking spaces allocated to the Superior Court Parking in the secured area of the Parking Structure, 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 Responsibility Transfer Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Parking Structure, 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 at both the Court Facility (as defined in the Transfer Agreement) and the court facility in the West Courthouse on October 1, 2001. For clarification, the Superior Court Parking includes all parking spaces required by the County Sheriff for all activities at the Real Property and the West Courthouse under the Security Services MOU.

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

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-Ownning Party, and ensure that the Non-Ownning 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 except as otherwise provided in section 3.4 of this JOA, the Council is solely entitled to all revenues arising from the Parking Structure and from the Vending Facility located in the Building, and the Parties shall share in any revenues received by the Managing Party arising from any other 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. 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. 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.

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 Costs 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) \$96,682 (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) \$96,682, 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 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-Ownning 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-Ownning Party for its Equity rights in the uninhabitable part of the Non-Ownning 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-Ownning 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-Ownning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Ownning 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-Ownning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Ownning Party will no longer occupy any space in the Building and the Non-Ownning 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 the Parking Structure, 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts, Office of the General Counsel

By: [Signature]

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: [Signature]
Name: Rachel Dragolovich, Attorney

ATTEST:

COUNTY OF LOS ANGELES, a body corporate and politic

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: [Signature]
Deputy

By: [Signature]
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

APPROVED AS TO FORM:

By: [Signature]
Deputy

RAYMOND G. FORTNER, JR.
County Counsel

By: [Signature]
Principal Deputy County Counsel

76846

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Van Nuys Courthouse East, which is located in a Building on certain real property in the City of Los Angeles, County of Los Angeles, State of California and having a street address of 6230 Sylmar Avenue (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

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	X	X
Electrical Systems							
All electrical systems	X	X			X	X	X
Electrical panels	X		X		X	X	X
Motor controllers	X		X		X	X	X
Connections/terminals			X	X	X	X	
Controls/other accessories	X		X	X	X	X	X
Electrical motor service	X			X	X	X	X
Lighting (bulbs, ballasts, fixtures and diffusers) including exterior lighting		X			X	X	
Cleaning of light fixtures -- as needed							
Emergency power systems	X						
BEAS equipment: data gathering panels; space sensors; equipment control points	X	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	X
Fire detection and alarm systems	X	X	X		X	X	X
Plumbing							
Plumbing fixtures (e.g. toilets, sinks, urinals, faucets)					X	X	X
Internal drains (sanitary and free of debris)	X	X	X		X	X	X
Piping, tanks and liquid enclosures	X	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
Escalators	X		X		X	X	X	X
Dumbwaiters	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	X	
Roll-up doors	X					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
-------------------	--------	-----------------	---------	------------------	-----------	-------------------	---------------	----------	-----------

	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			

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-AX2
County LACO # 4400
Van Nuys Courthouse West TA
14400 Erwin Street Mall, Van Nuys, California 91401

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 VAN NUYS COURTHOUSE WEST

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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 November 18, 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 Van Nuys Courthouse West, 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 Van Nuys Courthouse West, located at 14400 Erwin Street Mall, Van Nuys, California, 91401, 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. 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 32,638 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 19.52 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 Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 134,551 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 80.48 percent of the Total Exclusive-Use Area.

“Court Facility” means the Court Exclusive-Use Area, 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 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.

“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.

“East Courthouse” means the building commonly known as the Van Nuys Courthouse East, located at 6230 Sylmar Avenue, Van Nuys, California, 91401.

“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 Real 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 Real 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 Real 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 is located, comprising approximately 1.4 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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“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 date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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, 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.

“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.

“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. 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, the 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 some of the Occupancy Agreements under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area will not 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) The State Department of Rehabilitation is the Occupant of certain space in the Building for the purpose of providing a Vending

Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the prompt transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement;

(b) The Volunteer Center of Los Angeles: The Assistance League of Southern California is the Occupant of Room 12 of the Building under County License Agreement #COL-526. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County License Agreement #COL-526. By the first anniversary of 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) National Council on Alcoholism and Drug Dependence of the San Fernando Valley, Inc. is the Occupant of Room 303 of the Building under County License Agreement #COL-545. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County License Agreement #COL-545. By the first anniversary of 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

(d) Neighborhood Legal Services of Los Angeles County is the Occupant of Room 212D of the Building, under County License Agreement #COL-554. Prior to the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in County License Agreement #COL-554. By the first anniversary of 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. With respect to the Occupants under the Unassigned Occupancy Agreements, the Council shall be responsible to pay any County costs and to perform any County obligations related to such Occupants' occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including if applicable, insurance coverage, indemnification rights, rent, license fees, and other consideration paid by such Occupants. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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. No parking is provided under this Agreement or the JOA. All parking for the Parties and their respective judges, staff, employees, jurors, and visitors to the Building is addressed in the Transfer Agreement between the Judicial Council and the County of Los Angeles for the Transfer of Responsibility for and Title to the Van Nuys Courthouse East, and the Joint Occupancy Agreement between the Judicial Council and the County of Los Angeles for the Van Nuys Courthouse East, of approximately even date herewith.

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 on the Effective Date, except as specifically provided in this Agreement and the Act.

4.3.13 Equity in the Real Property. 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 Real Property 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 on 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 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.

5.1.4 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 approved by the DOF is \$1,112,235, 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 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 the Title Transfer Document 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.

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: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

JUDICIAL COUNCIL OF CALIFORNIA

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

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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

76832



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

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel
By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Yvonne B. Burke*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deed

Exhibit "C" – Site Plan of Real Property

Exhibit "D" – Floor Plans of Building Interior

Exhibit "E" – Categories of Property Disclosure Documents

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

Exhibit "G" – Copy of Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Lots 21 to 28, inclusive, and Lots 29 to 32, inclusive, Block 31, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying easterly of a line that extends from the southwesterly corner of said Lot 21 to the northwesterly corner of said Lot 32.

A-1

EXHIBIT "B"
COPY OF QUITCLAIM DEED

[See attached.]

B-1

Van Nuys West TA Exhs.
AOC Court Facility #19-AX2
County LACO #4400
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276309v3

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:
2240-004-909

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 Los Angeles, 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

VAN NUYS COURTHOUSE (WEST)
(File: Van Nuys County Courts
Building (1))
I.M. 174-137
S.D. 3

By _____
Deputy

MV

NOTE: Acknowledgement certificate on reverse side.

EXHIBIT A

VAN NUYS COURTHOUSE (WEST)

File with: Van Nuys County Courts Building (1)

A.I.N. 2240-004-909

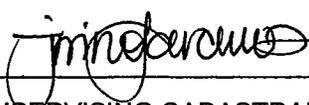
T.G. 532 (A7)

I.M. 174-137

Third District

LEGAL DESCRIPTION

Lots 21 to 28, inclusive, and Lots 29 to 32, inclusive, Block 31, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/ County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying easterly of a line that extends from the southwesterly corner of said Lot 21 to the northwesterly corner of said Lot 32.

APPROVED AS TO DESCRIPTION
<u>March 24</u> , 2008
COUNTY OF LOS ANGELES
By <u></u>
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.

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

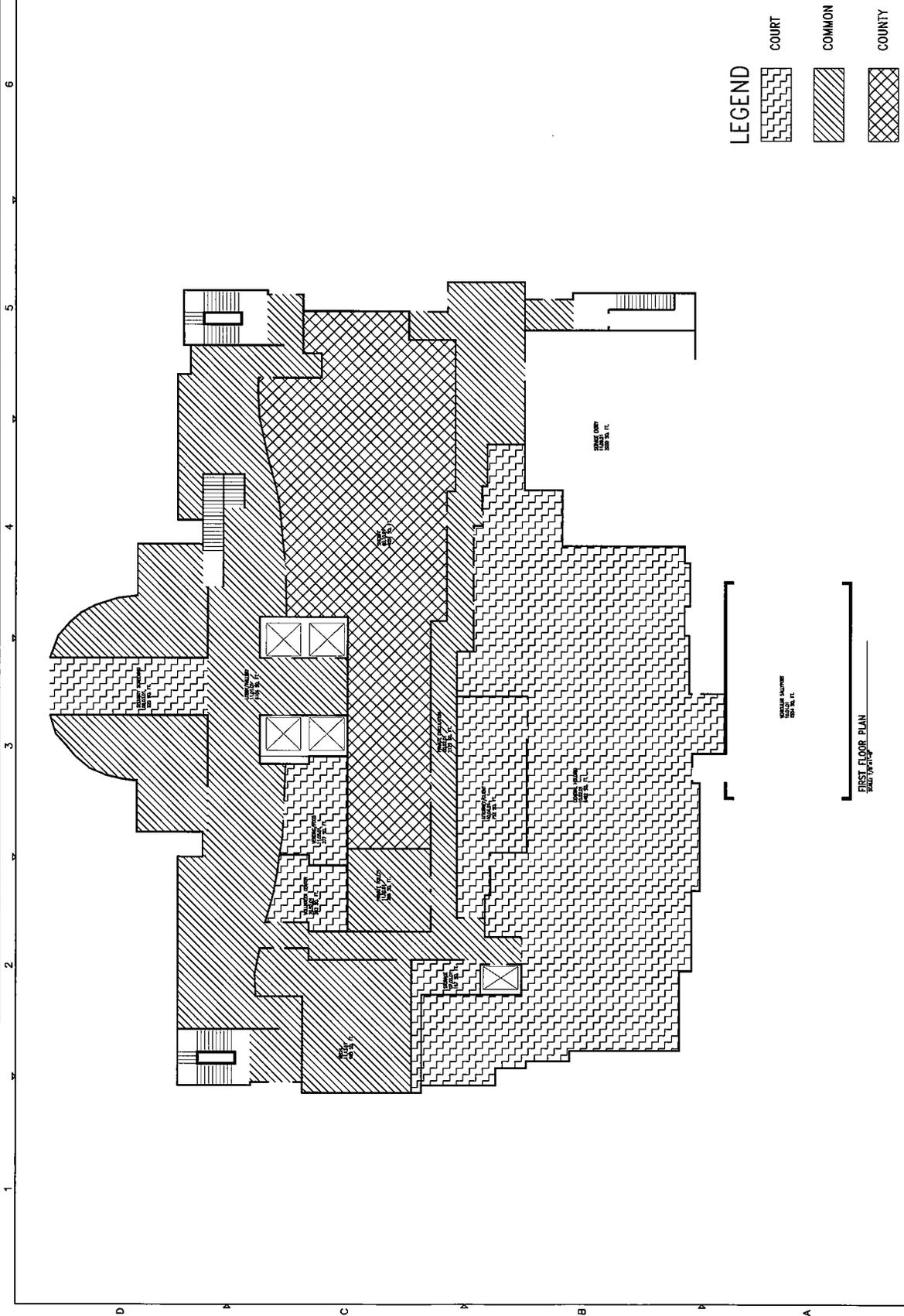
Van Nuys West TA Exhs.
AOC Court Facility #19-AX2
County LACO #4400
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276309v3

EXHIBIT "D"
FLOOR PLANS OF BUILDING INTERIOR

[See attached.]

D-1

Van Nuys West TA Exhs.
AOC Court Facility #19-AX2
County LACO #4400
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276309v3

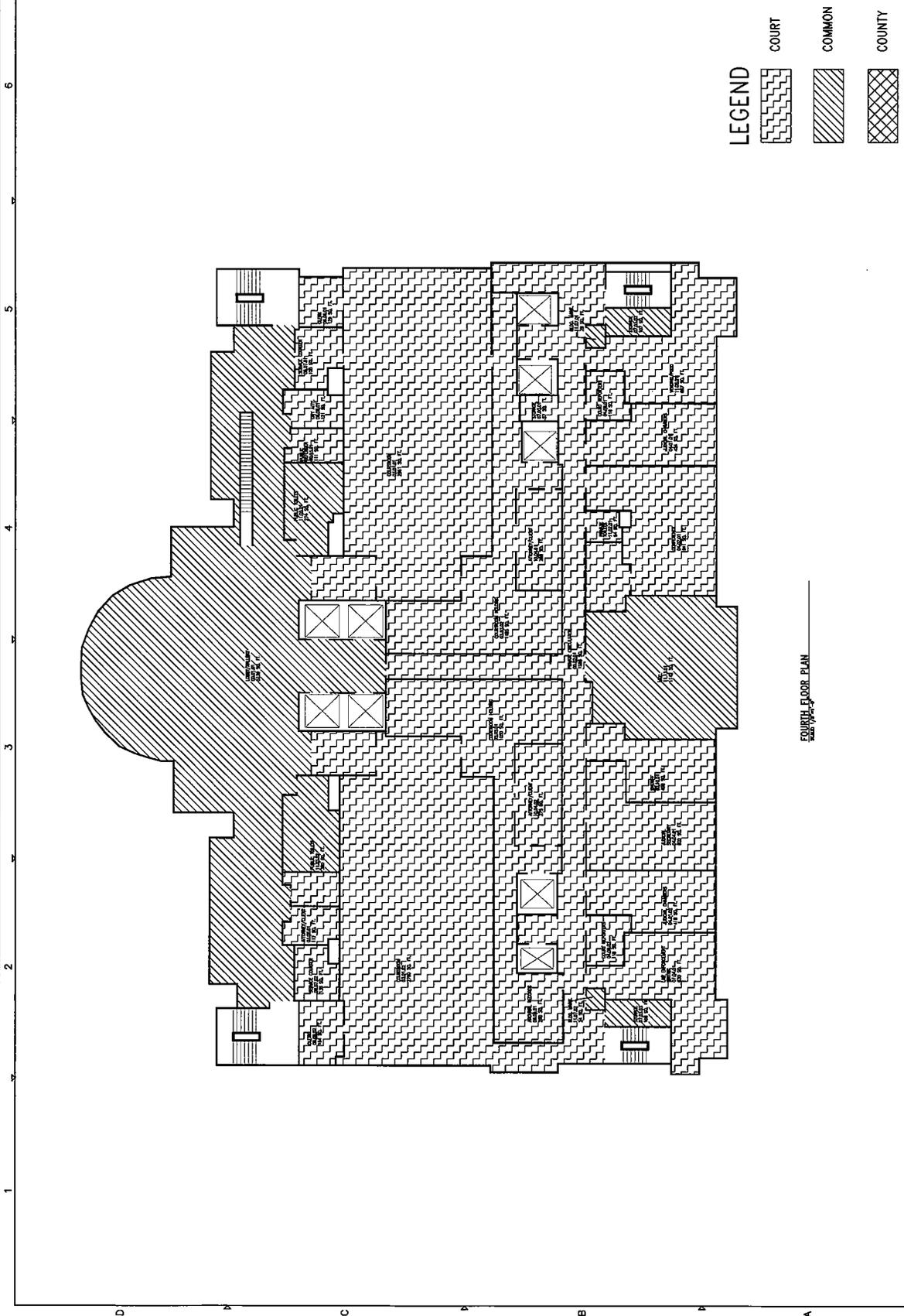


LEGEND

-  COURT
-  COMMON
-  COUNTY

FIRST FLOOR PLAN
SEE PLAN 010

PROJECT VAN NUYS COURTHOUSE WEST 1400 EMMETT STREET WALL VAN NUYS STATE: CA		COUNTY CODE: LA SITE CODE: AV2 BUILDING NO.: 2 FLOOR NO.: 1	
ARCHITECT JACOBS PARTNERSHIP P.A. ARCHITECTS		TITLE FIRST FLOOR PLAN	
DATE: 11/14/2008		SCALE:	
DRAWN BY:	CHECKED BY:	DATE:	SCALE:



LEGEND

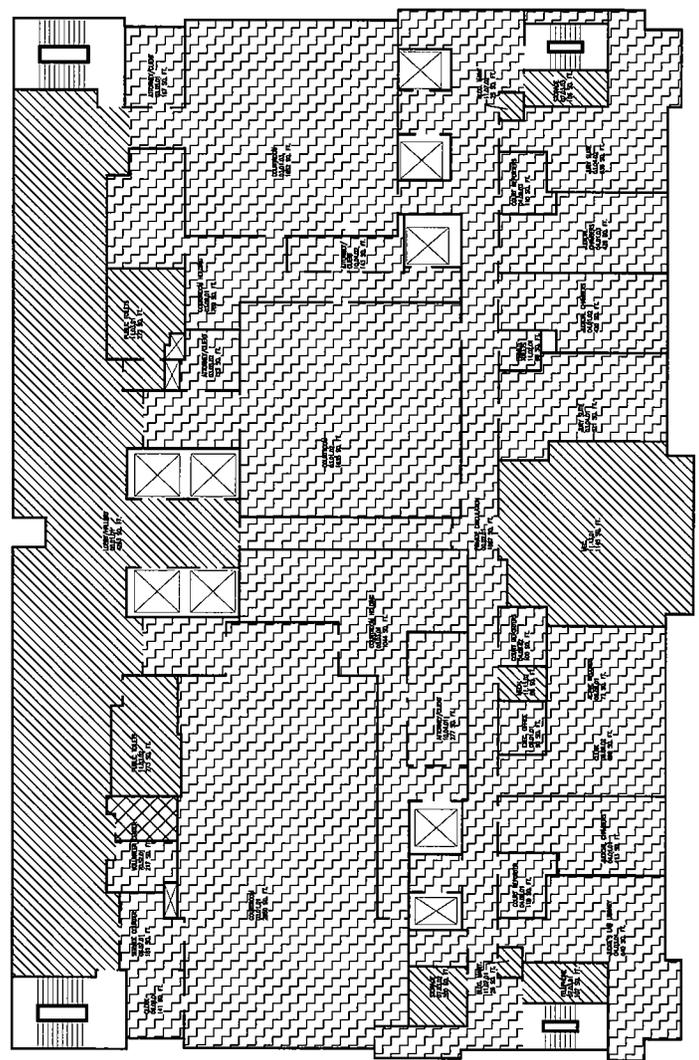
-  COURT
-  COMMON
-  COUNTY

FOURTH FLOOR PLAN

NO.	REVISION	DATE			BUILDING VAN NUYS 1400 EWIN STREET MALL VAN NUYS STATE CA		COUNTY LOS ANGELES VAN NUYS COURTHOUSE WEST		SHEET NO. 4 OF 4		DATE 11/14/2008	
					DRAWN BY DM		CHECKED BY DM		SCALE 1/8" = 1'-0"		COUNTY CODE 19	
			PROJECT VAN NUYS COURTHOUSE WEST			TITLE FOURTH FLOOR PLAN			A-105			

1 2 3 4 5 6

D C B A



LEGEND

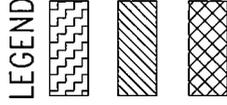
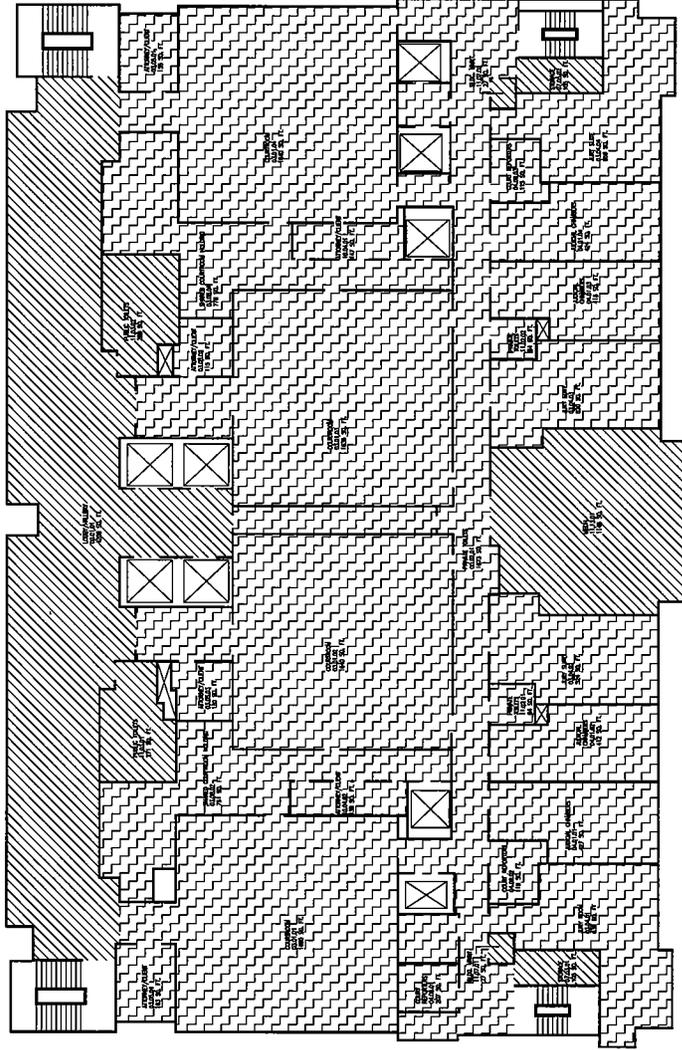
	COURT
	COMMON
	COUNTY

FIFTH FLOOR PLAN

NO.	PERSON	DATE			NAME: VAN NUYS COURTHOUSE WEST ADDRESS: 14000 FERNHILL STREET, VAN NUYS, STATE: CA		PROJECT NUMBER:		LOS ANGELES VAN NUYS COURTHOUSE WEST		TITLE: FIFTH FLOOR PLAN TYPE: SPACE PLANNING		DATE: 10/15/88 SCALE: 1/8" = 1'-0"		COUNTY CODE: 19 SITE CODE: A12 BUILDING NO.: 2 FLOOR NO.: 5 A106	
					DRAWN BY:	CHECKED BY:	DATE:	SCALE:	COUNTY:							

1 2 3 4 5 6

D A C A B A A

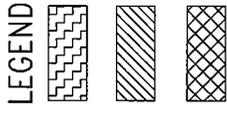
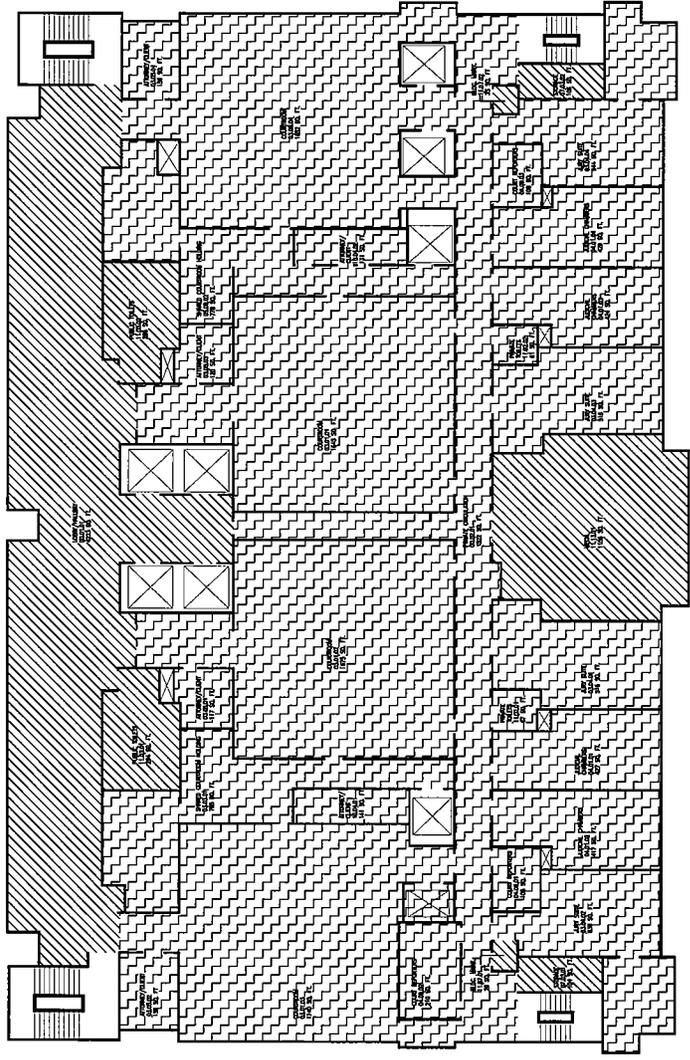


SEVENTH FLOOR PLAN

NO.	REVISED	DATE			BUILDING NAME: VAN NUYS COURTHOUSE WEST ADDRESS: 1440 ERWIN STREET WEST CITY: VAN NUYS STATE: CA		PROJECT DESCRIPTION: VAN NUYS COURTHOUSE WEST NUMBER:		DRAWING TITLE: SEVENTH FLOOR PLAN TYPE: SPACE PLANNING		SHEET NO.: A108 OF: 7	
					COUNTY: LOS ANGELES		SCALE:		DATE: 08/14/2008			

1 2 3 4 5 6

D A C A B A A

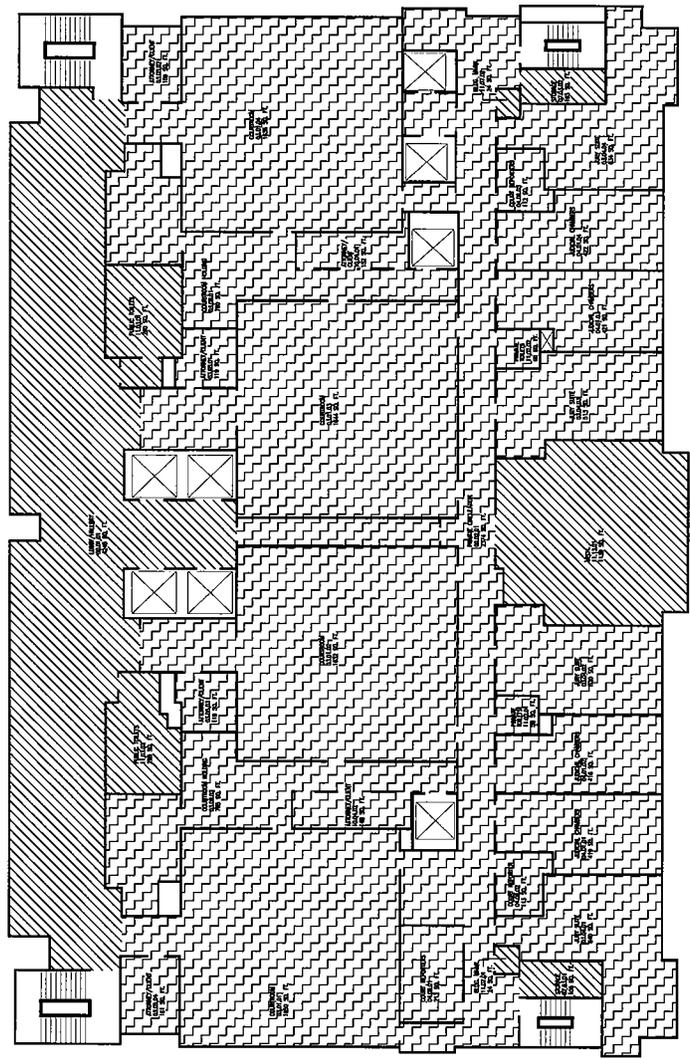


EIGHTH FLOOR PLAN

NO.	REVISION	DATE			BUILDING NAME VAN NUYS COURTHOUSE WEST ADDRESS 1440 LEWIN STREET MALL, VAN NUYS, STATE: CA		PROJECT NAME LOS ANGELES VAN NUYS COURTHOUSE WEST TYPE REPAIRING		SHEETS TOTAL 12 SHEET NO. 08		A-E CONSTRUCTION SCALE: 1/4" = 1'-0"		COUNTY CODE 19 SITE CODE AV2 BUILDING NO. 2 FLOOR NO. 8 A109
					TITLE TYPE EIGHTH FLOOR PLAN SPACE NUMBER		DRAWN BY	CHECKED BY	DESIGNED BY	DATE			

1 2 3 4 5 6

D A C A B A



NINTH FLOOR PLAN

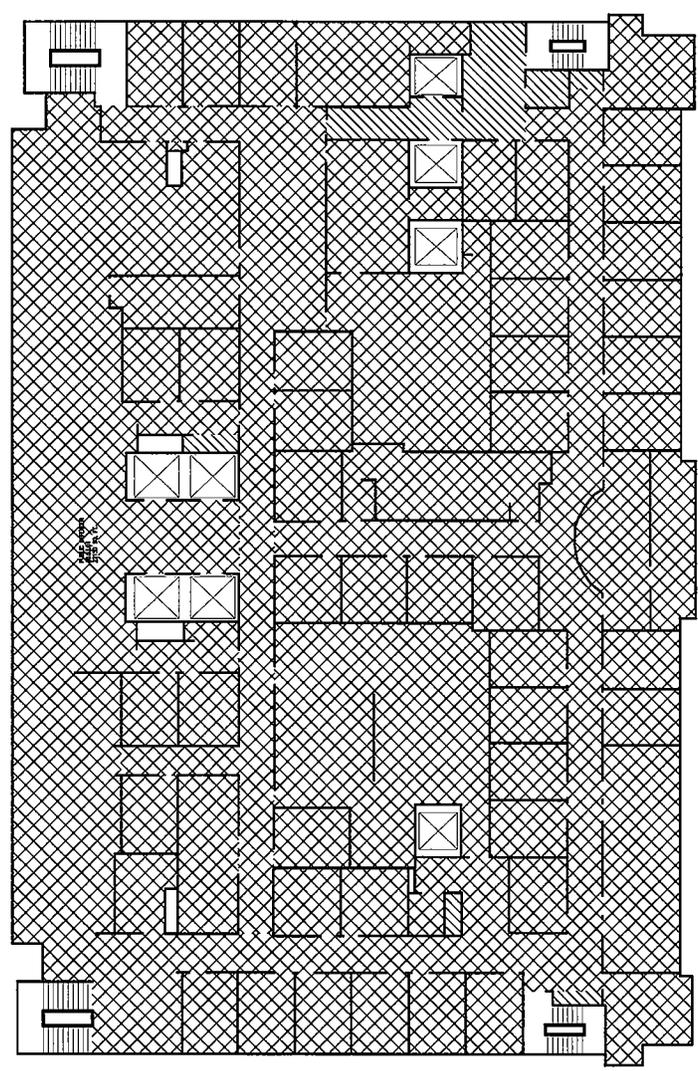
LEGEND

-  COURT
-  COMMON
-  COUNTY

NO.	REVISION	DATE			BUILDING		PROJECT		DESCRIPTION		DRAWING		TITLE		SCALE		DATE		COUNTY CODE: LA STATE CODE: CA BUILDING NO.: 9 FLOOR NO.: A110
					NAME: VAN NUYS COURTHOUSE WEST ADDRESS: 14400 ERMING STREET MALL, VAN NUYS, STATE: CA		NUMBER: 1 REVISION: 1		LOS ANGELES VAN NUYS COURTHOUSE WEST		TYPE: SPACE PLANNING DRAWN BY: DM CHECKED BY: DM DATE: 04/14/2008		NINTH FLOOR PLAN		SCALE:		DATE: 04/14/2008		

1 2 3 4 5 6

D A C A B A A

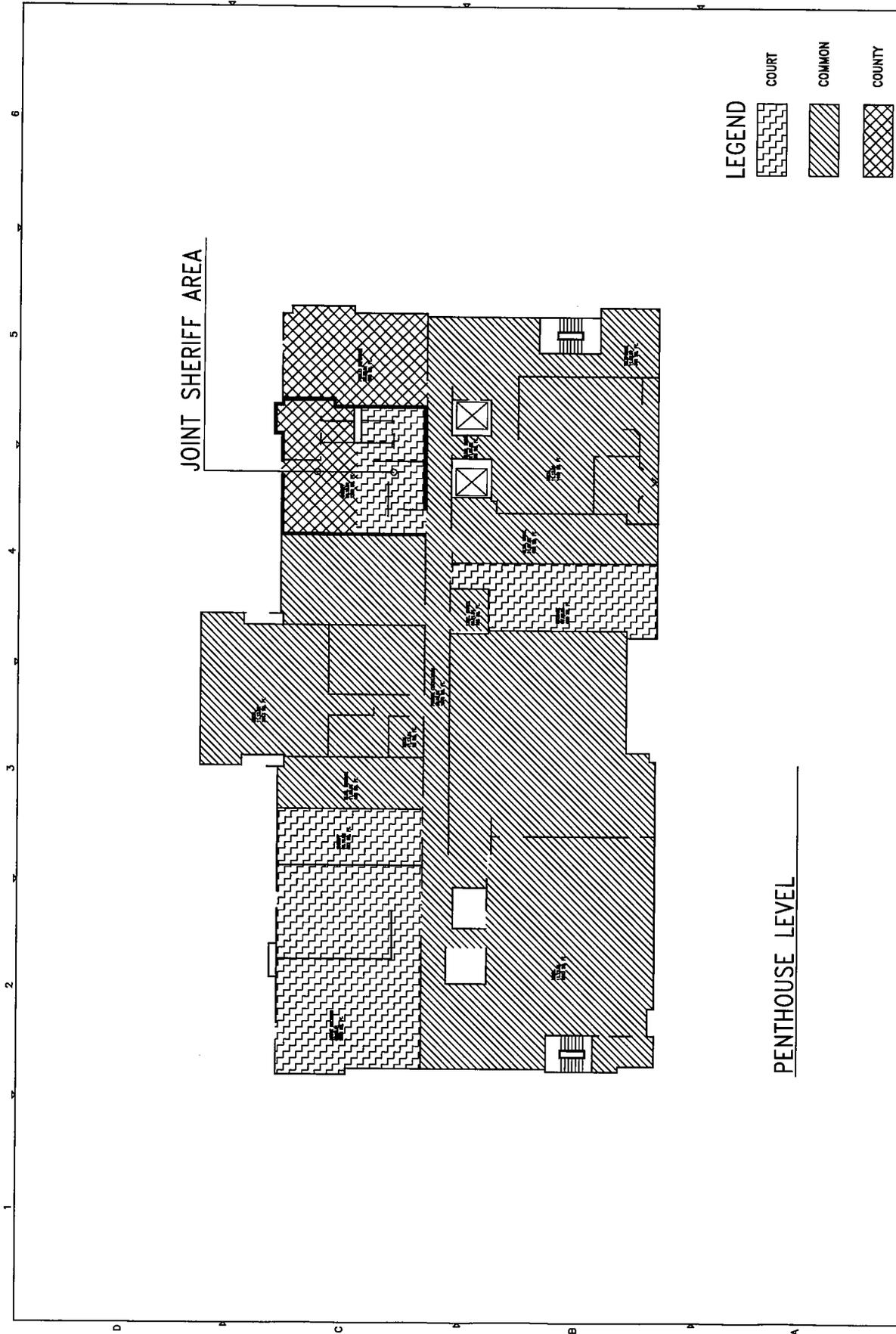


LEGEND

-  COURT
-  COMMON
-  COUNTY

TENTH FLOOR PLAN

NO.	ROOM	DATE			BUILDING VAN NUTS COURTHOUSE WEST 1440 EASTERN STREET MALL, STATE: CA VAN NUTS		DRAWING VAN NUTS COURTHOUSE WEST RIBBING		SHEET NUMBER 17		PROJECT LOS ANGELES VAN NUTS COURTHOUSE WEST		DRAWING DATE: MAR 14, 2008		SCALE:		A-11	
					FILE TYPE TENTH FLOOR PLAN		DRAWING DATE: MAR 14, 2008		PROJECT LOS ANGELES VAN NUTS COURTHOUSE WEST		SHEET NUMBER 17		SCALE:		A-11			



LEGEND

COURT

COMMON

COUNTY

PENTHOUSE LEVEL

J. JACOBSON ARCHITECTURE INC. 11111 WILSON BLVD. SUITE 100 LOS ANGELES, CA 90024 TEL: (213) 709-1111 FAX: (213) 709-1112		PROJECT: VAN NUYS COURTHOUSE WEST ADDRESS: 1440 EIGHTH STREET, MALL, VAN NUYS, STATE - CA COUNTY: LOS ANGELES CITY: VAN NUYS		SHEET NO.: 101 TOTAL SHEETS: 101	
DRAWN BY: [] CHECKED BY: [] DATE: []		ARCHITECT: [] PROJECT MANAGER: [] DATE: []		SCALE: [] SHEET NO.: []	
TITLE: [] TYPE: [] DRAWING NO.: []		PROJECT NO.: [] SHEET NO.: []		DATE: []	

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**

**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 No. 2240-004-909

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 Los Angeles, County of Los Angeles, State of California, having a street address of 14400 Erwin Street Mall, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon

F-1

Van Nuys West TA Exhs.
AOC Court Facility #19-AX2
County LACO #4400
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276309v3

containing the court facility commonly known as the Van Nuys Courthouse West, and all other structures 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 Van Nuys Courthouse West dated _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Van Nuys Courthouse West of even date therewith (“**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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Lots 21 to 28, inclusive, and Lots 29 to 32, inclusive, Block 31, Tract No.1200, as shown on map recorded in Book 19, page 35, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, together with that portion of that certain 15-foot wide Alley, now vacated, as shown on said map, adjoining the above mentioned lots and lying easterly of a line that extends from the southwesterly corner of said Lot 21 to the northwesterly corner of said Lot 32.

F-6

Van Nuys West TA Exhs.
AOC Court Facility #19-AX2
County LACO #4400
Owned/Shared (TOR/DTOT)
October 29, 2008
IMANDB/1276309v3

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-AX2
County LACO # 4400
Van Nuys Courthouse West JOA
14400 Erwin Street Mall, Van Nuys, California 91401

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 VAN NUYS COURTHOUSE WEST

26847

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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 November 18, 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 Van Nuys Courthouse West, located at 14400 Erwin Street Mall, Van Nuys, California, 91401, 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)

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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. 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 80.48 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 32,638 square feet of the Building interior 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 19.52 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 Parties” means the County and its officers, agents, and employees.

“County Share” means 19.52 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 134,551 square feet of the Building interior 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 80.48 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 areas of the Building that are located in the basement and on the penthouse level, and labeled **“Joint Sheriff Area”** on Exhibit “D” to the Transfer Agreement.

“Land” means the real property on which the Building is located, comprising approximately 1.4 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 written agreement 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 under 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.

“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, 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.

“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.

“**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 Van Nuys Courthouse West, 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.

“**Vending Facility**” has the meaning given to it in section 19626 of the Welfare and Institutions Code.

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 at least through June 30, 2009, 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 at least through June 30, 2009, 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 the 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 48.03 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 51.97 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 48.03 percent Court Exclusive-Use Area and 51.97 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-Ownning 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. No parking is provided under this JOA or the Transfer Agreement. All parking for the Parties and their respective judges, staff, employees, jurors, and visitors to the Building is addressed in the Transfer Agreement between the Judicial Council and the County of Los Angeles for the Transfer of Responsibility for and Title to the Van Nuys Courthouse East, and the Joint Occupancy Agreement between the Judicial Council and the County of Los Angeles for the Van Nuys Courthouse East, of approximately even date herewith.

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-Ownning Party, and ensure that the Non-Ownning 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 any other 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 3.2.8 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. 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. 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. 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 Costs 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) \$602,961 (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) \$602,961, 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 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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.

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: *G. Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: *Debra Santana*
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.

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

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

By: *Debra Santana*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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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 Transfer of Title to, the Van Nuys Courthouse West, which is located in a building on certain real property in the City of Los Angeles, County of Los Angeles, State of California and having a street address of 14400 Erwin Street Mall (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____

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

ATTEST:
_____, Executive Officer
Board of Supervisors

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

By: _____
Deputy

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
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			
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
Escalators	X		X		X	X	X	X
Dumbwaiters	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	X	
Gutters/spouts/flashings	X					X	X	
Hazardous Materials								
Handling/storage/disposal of FOS-generated materials			X					

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

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
	X								

Concrete Areas/Hard Courts/Parking Lots									
Sweeping/washing, except parking lots									
Maintenance of parking lot surfaces	X								X
Vermis/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.									

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

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: (a) 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-X1
County LACO # X257, E322, L592
West Covina Courthouse
1427 West Covina Parkway
West Covina, CA 91790

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
THE WEST COVINA COURTHOUSE

76833

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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 November 18, 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 West Covina Courthouse.

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

“**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 West Covina Courthouse, located at 1427 West Covina Parkway, West Covina, California, 91790, on the Land in which the Court Facility is located and all Building Equipment. The Building does not include the East Valley Community Health Center.

“**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 Exclusive-Use Area” means the total number of interior square feet of the Building comprising Court Exclusive-Use Area and County Exclusive-Use Area, together. On the Effective Date, the Building Exclusive-Use Area is 77,341 square feet.

“Building Software” means any software used in connection with the Building Equipment.

“Campus” means the approximately 7.9 acres of land owned by the County, on which the Land, the Building, the Courthouse Parking Lot, the West Covina Public Library, the East Valley Community Health Center, and certain related improvements are located, as shown on **Exhibit “B”** to this Agreement.

“City Parking Lease” means County Lease and Agreement #19104 between the County, as lessee, and the City of West Covina, as lessor, as amended by that certain First Renewal and Amendment No.1, dated June 9, 1998, and as further amended by that certain Second Renewal and Amendment No.2, dated October 8, 2003.

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

“Combined Facility” means, together, the Building and the East Valley Community Health Center.

“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 “C”**, 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 Land not otherwise defined as either Party’s Exclusive-Use Area, including the Courthouse Parking Lot. 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.

“Council Equity Share” means 77.34 percent, which is equal to the Council Share (83.01 percent) multiplied by the portion of the total gross square footage of the Combined Facility, as of the Effective Date of this Agreement, that comprises the Building (93.17 percent).

“County Authorized Signatory” means the person or persons authorized by the County Board of Supervisors to execute this Agreement and the Responsibility 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 Responsibility Transfer Documents on behalf of the County; and (2) authorize the County to perform its obligations under this Agreement and the Responsibility Transfer Documents.

“County Board of Supervisors” means the governing body of the County.

“County Equity Share” means 22.66 percent, which is equal to the County Share (16.99 percent) multiplied by the portion of the total gross square footage of the Combined Facility, as of the Effective Date of this Agreement, that comprises the Building (93.17 percent), that product added to the percentage of the Combined Facility that is the total gross square footage of the East Valley Community Health Center (6.83 percent).

“County Exclusive-Use Area” means the 13,137 square feet of the Building interior that are exclusively occupied and used by the County, and all of the area in the East Valley Community Health Center, as shown on **Exhibit “C”** to this Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.99 percent of the Building 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) 15 parking spaces in the Courthouse Parking Lot; (ii) 100 parking spaces in Area A of the Leased Parking; and (iii) 134 parking spaces in Area C of the Leased Parking, as shown on **Exhibit “B”** to this Agreement.

“County Parties” means the County, and its officers, agents, and employees.

“Court Exclusive-Use Area” means the 64,204 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on **Exhibit “C”** to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.01 percent of the Building 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 Courthouse Parking Lot on the Land, as well as other areas of the Campus, and a set of floor plans showing the layout of the Court Facility in the interior of the Building, are attached as **Exhibits “B”** and **“C”** to this Agreement.

“Courthouse Parking Lot” means the surface parking lot located on the Land to the northeast of the Building containing 64 parking spaces, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements, as shown on **Exhibit “B”** to this Agreement.

“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.

“East Valley Community Health Center” means the health center which is adjacent to the Building, and constitutes a portion of the Combined Facility.

“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.

“Equity Share” means the Council Equity Share or the County Equity Share, as determined by the context in which the term is used, and **“Equity Shares”** means the Council Equity Share and the County Equity Share, together.

“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 Court Exclusive-Use Area; (3) commitments, deposits, and rights for Utilities relating to the Court Exclusive-Use Area 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 Court Exclusive-Use Area or the Tangible Personal Property; (5) deposits, deposit accounts, and escrow accounts arising from or related to any transactions related to the Court Exclusive-Use Area, and rights to receive refunds or rebates of impact fees, assessments, charges, premiums, or other payments made by the County in respect of the Court Exclusive-Use Area, 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 Court Exclusive-Use Area.

“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, the East Valley Community Health Center, and the Courthouse Parking Lot are located, as described in **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 any portions of the Campus on which the West Covina Public Library and other related structures or improvements are located.

“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.

“Leased Parking” means: (i) 100 parking spaces in the parking lot designated in the City Parking Lease as Area A; (ii) 106 parking spaces in the parking lot designated in the City Parking Lease as Area B; and (iii) 230 parking spaces in the parking structure, designated in the City Parking Lease as Area C, all as provided under the City Parking Lease and shown on **Exhibit “B”** to this Agreement.

“Managing Party” means the County, which is the Managing Party 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 Real 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 “E”**.

“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-Ownning Party” means the Council, which is the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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, under an Occupancy Agreement.

“Operation” means the administration, management, maintenance, and repair of designated areas of the Real Property.

“Owner” means the County, which is the Party that owns fee title to the Real Property.

“**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 “D”**.

“**Real Property**” means the Land, the East Valley Community Health Center, and the Building.

“**Responsibility Transfer Date**” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“**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, 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) 50 parking spaces in the Courthouse Parking Lot; (ii) 106 parking spaces in Area B of the Leased Parking; and (iii) 96 parking spaces in Area C of the Leased Parking, as shown on **Exhibit “B”** 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 Court Exclusive-Use Area, 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.

“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.

“Utilities” means all of the utilities provided to the Building, 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. 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.

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 section 4.5.3 of 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, 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 Responsibility 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 Responsibility 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 Agreement. The Parties acknowledge that the sole Occupancy Agreement under which an Occupant occupies or uses space in the Court Exclusive-Use Area or in the Common Area (the “**Unassigned Occupancy Agreement**”) will not be assigned to the Council. The Parties have agreed to alternate mechanisms for transferring to the Council and the AOC responsibility for the Unassigned Occupancy Agreement, as follows:

(a) The State Department of Rehabilitation is the Occupant of certain space in the Building, for the provision of a Vending Facility, specifically a snack bar, pursuant to the Master License Agreement for the Operation of Vending Facilities in County Buildings as Business Enterprises for the Blind, dated July 31, 1990, between the County and the State Department of Rehabilitation under which the Vending Facility is located in the Building (the “**Master License Agreement**”, which is County Agreement #63619). On and after the Responsibility Transfer Date, the Parties shall work cooperatively together and with this Occupant to ensure the expedient transfer or replacement of the Vending Facility and the continuity of vending services in the Building. If the Master License Agreement has not been earlier terminated or replaced in respect of the Building, then prior to the first anniversary of the Responsibility Transfer Date, the County shall notify this Occupant of the termination of the Building from the list of approved locations in the Master License Agreement.

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 under an Occupancy Agreement. With respect to the Occupant under an Unassigned Occupancy Agreement, the Council shall be responsible to pay any County costs and to perform any County obligations related to such Occupant’s occupancy and use of the Court Exclusive-Use Area, and the Council shall also be entitled to any rights and benefits accruing to the County thereunder, including, if applicable, insurance coverage, indemnification rights, rent, license fees, and other

consideration paid by the Occupant. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 Transfer of Responsibility, 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 Transfer of Responsibility.

4.3.10 Parking. The Transfer of Responsibility will include the Superior Court Parking, and commencing on the Effective Date, the Council shall be responsible for the Council Share of the Shared Costs of Operation of the Courthouse Parking Lot, and the Council Share of any rent or other payments required under the City Parking

Lease, 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.

4.3.10.1 City Parking Lease. On the Effective Date, the County, as lessee, and the City of West Covina (“City”), as lessor, are parties to the City Parking Lease under which the County leases from the City the Leased Parking for use by the County and the Superior Court. Prior to the termination of the County’s tenancy of the Leased Parking, the Parties shall work cooperatively together and with the City to enter into separate new occupancy agreements between the City and the Council and between the City and the County, for the occupancy and use of the City-owned parking lots and parking structure, and to ensure the continuity of the Parties’ use of the Leased Parking.

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 “F”** 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 Responsibility 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 Real Property. 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. The Parties agree that until one Party occupies 80 percent or more of the Combined Facility, section 70344(b) shall not apply.

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 Equity Shares, unless the Parties have agreed to an alternate mechanism for compensating the Non-Owning Party for its Equity interest in the Combined Facility 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 Equity Shares, unless the Parties have agreed

to an alternate mechanism for compensating the Non-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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.

4.3.13.5 Limitations on Equity Rights. For clarification, the State Parties have no Equity rights or interest in or with respect to any part of the Campus or the improvements on the Campus other than the Real Property, nor do the State Parties have any responsibilities, obligations, or liabilities in respect of any part of the Campus or the improvements on the Campus other than the Real Property. The State Parties will not be entitled to receive any proceeds of any sale, lease, or other disposition of any part of the Campus or the improvements thereon, including the West Covina Public Library, other than the Real Property.

5. THE CLOSING

5.1 The Transfer of Responsibility; Responsibility Transfer Date. The Responsibility Transfer Date will occur on 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 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.

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

6. COUNTY FACILITIES PAYMENT

The amount of the County Facilities Payment approved by the DOF is \$571,773, 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 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.

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 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, 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 Building are as shown on **Exhibit "C"** 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 Real Property is not subject to "bonded indebtedness" as defined in section 70301(a) of the Act. 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.

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 Responsibility 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 Responsibility 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, would have been material to the County's completion of the Transfer of Responsibility 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 Responsibility 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, would have been material to the Council's acceptance of the Transfer of Responsibility 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 Responsibility 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, would have been material to the Council's acceptance of the Transfer of Responsibility 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 Responsibility 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 Real Property, including the Property Disclosure Documents, adequate to ensure that all claims and disputes arising under this Agreement or the Responsibility 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 portion of the award received that is attributable to the Building 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 Transfer of Responsibility 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 Responsibility 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 Responsibility 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 Responsibility 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 Responsibility Transfer Documents contain the entire agreement of the Parties with respect to the Transfer of Responsibility, 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 Responsibility 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 Responsibility Transfer Documents, and the Act.

[Signature page follows.]

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

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

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

COUNTY OF LOS ANGELES, a body corporate and politic

By: *Stanna Khana*
Deputy

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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

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

By: *Stanna Khana*
Deputy

76833

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

West Covina TA
AOC Court Facility # 19-X1
County LACO # X257, E322, L592
Owned-Shared (TOR Only)
October 29, 2008
IMANDB/1190193v13

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Site Plan of Campus

Exhibit "C" – Floor Plans of Building Interior

Exhibit "D" – Categories of Property Disclosure Documents

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

Exhibit "F" – Copy of Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

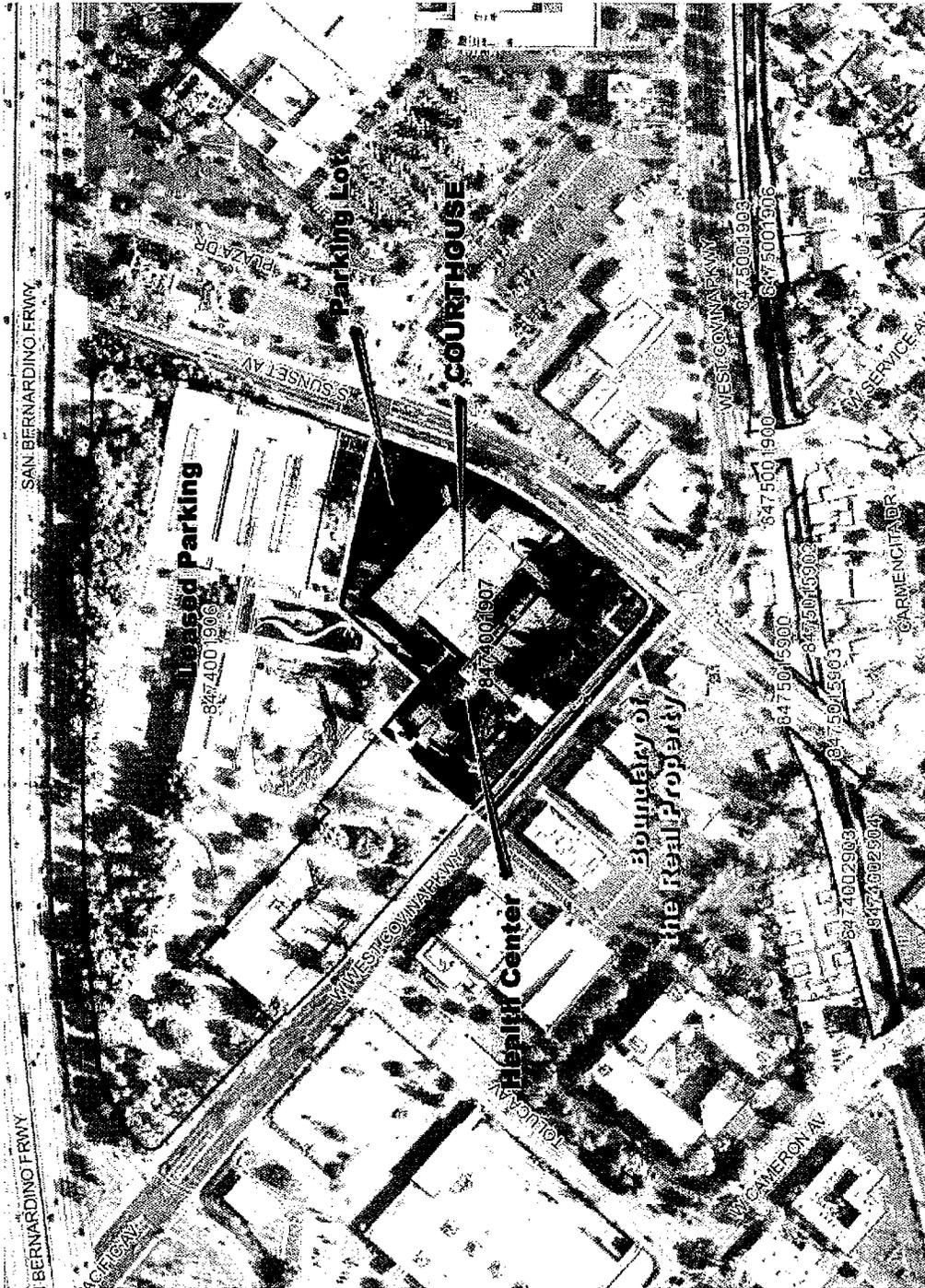
That portion of Lot 133, E. J. Baldwin's 4th Subdivision, as shown on map recorded in Book 8, page 186, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at a point in the southwesterly line of said lot, said point being distant North 48°34'50" West along said southwesterly line, 527.45 feet from the most southerly corner of said lot; thence South 48°34'50" East along said southwesterly line to said most southerly corner; thence northeasterly along the southeasterly line of said lot, a distance of 245.34 feet to the most southerly corner of that certain parcel of land originally described in Certificate of Title No. 3AA-124836, on file in the office of said Registrar-Recorder/County Clerk; thence northwesterly along the southwesterly line of said certain parcel of land, a distance of 20.00 feet to that certain 700-foot radius curve in the northwesterly line of said certain parcel of land; thence northeasterly along said certain 700-foot radius curve, an arc distance of 251.00 feet to the most northerly corner of said certain parcel of land, said most northerly corner also being the most westerly corner of that certain parcel of land described in deed to the State of California, for freeway purposes, recorded as Document No. 3350, on April 20, 1954, in Book 44371, page 428, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence continuing northerly along that certain 700-foot radius curve in the westerly boundary of said last mentioned certain parcel of land, an arc distance of 25.83 feet to the northerly terminus thereof; thence continuing northerly along said last mentioned westerly boundary, a distance of 147.41 feet to the northeasterly corner of that certain parcel of land described in deed to said County, recorded on January 18, 1967, as Document No. 2148, in Book D3535, page 255, of said Official Records; thence westerly along the northerly line of said last mentioned certain parcel of land, a distance of 324.69 feet to the intersection of the northeasterly line of the southwesterly 491 feet of said Lot 133, with the northwesterly line of the southeasterly 413.12 feet, measured along the southwesterly line of said lot, said intersection also being the most northerly northwesterly corner of said last mentioned certain parcel of land; thence southwesterly along said northwesterly line, a distance of 217 feet; thence northwesterly, parallel to said southwesterly line, a distance of 113.81 feet to a straight line which bears North 41°29'23" East and which passes through the point of beginning; thence South 41°29'23" West along said straight line, a distance of 273.95 to the point of beginning.

A-1

EXHIBIT "B"

SITE PLAN OF THE CAMPUS



B-1

West Covina TA
AOC Court Facility # 19-X1
County LACO # X257, E322, L592
Owned/Shared (TOR Only)
October 29, 2008
IMANDB/1262460v4

EXHIBIT "C"

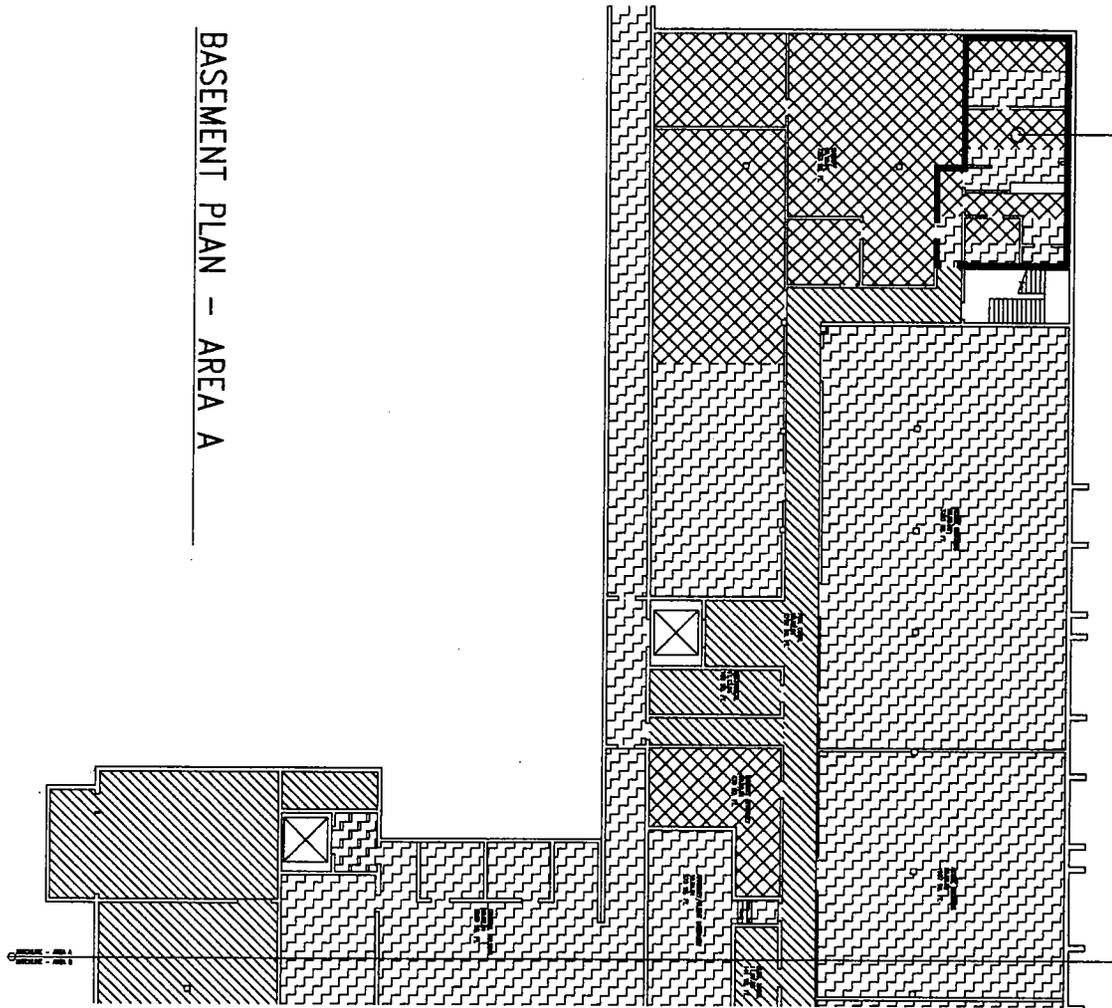
FLOOR PLANS OF BUILDING INTERIOR

(See attached.)

C-1

West Covina TA
AOC Court Facility # 19-X1
County LACO # X257, E322, L592
Owned/Shared (TOR Only)
October 29, 2008
IMANDB/1262460v4

JOINT SHERIFF AREA

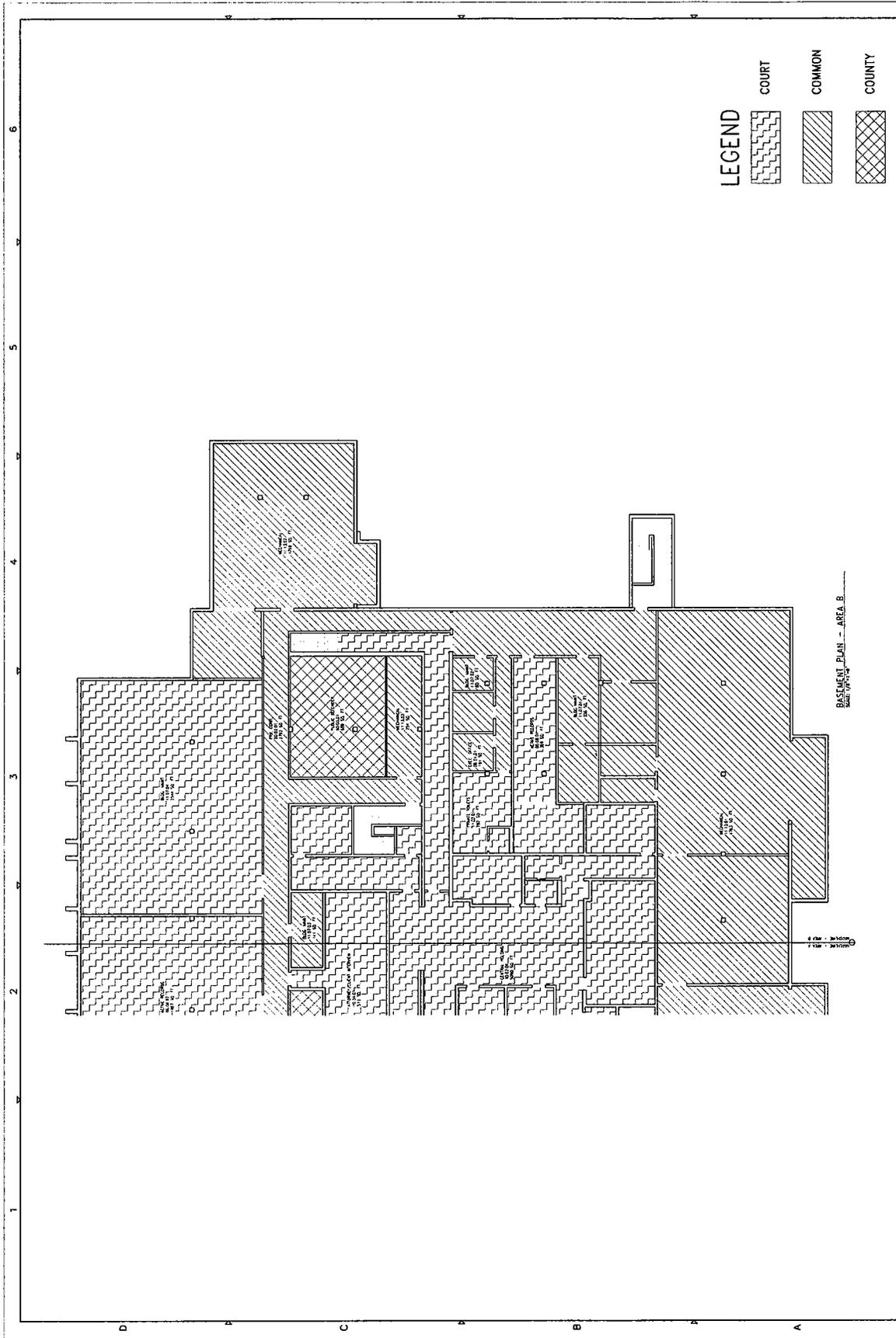


BASEMENT PLAN - AREA A

LEGEND

	COUNTY
	COMMON
	COURT

NO.	REVISION	DATE	 <p>J.E. JACOBS ARCHITECTURAL FIRM "PLAN & SPEC"</p>	<p>PROJECT</p> <p>NAME: VEST COVINA COURTHOUSE ADDRESS: 1427 VEST COVINA PARKWAY WEST COVINA, STATE: CA</p>	<p>DESCRIPTION</p> <p>SYSTEM: VEST COVINA COURTHOUSE LOS ANGELES</p>	<p>DATE</p> <p>DATE: 01/11/00 DATE: 02/01/00 DATE: 02/01/00</p>	<p>SCALE</p> <p>SCALE: 1/8" = 1'-0"</p>	<p>OWNER</p> <p>OWNER: COUNTY OF LOS ANGELES COUNTY CLERK'S OFFICE 100 N. MAIN ST., 10TH FLOOR LOS ANGELES, CA 90012</p>
1	ISSUED FOR PERMITS	01/11/00						
2	REVISED PER COMMENTS	02/01/00						
3	REVISED PER COMMENTS	02/01/00						



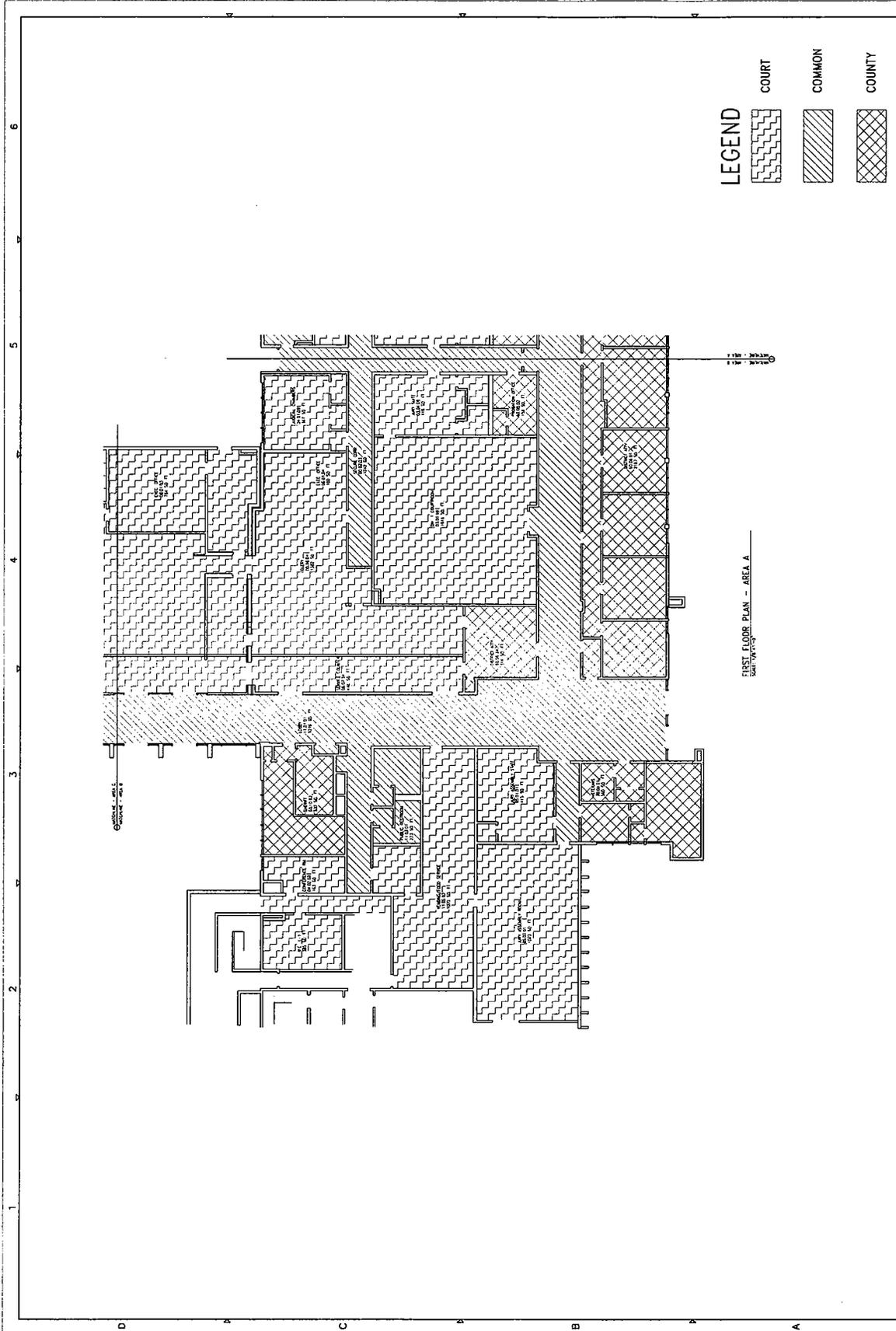
LEGEND

COURT

COMMON

COUNTY

NO.	REVISION	DATE
J. JACOBSON ARCHITECTURE INC. 1427 WEST COVINA PARKWAY WEST COVINA, CALIFORNIA 91790 (626) 963-1111		
PROJECT: WEST COVINA COURTHOUSE ADDRESS: 1427 WEST COVINA PARKWAY WEST COVINA, STATE: CA		
REVISION: 1427 WEST COVINA COURTHOUSE NUMBER: 1427276		
CITY: LOS ANGELES COUNTY: LOS ANGELES		
SHEETS: TOTAL: 19 THIS: 10	DRAWING NO.: A102	DATE: 10/11/07
TITLE: BASEMENT FLOOR PLAN - AREA B	PROJECT NO.:	SCALE:
DRAWN BY:	CHECKED BY:	DATE:
TYPE:	REVISIONS:	DATE:



LEGEND

COURT

COMMON

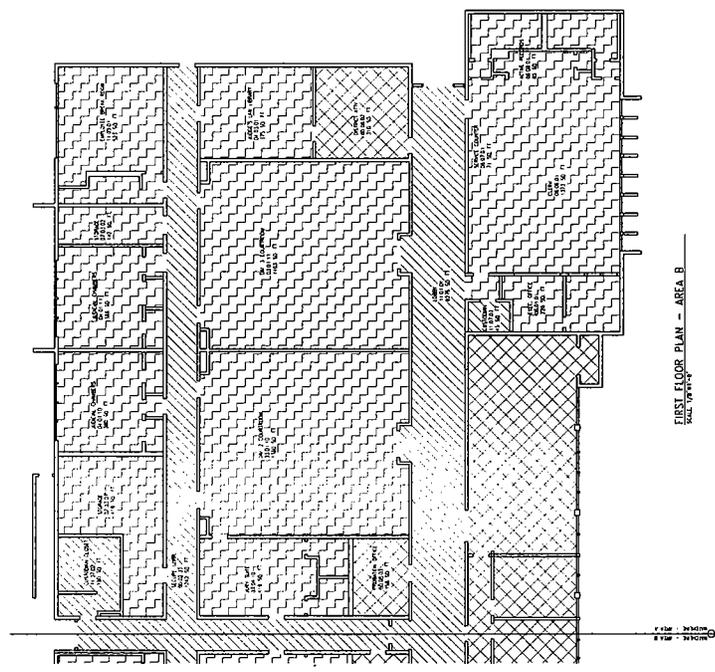
COUNTY

FIRST FLOOR PLAN - AREA A
Scale: 1/8" = 1'-0"

NO.	ROOM	DATE			NAME: WEST COVINA COURTHOUSE ADDRESS: 1427 WEST COVINA PARKWAY WEST COVINA, CALIF. CA	DISTRICT NUMBER: 1427 DISTRICT NAME: WEST COVINA COURTHOUSE	TITLE: ARCHITECT NAME: JACOBSON	SHEET NO.: 1 TOTAL SHEETS: 1	COUNTY CODE: 15 SITE CODE: X FLOOR NO.: 1	FILE NO.: A103

1 2 3 4 5 6

D C B A

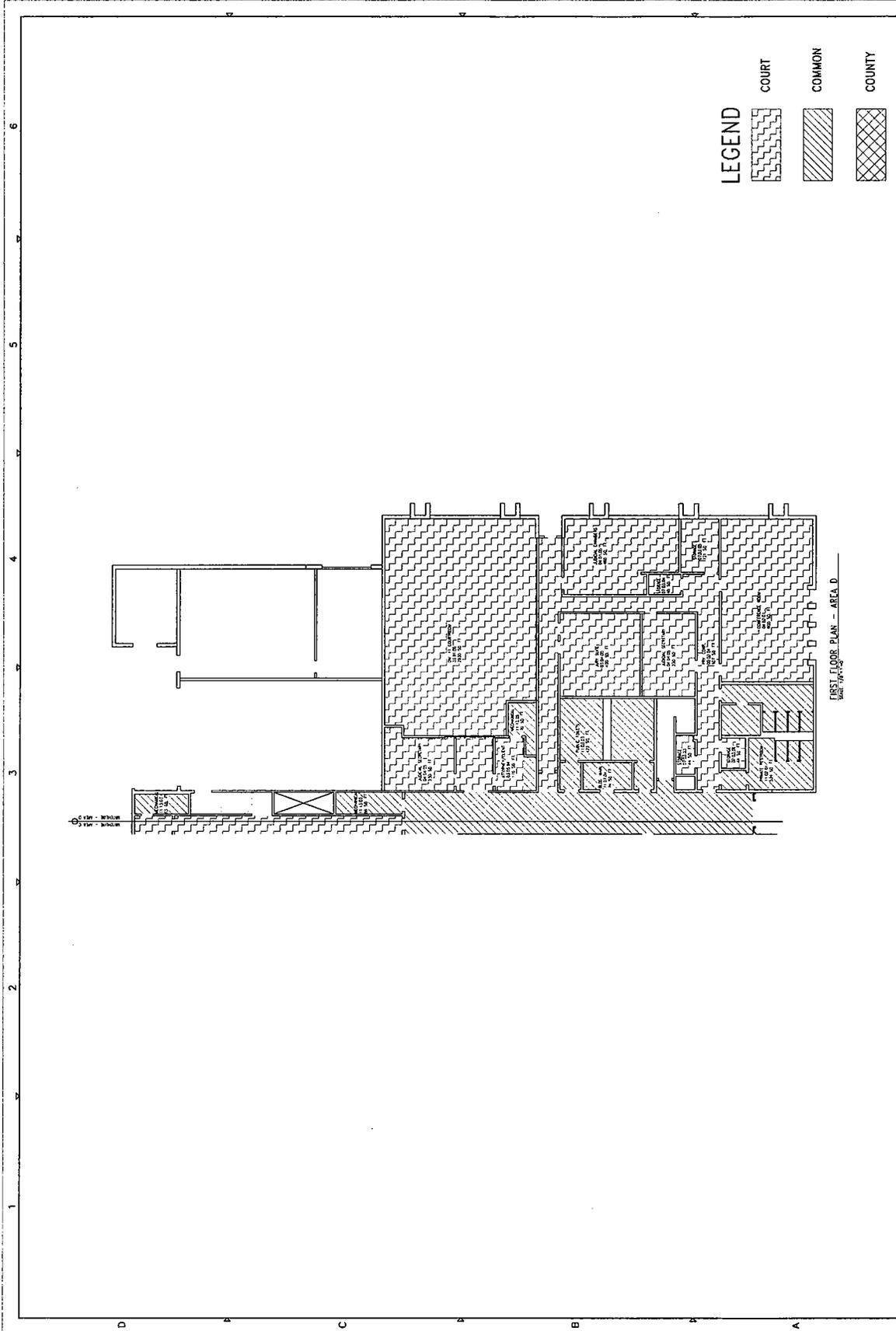


FIRST FLOOR PLAN - AREA B
SCALE: 1/8" = 1'-0"

LEGEND

	COURT
	COMMON
	COUNTY

JACOBS CONSULTING ENGINEERS 1100 15th Street, Suite 1000 San Francisco, CA 94103 (415) 774-2000		PROJECT NAME: WEST COWAN COURTHOUSE ADDRESS: 1427 WEST COWAN PARKWAY, STATE, CA CITY: WEST COWAN, STATE, CA		DESCRIPTION MAJOR: RENOVATION MINOR:		COUNTY COUNTY CODE: 95 SITE CODE: X FLOOR NO.: 1	
DATE: 11/14/11 DRAWN BY: [Name] CHECKED BY: [Name]		TITLE: FIRST FLOOR PLAN - AREA A SCALE: AS SHOWN		SHEET NO.: A104 TOTAL SHEETS: 104		PROJECT NO.:	



LEGEND

COURT

COMMON

COUNTY

FIRST FLOOR PLAN - AREA D
SCALE: 1/8" = 1'-0"

				PROJECT: WEST CONNA COURTHOUSE ADDRESS: 1427 WEST CONNA PARKWAY WEST CONNA, STATE, CA		DESCRIPTION: LOS ANGELES WEST CONNA COURTHOUSE TRUSLOW		THE ARCHITECT: FIRST FLOOR PLAN - AREA D ARCHITECT: [Name]		SHEET NO: 106 DATE: 10/15/88	
COUNTY: LOS ANGELES CITY: WEST CONNA ZIP: 90001		PROJECT NO: [Number]		SHEET NO: 106 DATE: 10/15/88		SHEET NO: 106 DATE: 10/15/88		SHEET NO: 106 DATE: 10/15/88		SHEET NO: 106 DATE: 10/15/88	

EXHIBIT "D"

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

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West Covina TA
AOC Court Facility # 19-X1
County LACO # X257, E322, L592
Owned/Shared (TOR Only)
October 29, 2008
IMANDB/1262460v4

EXHIBIT "E"

**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

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

APN: 8474-001-907 (por.)

**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 West Covina, County of Los Angeles, State of California, having a street address of 1427 West Covina Parkway, 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 West Covina Courthouse, and all

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West Covina TA
AOC Court Facility # 19-X1
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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 the West Covina Courthouse dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the West Covina Courthouse of even date therewith (“**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 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);

D. 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services
Administrative Office of the Courts

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "E"

LEGAL DESCRIPTION OF THE PROPERTY

That portion of Lot 133, E. J. Baldwin's 4th Subdivision, as shown on map recorded in Book 8, page 186, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at a point in the southwesterly line of said lot, said point being distant North 48°34'50" West along said southwesterly line, 527.45 feet from the most southerly corner of said lot; thence South 48°34'50" East along said southwesterly line to said most southerly corner; thence northeasterly along the southeasterly line of said lot, a distance of 245.34 feet to the most southerly corner of that certain parcel of land originally described in Certificate of Title No. 3AA-124836, on file in the office of said Registrar-Recorder/County Clerk; thence northwesterly along the southwesterly line of said certain parcel of land, a distance of 20.00 feet to that certain 700-foot radius curve in the northwesterly line of said certain parcel of land; thence northeasterly along said certain 700-foot radius curve, an arc distance of 251.00 feet to the most northerly corner of said certain parcel of land, said most northerly corner also being the most westerly corner of that certain parcel of land described in deed to the State of California, for freeway purposes, recorded as Document No. 3350, on April 20, 1954, in Book 44371, page 428, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence continuing northerly along that certain 700-foot radius curve in the westerly boundary of said last mentioned certain parcel of land, an arc distance of 25.83 feet to the northerly terminus thereof; thence continuing northerly along said last mentioned westerly boundary, a distance of 147.41 feet to the northeasterly corner of that certain parcel of land described in deed to said County, recorded on January 18, 1967, as Document No. 2148, in Book D3535, page 255, of said Official Records; thence westerly along the northerly line of said last mentioned certain parcel of land, a distance of 324.69 feet to the intersection of the northeasterly line of the southwesterly 491 feet of said Lot 133, with the northwesterly line of the southeasterly 413.12 feet, measured along the southwesterly line of said lot, said intersection also being the most northerly northwesterly corner of said last mentioned certain parcel of land; thence southwesterly along said northwesterly line, a distance of 217 feet; thence northwesterly, parallel to said southwesterly line, a distance of 113.81 feet to a straight line which bears North 41°29'23" East and which passes through the point of beginning; thence South 41°29'23" West along said straight line, a distance of 273.95 to the point of beginning.

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West Covina TA
AOC Court Facility # 19-X1
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EXHIBIT "F"

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-X1
County LACO # X257, E322, L592
West Covina Courthouse
1427 West Covina Parkway
West Covina, CA 91790

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 WEST COVINA COURTHOUSE

70842

West Covina JOA
AOC Court Facility # 19-X1
County LACO # X257, E322, L592
Owned-Shared (TOR Only)
October 29, 2008
IMANDB/1260602v7

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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 November 18, 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 West Covina Courthouse, located at 1427 West Covina Parkway, West Covina, California, 91790, on the Land in which the Court Facility (as defined in the Transfer Agreement) is located, and all Building Equipment. The Building does not include the East Valley Community Health Center.

“**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 Exclusive-Use Area**” means the total number of interior square feet of the Building comprising Court Exclusive-Use Area and County Exclusive-Use Area, together. On the Effective Date, the Building Exclusive-Use Area is 77,341 square feet.

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

“**Campus**” means the approximately 7.9 acres of land owned by the County, on which the Land, the Building, the Courthouse Parking Lot, the West Covina Public Library, the East Valley Community Health Center, and certain related improvements are located, as shown on Exhibit “B” to the Transfer Agreement.

“City Parking Lease” means County Lease and Agreement #19104 between the County, as lessee, and the City of West Covina, as lessor, as amended by that certain First Renewal and Amendment No.1, dated June 9, 1998, and as further amended by that certain Second Renewal and Amendment No.2, dated October 8, 2003.

“Combined Facility” means, together, the Building and the East Valley Community Health Center.

“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 “C” 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 Land not otherwise defined as either Party’s Exclusive-Use Area, including the Courthouse Parking Lot. 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 3.2.2.2 of this JOA.

“Contributing Party” means the Council.

“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 83.01 percent, which is the percentage of the Building 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 13,137 square feet of the Building interior that are exclusively occupied and used by the County, as shown on Exhibit “C” to the Transfer Agreement. As of the Effective Date, the County Exclusive-Use Area constitutes 16.99 percent of the Building 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) 15 parking spaces in the Courthouse Parking Lot; (ii) 100 parking spaces in Area A of the Leased Parking; and (iii) 134 parking spaces in Area C of the Leased Parking, as shown on Exhibit “B” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 16.99 percent, which is the percentage of the Building Exclusive-Use Area that is exclusively occupied and used by the County.

“Court Exclusive-Use Area” means the 64,204 square feet of the Building interior that are exclusively occupied and used by the Superior Court, as shown on Exhibit “C” to the Transfer Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 83.01 percent of the Building Exclusive-Use Area.

“Courthouse Parking Lot” means the surface parking lot located on the Land to the northeast of the Building containing 64 parking spaces, and associated walkways, driveways, points of ingress and egress, access aisles, medians, landscaping, and other related improvements, as shown on Exhibit “B” to the Transfer Agreement.

“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.

“JOA” means this Joint Occupancy Agreement.

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

“Land” means the real property on which the Building, the East Valley Community Health Center, and the Courthouse Parking Lot are located, as described in 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 any portion of the real property on which the Leased Parking is located, or those portions of the Campus on which the West Covina Public Library and other related structures or improvements are located.

“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.

“Leased Parking” means: (i) 100 parking spaces in the parking lot designated in the City Parking Lease as Area A; (ii) 106 parking spaces in the parking lot designated in the City Parking Lease as Area B; and (iii) 230 parking spaces in the parking structure, designated in the City Parking Lease as Area C, all as provided under the City Parking Lease and shown on Exhibit “B” to the Transfer Agreement.

“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 County.

“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-Ownning Party” means the Council, which is the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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, under 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 3.2.2.2 of this JOA. For clarification, custodial services are not governed by this JOA.

“Owner” means the County, which is the Party that owns fee title to the Real Property.

“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, the East Valley Community Health Center, 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, 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.

“**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) 50 parking spaces in the Courthouse Parking Lot; (ii) 106 parking spaces in Area B of the Leased Parking; and (iii) 96 parking spaces in Area C of the Leased Parking, as shown on Exhibit “B” 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.

“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 the West Covina Courthouse, of even date herewith.

“Utilities” means all of the utilities provided to the Building, 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 at least through June 30, 2009, or (ii) due to the failure of the County to provide the Superior Court Area Services in accordance with this section 3.2.1.2, 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. 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.

3.2.2.2 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 47.60 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 52.40 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 47.60 percent Court Exclusive-Use Area and 52.40 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 Building. Each Party will be responsible for its Share of the fees and charges for Utilities provided to the Building on and after the Responsibility Transfer Date pursuant to section 4 of this JOA.

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 6.4.2 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. 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 6.5 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 Courthouse Parking Lot, which is included in Common Area, and the Party that is the lessee under the City Parking Lease is responsible for the Leased Parking under the terms of the City Parking Lease. 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 13 of the parking spaces allocated to the Superior Court Parking in the Courthouse Parking Lot, and up to 8 of the parking spaces allocated to the County 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 Responsibility Transfer Date, the Council is responsible for the Council Share of the Shared Costs of Operation of the Courthouse Parking Lot, and the Parties shall share the lease costs for the Leased Parking on the basis of the usage of parking spaces under the various prices for parking spaces in the City Parking Lease, as provided in the Transfer Agreement and this JOA. On the Effective Date, the costs of the City Parking Lease are shared on the basis of 42.63 percent to the Council and 57.37 percent to the County. 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-Ownning Party, and ensure that the Non-Ownning 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 delegation set forth in section 3.2.1.2 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 County is solely entitled to all revenues arising from vending machines located in the Building, and the Parties shall share in any revenues received by the Managing Party arising from any other 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 (as 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 Building. 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 Building, 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 Building. 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 Building. Unscreened County employees and County Contractors may access the Building 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 Building 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 Building. The Parties shall work together in a cooperative manner to ensure that Approved Persons enter only those portions of the Building 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 in the Building.

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 Building 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. 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. 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. 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 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 4.3 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.

4.4 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 4.4.

4.5 Limitation on Actual Shared Costs.

4.5.1 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 shall pay the County 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:

4.5.1.1 First Year Costs. In respect of the First Year, the Council shall pay the County an amount equal to the sum of (i) \$236,159 (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

4.5.1.2 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 4.5.1.2, 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) \$236,159, 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 4.5.1.2 applies will be the “**Second Year Basic Costs**” for purposes of this JOA.

4.5.1.3 Time for Payment; Applicability. 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 4.5.1.1 and 4.5.1.2 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 3.2.2.2 above) made or provided to the Real Property, or any Property Insurance Costs. The terms of this section 4.5.1 will no longer be applicable following the end of the Second Year.

4.5.2 Costs After Expiration of Second Year.

4.5.2.1 Common Area Costs. Following the end of the Second Year, the Council shall pay the County 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 4.4 of this JOA.

4.5.2.2 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.

4.5.3 Costs of Maintenance of the Combined Facility. On the Effective Date, certain Utilities that serve the Building are centrally metered as part of the Combined Facility. Utility Costs for the Building are, therefore, billed to the County on an account that may also include charges for utilities provided to the East Valley Community Health Center, which is not subject to transfer under the Act. In addition, certain other maintenance costs related to heating, ventilation, and air conditioning systems, as well as to electrical systems, water supply systems, and grounds maintenance may be incurred by the County, but are attributable to the Combined Facility generally. The Parties agree that after the Responsibility Transfer Date, the Council shall be responsible only for its Share of the portion of these Shared Costs of Operation and Utility Costs that are attributable to the Building.

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 portion of those Property Insurance Costs, arising from such Property Insurance Policies, that are attributable to the Building. 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 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.

6.3.1 State Parties' Right to Buy Property Insurance. For a Property Loss that is not the responsibility of the County pursuant to section 6.3 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 Reporting and Processing Claims.

6.4.1 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.

6.4.2 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.

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

6.6 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 portions of the Real Property arising from the Property Loss ("**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 section 6.3 of this JOA; provided that if 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 6.3.1 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. 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 portion of the condemnation proceeds that is attributable to the Building.

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 under section 3.2.1.2 of this JOA, 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: *Rachel Dragolovich*
Name: Rachel Dragolovich, Attorney

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

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Yvonne B. Burke*
Deputy

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.

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Yvonne B. Burke*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76848

LIST OF ATTACHMENTS

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

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 the West Covina Courthouse, which is located in a building on certain real property in the City of West Covina, County of Los Angeles, State of California and having a street address of 1427 West Covina Parkway, 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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:

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

_____, Executive Officer
Board of Supervisors

By: _____
Deputy

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

County Counsel

By _____
Deputy County Counsel

ATTACHMENT "2" TO JOA

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

No County employee or 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
X				X	X	X	
							X

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

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								X
Weeding	X								
Edging		X							
Mechanical Edging									
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									
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.

AOC Facility # 19-AO1
County LACO # 3331, 5882
Whittier Courthouse TA
7339 Painter Avenue, Whittier, California 90602

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 WHITTIER COURTHOUSE

76834

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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 November 18, 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 Whittier 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.

“**Assignments of Occupancy Agreements**” means the documents titled Assignment and Assumption of Occupancy Agreement that are attached to this Agreement as **Exhibit “G”**.

“**Building**” means the building commonly known as the Whittier Courthouse, located at 7339 Painter Avenue, Whittier, California, 90602, on the Land in which the

Court Facility is located, all Building Equipment, and all connected or related structures and improvements, except that the Building does not include the Parking Structure.

“Building Equipment” means all installed equipment and systems that serve the Building or the Parking Structure 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 7,076 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 13.57 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 four parking spaces in the Courthouse Parking Lot and 91 parking spaces in the Parking Structure, 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 45,085 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 86.43 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, abutting the Building, containing 16 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: (a) the real property on which the Building and the Courthouse Parking Lot are located, comprising approximately 1.4 acres; and (b) the real property on which the Parking Structure is located, comprising approximately 1.0 acre, 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 Real 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-Ownning Party**” means the Party that is not the Owner.

“**Occupancy Agreement**” means any written agreement 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 under 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.

“Parking Structure” means the Whittier Administrative Center Parking Structure, also known as County Auto Park 59, located at 7621 Painter Avenue, as shown on **Exhibit “C”** to this Agreement, containing 243 parking spaces.

“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 Deeds” means the two documents each entitled Quitclaim Deed that are similar in form and content to the documents 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, the Building, and the Parking Structure.

“Responsibility Transfer Date” means the date on which the Transfer of Responsibility will take place, which is the Effective Date.

“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 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.

“**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 12 parking spaces in the Courthouse Parking Lot and 152 parking spaces in the Parking Structure, 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 Deeds are 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. 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 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 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 Assigned Occupancy Agreements. The Parties agree that the one Occupancy Agreement 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 pursuant to the Assignment of Occupancy Agreement, as follows:

(a) Howard Hong DBA H.K. Food Service is the Occupant of space on the ground floor of the Building for the provision of a Vending Facility, specifically a snack bar, pursuant to County Concession Agreement #COL-429. Prior to the Responsibility Transfer Date, the County shall assign, and the Council shall accept assignment of, County Concession Agreement #COL-429.

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. The County, the Council, and the AOC shall cooperate with one another to ensure that each of them is able to perform its duties and exercise its rights with respect to all 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 “H”** 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 and the Parking Structure in order to bring the portions of the Building and the Parking Structure 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 and the Parking Structure that are required by Law as a result of the repair of the seismic-related damage to the Building and the Parking Structure; (iii) costs of relocating the Superior Court to alternate necessary and suitable temporary facilities if and to the extent that (a) the Building or the Parking Structure 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 the Parking Structure, 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 or the Parking Structure if the Building or the Parking Structure 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-Ownning Party for its Equity interest in the Building or the Parking Structure 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-Ownning 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-Ownning Party for its Equity interest in the Real Property. Such a mechanism could include the Owner providing the Non-Ownning Party with office space in a replacement building that is substantially equivalent in size and functionality to the Exclusive-Use Area of the Non-Ownning Party, on terms that are mutually agreeable to the County and the Council, in exchange for the Non-Ownning 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 on 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;
- (b) the Assignment of Occupancy Agreement; and

(c) 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 and the Assignments of Occupancy Agreements within 10 business days after the Effective Date.

5.1.3 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.

5.1.4 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 Deeds 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 Documents. The Title Transfer Documents are as follows:

(a) the Quitclaim Deeds.

5.2.2 Execution and Delivery of Title Transfer Documents. The County shall execute and deliver the Title Transfer Documents 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 Documents, 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 approved by the DOF is \$486,675, 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 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 Title Transfer Documents 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.

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 draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively. The capitalized terms used in this Agreement have the meanings ascribed to them in this Agreement.

15.9 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: *Grant Walker*
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

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

COUNTY OF LOS ANGELES, a body
corporate and politic

By: *Frankie Khana*
Deputy

By: *Vivonne B. Burke*
VIVONNE 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.

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

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

By: *Raymond G. Fortner, Jr.*
Principal Deputy County Counsel

By: *Frankie Khana*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Whittier TA
AOC Court Facility #19-AO1
County LACO #3331, 5882
Owned/Shared (TOR/DTOT)
October 24, 2008
2023168.7

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76834

EXHIBITS

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Quitclaim Deeds

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" – Assignment and Assumption of Occupancy Agreement

Exhibit "H" – Section 70324 of the Act

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Part A:

Those portions of Lots 2 and 3, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the intersection of the southerly line of the northerly 8.33 feet of said Lot 2, with the easterly line of said last-mentioned lot; thence southerly along said easterly line and the easterly line of said Lot 3 to the southeasterly line of that certain parcel of land described as PARCEL 1 in deed to the County of Los Angeles, recorded as Document No. 2566, on October 5, 1954, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence southwesterly along said southeasterly line to the southerly boundary of said PARCEL 1; thence westerly along said southerly boundary to the westerly line of the easterly 180 feet of said Lot 3; thence northerly along said westerly line and its northerly prolongation to the southerly corner of that certain parcel of land described in deed to the County of Los Angeles, recorded as Document No. 6870, on September 12, 1956, in Book 52277, page 141, of said Official Records; thence northerly and northwesterly along the westerly and southwesterly boundaries of said last-mentioned certain parcel of land to said southerly line; thence easterly along said southerly line to the point of beginning.

Part B:

Those portions of Lots 3 and 4, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Commencing at the intersection of the centerline of Painter Avenue and the centerline of Mar Vista Street, as said intersection is shown on Los Angeles County Department of Public Works Field Book 1027, page 828, on file in the office of the Director of the Department of Public Works of said County; thence South 0°00'10" West along said centerline of Painter Avenue, a distance of 314.91 feet; thence South 89°59'34" West 35.00 feet to a point in the easterly line of said Lot 4, said point being the True Point of

Beginning; thence continuing South 89°59'34" West to the westerly line of the easterly 160 feet of said Lot 4; thence northerly along said westerly line and its northerly prolongation to the northerly boundary of that certain parcel of land described as Parcel 2 in deed to County of Los Angeles, recorded on October 5, 1954, as Document No. 2566, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence easterly along said northerly boundary to the northeasterly line of said certain parcel of land, said northeasterly line being described as having a bearing and distance of South 44°59'43" East 21.21 feet in said deed; thence southeasterly along said northeasterly line to the easterly line of said Lot 3; thence southerly along the easterly lines of said Lots 3 and 4 to the True Point of Beginning.

EXHIBIT "B"
COPY OF QUITCLAIM DEEDS

[See attached.]

B-1

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:
8142-039-916

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 Whittier, 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

WHITTIER COURTHOUSE
(File: Whittier Municipal Court (1))
I.M. 099-277
S.D. 4

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

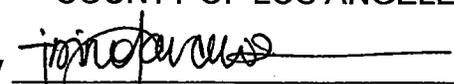
WHITTIER COURTHOUSE

File with: Whittier Municipal Court (1)
A.I.N. 8142-039-916
T.G. 677 (D7)
I.M. 099-277
Fourth District

LEGAL DESCRIPTION

Those portions of Lots 2 and 3, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the intersection of the southerly line of the northerly 8.33 feet of said Lot 2, with the easterly line of said last-mentioned lot; thence southerly along said easterly line and the easterly line of said Lot 3 to the southeasterly line of that certain parcel of land described as PARCEL 1 in deed to the County of Los Angeles, recorded as Document No. 2566, on October 5, 1954, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence southwesterly along said southeasterly line to the southerly boundary of said PARCEL 1; thence westerly along said southerly boundary to the westerly line of the easterly 180 feet of said Lot 3; thence northerly along said westerly line and its northerly prolongation to the southerly corner of that certain parcel of land described in deed to the County of Los Angeles, recorded as Document No. 6870, on September 12, 1956, in Book 52277, page 141, of said Official Records; thence northerly and northwesterly along the westerly and southwesterly boundaries of said last-mentioned certain parcel of land to said southerly line; thence easterly along said southerly line to the point of beginning.

APPROVED AS TO DESCRIPTION	
October 14, 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.

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:
8142-039-911

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 Whittier, 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

**WHITTIER COURTHOUSE
PARKING STRUCTURE**
(File: Whittier Municipal Court (1))
I.M. 099-277
S.D. 4

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

WHITTIER COURTHOUSE PARKING STRUCTURE

File with: Whittier Municipal Court (1)
A.I.N. 8142-039-911
T.G. 677 (D7)
I.M. 099-277
Fourth District

LEGAL DESCRIPTION

Those portions of Lots 3 and 4, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

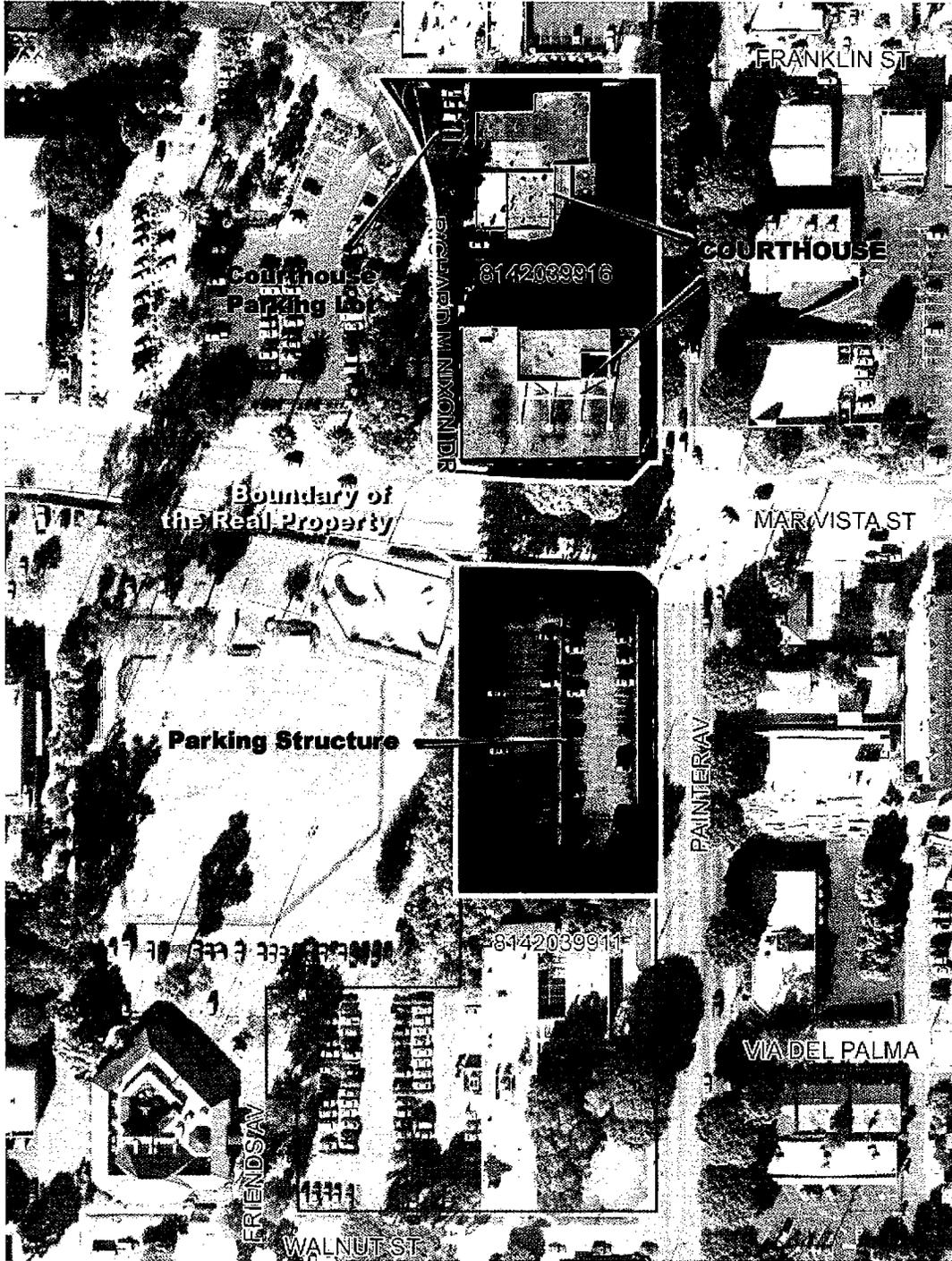
Commencing at the intersection of the centerline of Painter Avenue and the centerline of Mar Vista Street, as said intersection is shown on Los Angeles County Department of Public Works Field Book 1027, page 828, on file in the office of the Director of the Department of Public Works of said County; thence South 0°00'10" West along said centerline of Painter Avenue, a distance of 314.91 feet; thence South 89°59'34" West 35.00 feet to a point in the easterly line of said Lot 4, said point being the True Point of Beginning; thence continuing South 89°59'34" West to the westerly line of the easterly 160 feet of said Lot 4; thence northerly along said westerly line and its northerly prolongation to the northerly boundary of that certain parcel of land described as Parcel 2 in deed to County of Los Angeles, recorded on October 5, 1954, as Document No. 2566, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence easterly along said northerly boundary to the northeasterly line of said certain parcel of land, said northeasterly line being described as having a bearing and distance of South 44°59'43" East 21.21 feet in said deed; thence southeasterly along said northeasterly line to the easterly line of said Lot 3; thence southerly along the easterly lines of said Lots 3 and 4 to the True Point of Beginning.

APPROVED AS TO DESCRIPTION
August 27, 2008
COUNTY OF LOS ANGELES
By <u>Jim Duran</u>
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.*

EXHIBIT "C"

SITE PLAN OF REAL PROPERTY



C-1

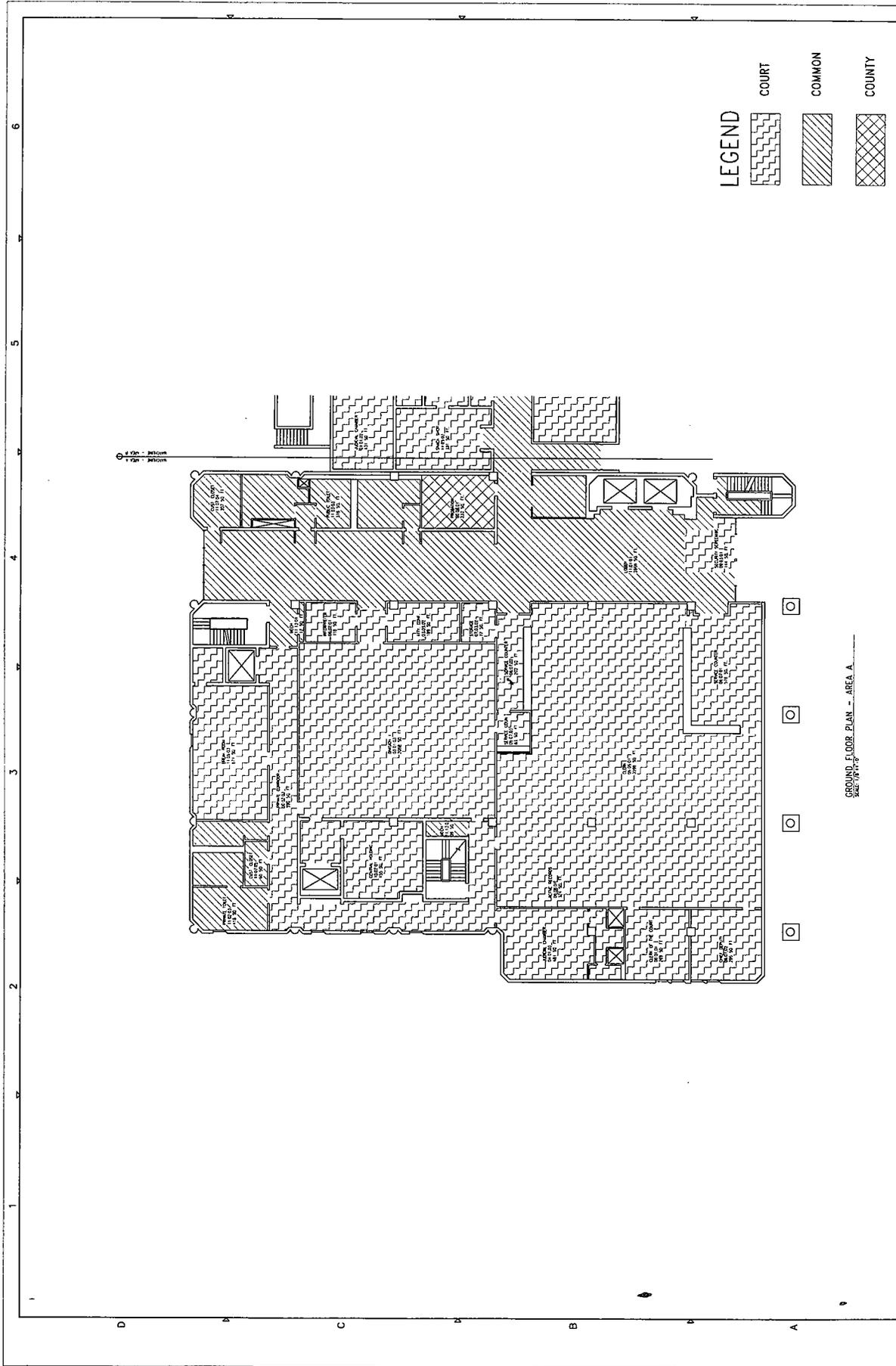
Whittier TA
AOC Court Facility # 19-AO1
County LACO #3331, 5882
October 24, 2008
2023202.7

EXHIBIT "D"

FLOOR PLAN OF BUILDING INTERIOR

[See attached.]

D-1



LEGEND

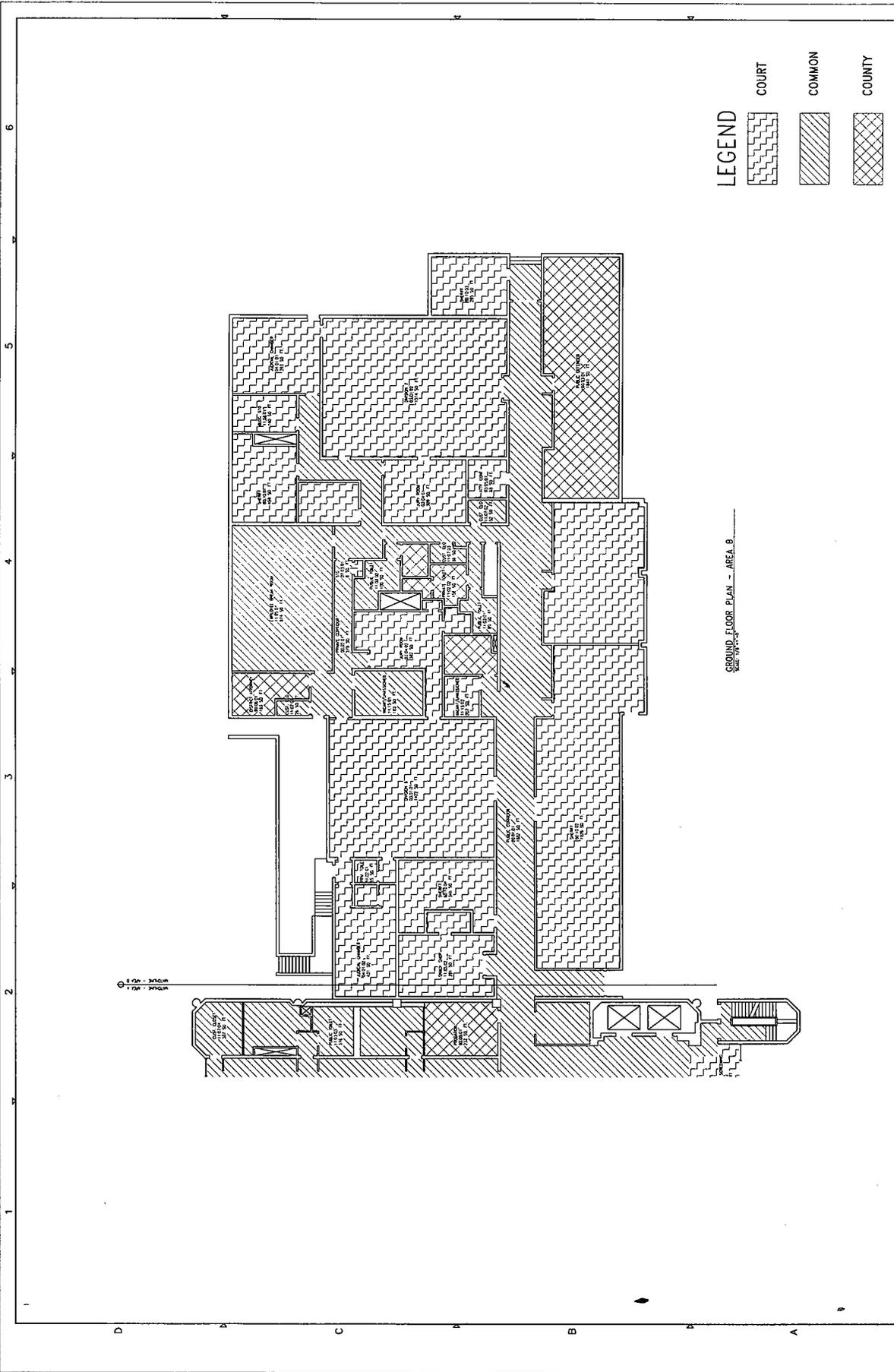
COURT

COMMON

COUNTY

GROUND FLOOR PLAN - AREA A
SCALE: 1/8" = 1'-0"

NO.	ROOM	DATE			NAME: WHITNEY COURTHOUSE ADDRESS: 7339 SOUTH PANTER AVENUE, STATE, CA PROJECT: WHITNEY	REVISION: 4/15/16 NUMBER: 1	CITY: LOS ANGELES COUNTY: LOS ANGELES	SHEET: 1 OF 1 SHEET NO.: A102
					PROJECT: WHITNEY COURTHOUSE ADDRESS: 7339 SOUTH PANTER AVENUE, STATE, CA PROJECT: WHITNEY	REVISION: 4/15/16 NUMBER: 1	CITY: LOS ANGELES COUNTY: LOS ANGELES	SHEET: 1 OF 1 SHEET NO.: A102

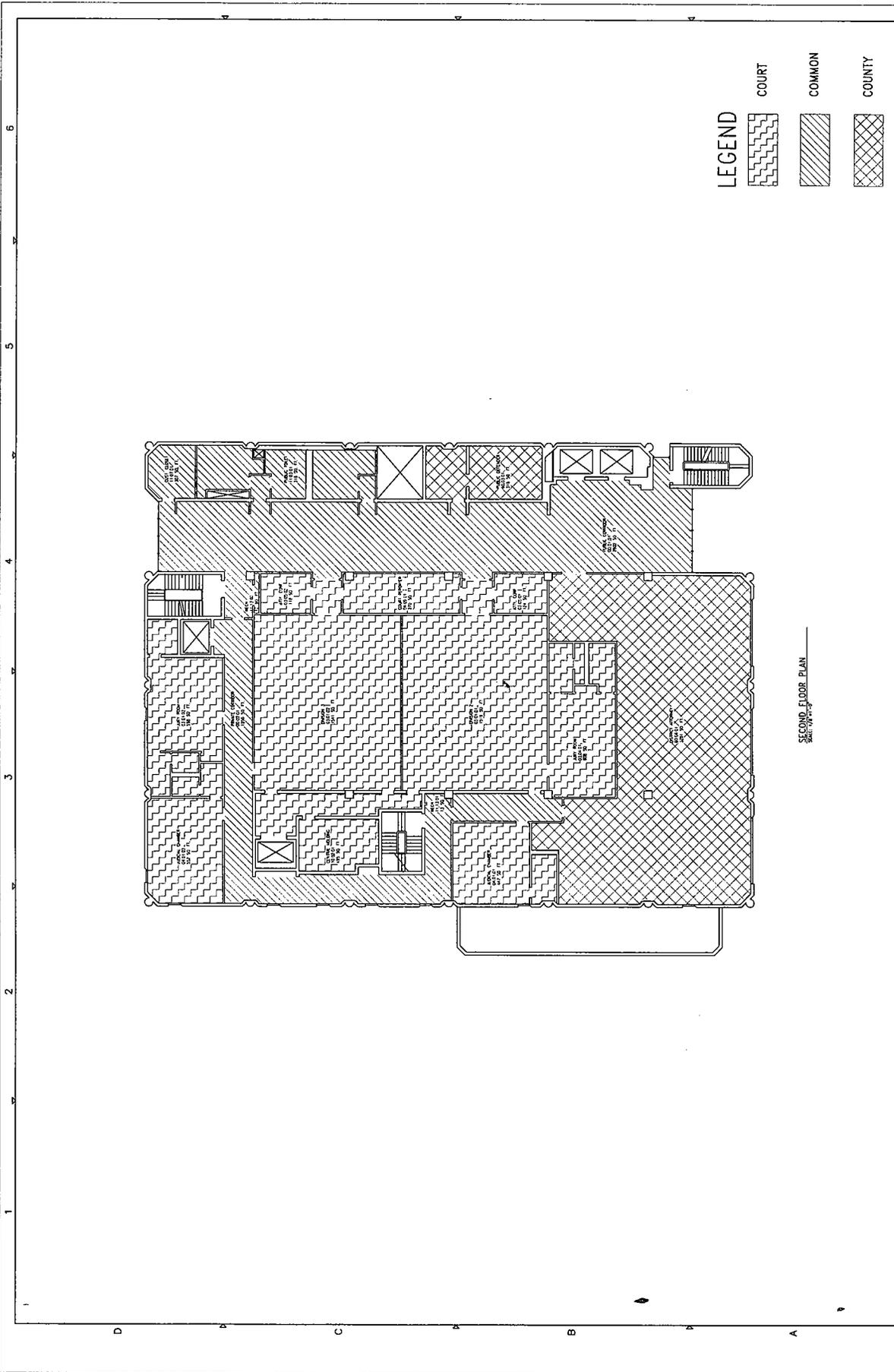


LEGEND

	COURT
	COMMON
	COUNTY

GROUND FLOOR PLAN - AREA B
 SEE SHEET A103

NO.	REVISION	DATE			PROJECT WHITTIER COURTHOUSE ADDRESS - 7345 SOUTH PARKER AVENUE WHITTIER, CALIFORNIA 90610	DISCIPLINE ARCHITECTURE	LOCATION LOS ANGELES WHITTIER COURTHOUSE	DRAWING NO. A103	SHEET NO. 73	SCALE AS SHOWN	COUNTY CODE 03	SITE CODE 01	CONSTRUCTION 01	COUNTY CODE 03



LEGEND

COURT

COMMON

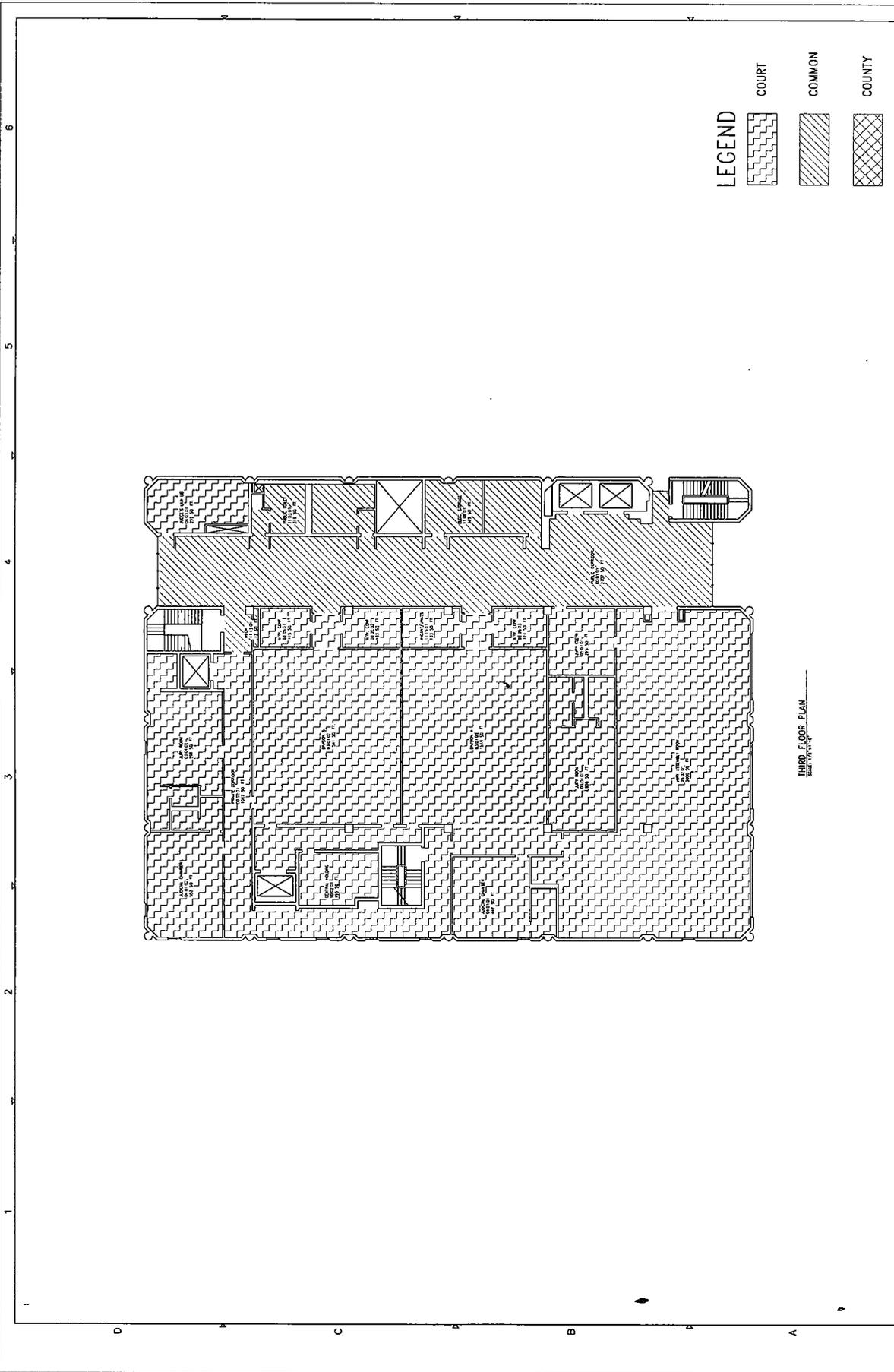
COUNTY

SECOND FLOOR PLAN
SEE SCALE

NAME: WHITTIER COURTHOUSE ADDRESS: 7139 SOUTH PANTER AVENUE, STATE: CA PROJECT: WHITTIER		EXPLANATION NUMBER:		LOS ANGELES WHITTIER COURTHOUSE		SECOND FLOOR PLAN SCALE: DRAWING		COUNTY CODE: 19 SHE. CODE: AD BUILDING NO. 2 SUBDIVISION NO. A104	
DATE:		DRAWN BY:		CHECKED BY:		DATE:		SCALE:	
PROJECT:		STATE:		COUNTY:		SHEET NO.:		TOTAL SHEETS:	
ARCHITECT:		ENGINEER:		CONTRACTOR:		DATE:		SCALE:	
PROJECT NO.:		SHEET NO.:		TOTAL SHEETS:		DATE:		SCALE:	



DATE:	
SCALE:	
TITLE:	
PROJECT:	
DATE:	



LEGEND

COURT

COMMON

COUNTY

THIRD FLOOR PLAN
 7/15/00

NO.	PERSON	DATE	REVISION			PROJECT WHITTIER COURTHOUSE	LOCATION WHITTIER, CALIFORNIA	PROJECT NUMBER 7339 SOUTH PARKER AVENUE	CLIENT LOS ANGELES COUNTY COURTHOUSE	DRAWING NUMBER 7339-001	DATE 7/15/00	SCALE AS SHOWN	COUNTY CODE 15	SITE CODE AD	FLOOR NO. 3	A105
						DESCRIPTION THIRD FLOOR PLAN	REVISIONS NONE	DATE 7/15/00	DRAWN BY JACOBSON	CHECKED BY JACOBSON	DATE 7/15/00	SCALE AS SHOWN	COUNTY CODE 15	SITE CODE AD	FLOOR NO. 3	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"
**FORM OF MEMORANDUM OF TRANSFER AND
JOINT OCCUPANCY AGREEMENTS**

[See attached.]

F-1

**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 Nos. 8142-039-911 (por.)
and 8142-039-916

**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 Whittier, County of Los Angeles, State of California, having a street address of 7339 Painter Avenue, as well as that certain real property located in the same City of Whittier, having a street address of 7621 Painter Avenue, 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 Whittier Courthouse, the Whittier Administrative Center Parking Structure, 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 Whittier Courthouse dated as of _____, 2008 (“**TA**”). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Whittier Courthouse of even date therewith (“**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;

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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____

Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

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

RAYMOND G. FORTNER, JR.
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "F"

LEGAL DESCRIPTION OF THE PROPERTY

Part A:

Those portions of Lots 2 and 3, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Beginning at the intersection of the southerly line of the northerly 8.33 feet of said Lot 2, with the easterly line of said last-mentioned lot; thence southerly along said easterly line and the easterly line of said Lot 3 to the southeasterly line of that certain parcel of land described as PARCEL 1 in deed to the County of Los Angeles, recorded as Document No. 2566, on October 5, 1954, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence southwestwardly along said southeasterly line to the southerly boundary of said PARCEL 1; thence westerly along said southerly boundary to the westerly line of the easterly 180 feet of said Lot 3; thence northerly along said westerly line and its northerly prolongation to the southerly corner of that certain parcel of land described in deed to the County of Los Angeles, recorded as Document No. 6870, on September 12, 1956, in Book 52277, page 141, of said Official Records; thence northerly and northwesterly along the westerly and southwestwardly boundaries of said last-mentioned certain parcel of land to said southerly line; thence easterly along said southerly line to the point of beginning.

Part B:

Those portions of Lots 3 and 4, Block J, Pickering Land & Water Co's Subdivision of the John M. Thomas Ranch, as shown on map recorded in Book 21, pages 53 and 54, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, within the following described boundaries:

Commencing at the intersection of the centerline of Painter Avenue and the centerline of Mar Vista Street, as said intersection is shown on Los Angeles County Department of Public Works Field Book 1027, page 828, on file in the office of the Director of the Department of Public Works of said County; thence South 0°00'10" West along said centerline of Painter Avenue, a distance of 314.91 feet; thence South 89°59'34" West 35.00 feet to a point in the easterly line of said Lot 4, said point being the True Point of

Beginning; thence continuing South 89°59'34" West to the westerly line of the easterly 160 feet of said Lot 4; thence northerly along said westerly line and its northerly prolongation to the northerly boundary of that certain parcel of land described as Parcel 2 in deed to County of Los Angeles, recorded on October 5, 1954, as Document No. 2566, in Book 45758, page 176, of Official Records, in the office of said Registrar-Recorder/County Clerk; thence easterly along said northerly boundary to the northeasterly line of said certain parcel of land, said northeasterly line being described as having a bearing and distance of South 44°59'43" East 21.21 feet in said deed; thence southeasterly along said northeasterly line to the easterly line of said Lot 3; thence southerly along the easterly lines of said Lots 3 and 4 to the True Point of Beginning.

EXHIBIT "G"

**ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT
HOWARD HONG DBA: H.K. FOOD SERVICE
County Concession Agreement #COL-429**

This ASSIGNMENT AND ASSUMPTION OF OCCUPANCY AGREEMENT ("**Assignment**") is made and entered into effective as of the ____ day of _____, 2008 (the "**Effective Date**"), by and between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), and the JUDICIAL COUNCIL OF CALIFORNIA ("**Council**"), with reference to the following facts:

A. Pursuant to the Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002), as amended by later statutes, including Government Code sections 70301-70404 (the "**Act**"), the County and the Council have entered into the Transfer Agreement for the Transfer of Responsibility for and Title to the Whittier Courthouse, dated _____, 2008 (the "**Transfer Agreement**").

B. Under the Transfer Agreement, the County has agreed, among other things, to transfer to the Council responsibility for the Court Facility located in the Building commonly known as the Whittier Courthouse, located at 7339 Painter Avenue, Whittier, California 90602 (the "**Real Property**").

C. The County is a party to County Concession Agreement #COL-429, between the County, as licensor, and Howard Hong DBA: H.K. Food Service ("**Concessionaire**"), under which the Concessionaire has the right to occupy and use approximately 460 square feet on the ground floor of the Whittier Courthouse for the provision of a snack bar (the "**Concession Agreement**"). A complete copy of the Concession Agreement is attached to this Assignment as **Attachment 1**.

D. Pursuant to the terms of the Transfer Agreement, the County desires to assign and delegate to the Council, and the Council desires to accept and assume from the County, all of the County's right, title, and interest in and to, and all of the County's obligations, duties, and responsibilities under, the Concession Agreement.

NOW, THEREFORE, the County and the Council do hereby agree as follows:

G-1

1. Effective on the Effective Date, the County hereby assigns and delegates to the Council all of the County's right, title, and interest in, to, and under the Concession Agreement, together with the prorated amount of any rent, security deposit, and other consideration (collectively, "**Consideration**") that the County collects from Licensee under the License that is allocable to the period on and after the Effective Date.

2. Effective on the Effective Date, the Council hereby accepts from the County the assignment of the Concession Agreement and the Consideration, and henceforth the Council is entitled to all of the rights and benefits accruing to the County under the Concession Agreement. The assignment provided for in this Assignment is an absolute assignment and is not given as collateral for any obligation of the County to the Council.

3. Effective on the Effective Date, the Council hereby assumes and agrees to be bound by all obligations, duties, and responsibilities of the County under the Concession Agreement that are related to the period on and after the Effective Date, and the Council is responsible to perform all obligations, duties, and responsibilities of the County that are to be performed on and after the Effective Date under the Concession Agreement.

4. The County assigns and delegates to the Council its right, title, and interest in, to, and under the Concession Agreement on an "AS IS" basis and without warranty or representation of any kind whatsoever, express or implied, except only those representations and warranties that are specifically set forth in the Transfer Agreement.

5. The County has notified Concessionaire of its intention to assign the Concession Agreement to the Council, and Concessionaire has consented in writing to the assignment and delegation of the Concession Agreement to the Council.

6. This Assignment shall be exclusively governed by the laws of the State of California, without regard to its conflict of law provisions.

7. The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to perform this Assignment.

8. Capitalized terms used in this Assignment and not specifically defined herein shall have the meanings ascribed to them in the Transfer Agreement.

G-2

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

JUDICIAL COUNCIL OF CALIFORNIA

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

By: _____
Name: Rachel Dragolovich, Attorney

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

**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: _____
Principal Deputy County Counsel

ATTACHMENT 1 TO EXHIBIT "G"

COPY OF COUNTY CONCESSION AGREEMENT #COL-429

Attached to original, but not to this Exhibit "G" to the Transfer Agreement.

G-4

Whittier TA
AOC Court Facility # 19-AO1
County LACO #3331, 5882
October 24, 2008
2023202.7

EXHIBIT "H"

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:

H-1

(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-AO1
County LACO # 3331, 5882
Whittier Courthouse JOA
7339 Painter Avenue, Whittier, California 90602

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 WHITTIER COURTHOUSE

76849

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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 November 18, 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 Whittier Courthouse, located at 7339 Painter Avenue, Whittier, California, 90602, 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, except that the Building does not include the Parking Structure.

“**Building Equipment**” means all installed equipment and systems that serve the Building or the Parking Structure 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) 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 86.43 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 7,076 square feet of the Building interior 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 13.57 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 four parking spaces in the Courthouse Parking Lot and 91 parking spaces in the Parking Structure, as shown on Exhibit “C” to the Transfer Agreement.

“County Parties” means the County and its officers, agents, and employees.

“County Share” means 13.57 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 45,085 square feet of the Building interior 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 86.43 percent of the Total Exclusive-Use Area.

“Courthouse Parking Lot” means the surface parking lot located on the Land, abutting the Building, containing 16 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: (a) the real property on which the Building and the Courthouse Parking Lot are located, comprising approximately 1.4 acres; and (b) the real property on which the Parking Structure is located, comprising approximately 1.0 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-Ownning Party” means the Party that is not the Owner.

“Occupancy Agreement” means any written agreement 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 under 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.

“Parking Structure” means the Whittier Administrative Center Parking Structure, also known as County Auto Park 59, located at 7621 Painter Avenue, containing 243 parking spaces.

“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, the Building, and the Parking Structure.

“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, 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 12 parking spaces in the Courthouse Parking Lot and 152 parking spaces in the Parking Structure, 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 Deeds (as defined in the Transfer Agreement) are 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 Whittier 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

gress 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 at least through June 30, 2009, 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 at least through June 30, 2009, 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, the Parking Structure, 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-Ownning 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. 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 four of the parking spaces allocated to the County Parking in the Courthouse Parking Lot, and up to nine 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.

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

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 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 Costs 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) \$226,033 (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) \$226,033, 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 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-Ownning Party shall not be entitled to any compensation by the Owner for any relocation costs arising from a Property Loss. If the Non-Ownning 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-Ownning Party will continue to occupy space in the Building, or (ii) terminate this JOA, if the Non-Ownning Party will no longer occupy any space in the Building and the Non-Ownning 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 draftsman. The words “include” and “including” when used are not exclusive and mean “include, but are not limited to” and “including but not limited to,” respectively. The capitalized terms used in this 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: Grant Walker
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

By: Sam Khana
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: Ray G. Fortner, Jr.
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: Sam Khana
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14

NOV 18 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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 Whittier Courthouse, which is located on certain real property in the City of Whittier, County of Los Angeles, State of California and has a street address of 7339 Painter Avenue (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:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____
Name: _____
Title: _____

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

ATTEST:
_____, Executive Officer
Board of Supervisors

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

By: _____
Deputy

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
X		X		X	X	X	X
X			X	X	X		X
X				X	X		
X							
X				X	X		
				X			X

Heating/Ventilation/Air Conditioning (HVAC) Equipment

Air conditioning systems				X	X	X	X
Control air systems (compressor units, filters, regulators, safety devices)			X	X	X		X
Fan systems				X	X		
Cleaning of HVAC ducts -- as needed							
Boilers				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	X	
Roll-up doors	X				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
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Lawns									
Mow lawns									
Weeding	X								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
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Concrete Areas/Hard Courts/Parking Lots

Sweeping/washing, except parking lots									
Maintenance of parking lot surfaces	X								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: (a) 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.