BOS ASSERMENT # 08-221

Facility: #23-A1

Building Name County Courthouse

Address 100 North State Street, Ukiah, California 95482

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

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TRANSFER AGREEMENT

1. PURPOSE

The Judicial Council of California ("Council"), Administrative Office of the Courts (together, the "AOC"), and the County of Mendocino ("County"), set forth the terms and conditions for the transfer of responsibility for funding and operation of the trial court facility commonly known as the County Court

2. BACKGROUND

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

3. **DEFINITIONS**

"Act" means the Trial Court Facilities Act of 2002 (Government Code sections 70301-70404) as of the Effective Date.

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

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

"Building" means the building on the Land in which the Court Facility is located, all connected or related structures and improvements, and all Building I quipment

"Building Equipment" means all installed equipment and systems that serve the Building.

"Closing" means completion of all steps required to effect the Transfer under this Agreement and the Act.

"Closing Date" means the date on which this Agreement and the Closing Documents are signed by the last of the Parties to sign them. The Closing Date will be the same as the Effective Date if this Agreement and the Closing Documents are signed on the same day

"Closing Documents" means the documents listed in section 5.1 of 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 AOC, County, Court, and any Occupants, and includes (1) hallways, stainwells, elevators, escalators, 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 and Utilities that do not exclusively serve only one Party's Exclusive-Use Area, and(4) driveways, walkways, and other means of access over the Land and through the Building to the Court Exclusive-Use Area, and (5) the Offsite Parking Area. The Common Area does not include any part of the Exclusive-Use Area of either Party except for any Building Equipment that may be located therein

"Controller" means the State Controller

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

"County Authorized Signatory" means the Chairperson of the County's Board of Supervisors.

"County Exclusive-Use Area" means the 13,600 square feet of the floor space in the Building, which is exclusively occupied and used by the County, as defined and depicted in the JOA. As of the Effective Date, the County Exclusive-Use Area constitutes 32.38% 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 a total of 10 designated parking spaces in the Offsite Parking Area for use by County staff and employees, all of which are shown on the parking plan attached as Exhibit "C".

"County Parties" means the County, its political subdivisions, and their respective officers, agents, and employees.

"County Services MOU" means the document titled Memorandum of Understanding, dated July 19, 2005, by and between the County and the Court, as amended from time to time.

"Court" means the Superior Court of California for the County of Mendocino

"Court Exclusive-Use Area" means the 28.407 square feet of the floor space of the Building, which is exclusively occupied and used by the Court and depicted on Exhibit "B" to this Agreement. As of the Effective Date, the Court Exclusive-Use Area constitutes 67 62% of the Total Exclusive-Use Area.

"Court Facility" means the Court Exclusive-Use Area, which includes all spaces, fixtures, and appurtenances described in section 70301(d) of the Act, seven rooms for holding superior court, seven chambers for the judge of the Court, two walk-up windows, one room for secure holding of prisoners attending Court sessions, and certain other areas required or used for Court functions, together with the non-exclusive right to occupy and use the Common Area, and with the right to enter, exit, pass over, and pass through the Land as necessary to access the Court Facility. A copy of a site plan depicting the location of the Building on the Land and a floor plan depicting the layout of the Court Facility in the Building, are attached as **Exhibit "B"** to this Agreement and are further described in the JOA

"Court Parking" means a total of 8 designated above-ground parking spaces in the Offsite Parking Area, seven of which are reserved for judges and one of which is reserved for non-judicial Court staff and employees, all of which are shown on the parking plan attached as Exhibit "C," which the County and the Court have agreed is parking of the same number, type, and convenience as made available for users of the Court on October 1, 2001.

"Dispute" means each and every pending or threatened claim, liability, litigation, arbitration, mediation, administrative proceeding, settlement negotiation, or other dispute-resolution proceeding related to the Property that, if determined adversely to the County or the AOC, would have a Material Adverse Effect. An accurate and complete list of all Disputes as of the Effective Date is set forth in Exhibit "D"

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

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

"Hazardous Substance" means any material or substance regulated under any Environmental Law

"Indemnified Loss" means all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses as to which either Party is obligated to indemnify the other Party under this Agreement and the Closing Documents.

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

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

"Land" means the real property described on Exhibit "A," including the County's (1) rights to enter and exit the Land, (2) recorded and unrecorded rights to water, water stock, oil, gas, minerals, and timber related to the Land, and (3) existing, granted development permits, entitlements, and air and view rights.

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

"Material Adverse Effect" means any of (1) a material adverse change in (a) the condition, operations, or value of the Property, (b) the County's use of, interest in, or right or title to, the Property, (c) the ability of the County to perform its obligations under this Agreement or the Closing Documents, or (d) the validity or enforceability of this Agreement or the Closing Documents; or (2) the imposition on the County of actual or contingent payment obligations in respect of the Property of \$50,000 or more in the aggregate

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

- "Memorandum" means the document titled Memorandum of the JOA that is similar in form and content to the document attached to this Agreement as Exhibit "G."
- "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 Closing Date, and that cannot be terminated on 30 or fewer days notice.
- "Occupant" means any third party that occupies, possesses, or uses the Real Property under an Occupancy Agreement.
- "Offsite Parking Area" means the parking lot located at 175 S. School Street, Ukiah, California. 95482 for use by the County and Court.
- "Party" means either of the AOC or the County, and "Parties" means the AOC and the County.
- "Pending Projects" means any pending maintenance project or other project involving the Court Facility under sections 70326(d) or 70331(c) of the Act.
- "Personal Property" means the Assigned Intangible Personal Property, if any, together with the Tangible Personal Property.
- "Property" means all right, title, and interest in and to the Land, the Building, the Court Facility, Offsite Parking Area and the Personal Property.
- "Property Disclosure Documents" means all documents including Material Agreements that pertain to the title, ownership, use, occupancy, or condition of the Property or any rights, benefits, liabilities, obligations, or risks associated with the Property. A list of the categories of Property Disclosure Documents is attached as Exhibit "F."
- "Real Property" means the Land, the Building, the Court Facility and Offsite Parking Area.
- "Responsible Party" means the Party designated the "Responsible Party" in the JOA.
- "Security Services MOU" means the Memorandum of Understanding for Security Services (BOS Agreement #04-020) between the County and the Court with an effective date of November 17, 2003, as amended from time to time.
- "Service Contracts" means all contracts between the County and any third parties under which goods or services are provided to the Court Facility, including the Approved Service Contracts.

"State" means the State of California

"State Parties" means the Council, the Administrative Office of the Courts, and the Court, their respective political subdivisions, officers, agents, and employees

"Tangible Personal Property" means any unaffixed item that is, on the Closing Date, located on or in, or used in or necessary to the use, occupancy, or operation of, the Court Exclusive-Use Area.

"Total Exclusive-Use Area" means, together, the Court Exclusive-Use Area and the County Exclusive-Use Area (as defined in the JOA)

"Transfer of Responsibility" or "Transfer" means the County's full and final grant, transfer, absolute assignment, and conveyance to the applicable State Parties, and the State Parties' full and final acceptance and assumption of, entitlement to and responsibility for, all of the County's rights, duties, and liabilities arising from or related to the Court Facility under this Agreement and the Act, except for those duties and liabilities expressly retained by the County under this Agreement and the Act, and Disputes related to facts or circumstances occurring prior to the Closing Date.

"Transition Date" means March 2, 2009.

"Utilities" means all of the utilities provided to the Court Exclusive-Use Area, except for telecommunications services provided by third parties.

4. RESPONSIBILITIES AFTER TRANSFER

- 4.1 <u>Fransfer of Responsibility</u>. On the Closing Date, the Transfer of Responsibility for the Court Facility from the County to the AOC will occur under this Agreement and the Closing Documents.
- 4.2 General Responsibilities After Transfer. Upon the completion of the Transfer, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Real Property, except as expressly delegated by the Parties in this Agreement, the Closing Documents (including the JOA), or any other agreement
- 4.3 <u>Specific Responsibilities After Transfer</u>. The Parties will have the following specific rights, duties, and liabilities upon and after the Transfer
 - 4.3.1 Utilities If not completed before the Closing Date, the Parties will work together, diligently, and in good faith, to cause the County's accounts with all providers of Utilities to be assigned to and assumed by the AOC as of the Closing Date. If any Utility accounts cannot be assigned to the AOC, the Parties will work together to cause the County's Utilities accounts to be closed as of the Closing Date and new

Utilities accounts to be opened in the name of the AOC. The County is solely responsible for all Utilities costs and expenses incurred prior to the Closing Date, and the Parties will comply with the JOA with respect to the payment of Utilities costs and expenses incurred on and after the Closing Date. The Parties will comply with the County Services MOU with respect to payment of fees and charges of third-party telecommunications providers incurred on and after the Closing Date. The County will send to the AOC all invoices and other communications related to Utilities provided to the Real Property on and after the Closing Date.

- 4.3.2 <u>Property Insurance and Risk Allocation</u>. Under the terms of the JOA, the County is solely responsible for damage to or destruction of the Real Property and will maintain the property insurance coverage for the Real Property ("Property Insurance"). The County will add the Council, the Administrative Office of the Courts, and the Court as additional insureds and loss payees by specific endorsement on each of the County's Property Insurance policies with the same coverages and limits as the principal insured under the Property Insurance Policies. The Parties have allocated the risk of bodily injury to or death of persons in, on, or about the Real Property in the JOA
- 4 3 3 <u>Building Equipment</u>. Under the JOA and this Agreement, the AOC is responsible for Operation of the Common Area, including the Building Equipment. Operation of the Building Equipment includes maintaining and renewing all permits, certificates and approvals required for the lawful use of any of the Building Equipment
- 4.3.4 Parking. The County is responsible for the operation, maintenance, and repair of the Court Parking under the terms of the JOA. The County will at all times provide the Court Parking for use by the Court and people attending to business and personal affairs in the Court Facility. If any of the Court Parking becomes unavailable for Court use in accordance with this section 4.3.3, the County will be responsible to provide, at no cost to the State Parties, alternate parking spaces of equal number, type, and convenience to the parking spaces that are no longer available.
- 4 3.5 Security Related Areas. The County Sheriff's Department will remain liable and responsible for the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through the security-related areas of the Real Property, including the holding cells and secured corridors under the Security Services MOU. The County will remain solely liable and responsible for all non-conforming code conditions of any security-related areas of the Real Property. This Agreement does not supersede, replace, or modify any other agreement between the County and the Court with respect to security staffing for the Real Property.
- 4 3.6 <u>Telecommunications Services</u>. The County will continue to provide telecommunications services to the Court in the Court Facility, under the terms of the County Services MOU.

- 4.3.7 Service Contracts. If not completed before the Closing Date, the Parties will work together, diligently and in good faith, to transfer the Approved Service Contracts, and terminate the other Service Contracts in respect of the Court Facility, in a manner that avoids disruption to the operation of the Court Facility. The County will endeavor to eause the Approved Service Contracts to be assigned to the AOC retroactive to the Closing Date, and will obtain a written consent to the assignment of each Approved Service Contract from the other party thereto. If any Approved Service Contracts cannot be assigned to the AOC, the Parties will work together to cause new contracts for the goods or services provided under those Approved Service Contracts to be entered into directly by the AOC, and the County will terminate each of those Approved Service Contracts when the AOC's new agreement for the relevant services or goods has commenced, or earlier upon the written request of the AOC. The County will remain responsible for all Service Contracts that are not Approved Service Contracts (including for all charges incurred under those Service Contracts) and will promptly terminate those Service Contracts in respect of the Court Facility. The County will be responsible to pay all charges and fees incurred under all Service Contracts for all periods prior to the Closing Date, and the Parties will be responsible for payment of all Service Contract fees and charges incurred on and after the Closing Date under the terms of the JOA, subject to the County's obligation to promptly terminate those Service Contracts that are not Approved Service Contracts. The County will send to the AOC all invoices and other communications it receives concerning goods and services provided to the Court Facility on and after the Closing Date under the Service Contracts.
- 4.3.8 <u>Correspondence</u>. The County will direct all correspondence, invoices, and information related to management, operation, maintenance, or repair of the Court Facility for the period on and after the Closing Date to the AOC's Office of Court Construction and Management pursuant to section 12 of this Agreement.
- 4.3.9 <u>County Facilities Payments</u>. The County will make all County Facilities Payments in accordance with the Act and section 6 of this Agreement
- 4.3.10 <u>Personal Property</u> If either Party determines that there exists any Tangible or Intangible Personal Property not previously transferred or assigned to the AOC, that Party will promptly provide to the other Party a notice that includes a reasonably-detailed, written description of that property. At the AOC's request, the County will transfer, convey, or assign to the AOC any or all of the Langible or Intangible Personal Property described in that notice.
- 4 3.11 <u>Adjustments</u>. The Parties will make the appropriate adjustments for prorations or computations required by this Agreement or the Closing Documents as promptly as possible once accurate information becomes available evidencing that either Party is entitled to an adjustment. Any prorations will be based on a 365-day fiscal year. The Party entitled to the adjustment must make written demand on the other Party for the

adjustment within one year after the Closing Date and provide a reasonably-detailed explanation of the basis for the demand and all supporting documentation. The Parties will promptly pay each other any corrected proration or adjustment amounts.

4.3.12 Seismic-Related Damage and Injury.

- 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 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.
- 4.3.12.2 County Liability and Obligations. Without limiting the generality of section 4.3.12.1 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.
- 4.3.13 Relief from Section 70311 Obligations. Effective upon the Transfer, the AOC confirms and agrees that the County will be and is relieved of any responsibility under section 70311 of the Act for providing to the Court those necessary and suitable court facilities currently located in the Building, except as specifically provided in this Agreement and the Act.
- 4.3 14 No Material Changes. The County will not: (1) transfer, agree to transfer, or enter into any agreement concerning, any right, title, or interest in the Real

Property, to any third party. (2) do anything that would result in a change to the zoning or entitlements for use of the Real Property, or (3) act or fail to act in any way that results in the Real Property being subject to a deficiency under section 70326(b) of the Act

5. CLOSING

- 5.1 <u>The Closing Date</u>. The Closing will occur upon signature of this Agreement and the Closing Documents by the last of the Parties to sign, and will not be affected by the date of delivery of the signed originals of this Agreement or the Closing Documents.
 - 5.1.1 Closing Documents. The Closing Documents are as follows:
 - (a) the JOA:
 - (b) the Memorandum, and
 - (c) any other documents required by Law, or reasonably requested by the State Parties or the County to effect the Transfer.
 - 5.1.2 <u>Lime for Signature for TOR Closing Documents</u>. The Parties will sign the Closing Documents on or as expeditiously as possible after the Effective Date. If the Closing Documents have not been signed within 10 days after the Effective Date, either Party that has signed the Closing Documents may terminate this Agreement and the Closing Documents upon five business days notice to the other Party, but if the Closing Documents are fully signed by the Parties prior to the end of the five business day period, any termination notice shall be of no force or effect
- 5.2 <u>Conditions for Closing.</u> Neither Party will be obligated to consummate the Transfer unless the following conditions are satisfied or waived prior to the Closing Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the AOC may only be waived by the AOC.
 - 5.2.1 Conditions for the Benefit of the AOC. All of the County's representations and warranties in this Agreement must be accurate and complete in all material respects as though made on the Closing Date; the County must not have breached any of the County's representations, warranties, or covenants in this Agreement; and there must be no County I vent 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 Closing Date.
 - 5.2.2 <u>Conditions for the Benefit of the County.</u> All of the AOC's representations and warranties in this Agreement must be accurate and complete in all material respects as though made on the Closing Date; the AOC shall not have breached any of the AOC's representations, warranties, or covenants in this Agreement; and there

shall be no AOC Event of Default under this Agreement nor any circumstance which, but for the passage of time or the giving of notice or both, would constitute an AOC Event of Default as of the Closing Date.

- Document. The last Party to sign this Agreement and the Closing Documents must deliver, within three business days after signing, (i) to the County, one signed original of this Agreement and the Closing Documents, and (ii) to the AOC, all remaining signed originals of this Agreement, and the Closing Documents, and the County Authorizing Document. The AOC will endeavor to cause the Memorandum to be recorded in the County Recorder's Office within 10 business days after the AOC's receipt of the signed originals of this Agreement and the Closing Documents.
- 5.4 <u>Delivery of Possession</u> On the Closing Date, the County will deliver to the AOC custody and control over the Count Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area, subject to the terms of the JOA.

6. COUNTY FACILITIES PAYMENT

- Amount of County Facilities Payment. The amount of the County Facilities Payment approved by the State Department of Finance is \$164,715.00, subject to adjustment under section 70355 of the Act. This amount is based on a Closing Date occurring in the same fiscal quarter as the Effective Date. If the Closing Date does not occur in the same fiscal quarter as the Effective Date, the Parties will recalculate the County Lacilities Payment as set forth in the Act.
- Facilities Payment to the Controller every fiscal quarter under Article 5 of the Act and section 6 of this Agreement, except that the County must deliver to the Controller that first quarterly installment in the amount of \$41.178.75 within five business days after the Closing Date. The first installment of the County Facilities Payment is prorated under section 4.3.11 for the period from the Closing Date to and including the last day of the fiscal quarter in which the Closing Date occurs, subject to adjustment under section 70355 of the Act.
- 6.3 <u>CFP Suspension until Transition Date</u>. Notwithstanding anything in this Agreement or the JOA to the contrary, until the Transition Date, the County will continue to perform the Operation of the Real Property, including the Court Exclusive-Use Area and the Common Area, at no cost to the AOC. The County's responsibility for the County Facilities Payment commences on the Closing Date; however, in consideration of the above-described services provided by the County to the AOC, the County will have no obligation to make any payments of the County Facilities Payment to the Controller for the period from the Closing Date through the Transition Date, and the County shall make its

first payment of the County Facilities Payment within twenty (20) business days after the Transition Date.

7. REPRESENTATIONS AND WARRANTIES

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

- 7.1 <u>The County's Representations and Warranties.</u> The phrase "to the best of the County's knowledge" or words of similar import, means the County's actual knowledge, after reasonable independent investigation and inquiry.
 - 7.1.1 Good Standing The County is a political subdivision of the State duly organized, validly existing, and in good standing under the Law of the State.
 - 7.1.2 Authority. The County Authorized Signatory has been duly authorized and empowered to sign this Agreement and the Closing Documents on behalf of the County, and the County has taken all steps and obtained all approvals required to authorize and empower the County to sign and perform this Agreement and the Closing Documents.
 - 7.1.3 <u>Due Execution and Delivery</u>. This Agreement and the Closing Documents are legal, valid, and binding obligations of, and are fully enforceable against, the County.
 - 7.1.4 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order to which the County is a party or by which the County or any of its assets is subject or bound. No other action of any governmental agency or authority is required for, and the County has no actual knowledge of any Law in effect which would prohibit, the County's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.
 - 7.1.5 <u>Little to Real Property</u>. Other than those rights and interests that have been recorded as encumbrances on the Real Property prior to the Effective Date: (1) the County has good and marketable fee title to the Real Property, free and clear of any liens, claims, encumbrances, or security interests in favor of third parties: (2) no person or

Property; and (3) the County has not granted, conveyed, or otherwise transferred to any person or entity any present or future right, title, or interest in or to the Real Property.

- 7.1.6 <u>Title to Personal Property</u> After a reasonable and diligent search, the County has determined that none of the Personal Property is owned by the County Parties, and to the extent the County has any right, title, or interest in or to the Personal Property, effective as of the Closing Date, the County transfers, conveys, and quitelaims the same to the ΔOC .
- 7.1.7 <u>List of Service Contracts</u>. To the best of the County's knowledge, the list of Service Contracts attached to this Agreement as **Exhibit "H"** is a correct and complete list of all Service Contracts related to the Court Facility.
- 7.1.8 No Disputes To the best of the County's knowledge, there are no pending or threatened Disputes of any kind or character adversely affecting the Property, the County's right, title, and interest in and to the Property, or the County's right and ability to perform its obligations under this Agreement or the Closing Documents.
- 7.1.9 No Violations of Law. The County has no actual knowledge of, nor has the County received any written notice from any State, federal, or other governmental or quasi-governmental authority relating to: (1) any violation of Law, whether or not appearing in public records, with respect to the Property, which violation has not been corrected to the satisfaction of the State, federal, or other governmental or quasi-governmental authority that issued the notice, or (2) any unrecorded restriction applicable to the Real Property. To the best of County's knowledge, security-related areas of the Court Facility, including but not limited to the holding cells located therein, are either in full compliance with Law, including the standards set forth in littles 15 and 24 of the California Code of Regulations, or are exempt from compliance with those standards.
- 7.1.10 Full and Complete Disclosure. The County conducted a reasonable and diligent search of its records for, and provided to the AOC, all existing Property Disclosure Documents within the County's possession, custody, or control. The County maintains the Property Disclosure Documents in its ordinary course of business and has not intentionally altered any Property Disclosure Documents in any manner that renders them inaccurate, incomplete, or misleading.
- 7 1 11 No Condemnation The County has not received a written notice of any pending modification of a street or highway contiguous to the Real Property, or any existing or proposed eminent domain proceeding that could result in a taking of any part of the Real Property.
- 7.1.12 No Environmental Violations. Except as set forth in the Property Disclosure Documents or in any environmental assessments or investigations of the Real

Property performed by the AOC, the County has no knowledge of the actual, threatened, or suspected presence of any Hazardous Substance, and there are no existing violations of Environmental Laws in, on, under, adjacent to, or affecting the Real Property nor is there any Hazardous Substance in, on, under, adjacent to, or affecting all or any portion of the Real Property, except for any Hazardous Substance used or held in conformity with Environmental Laws.

- 7.1.13 No Special Circumstances. The County has not undertaken or commenced any Pending Projects in or around the Real Property, and the Building is not an "historical building" as defined in section 70301(t) of the Act.
- 7.2 AOC's Representations and Warranties The phrase "to the best of the AOC's knowledge," or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of the Director, Office of Court Construction and Management, who the AOC hereby represents is the person within the AOC most knowledgeable with respect to the matters described in the AOC's representations and warranties.
- 7.2.1 Good Standing. The Administrative Office of the Courts is the staff agency to the Council, an entity established by the Constitution of the State, validly existing under the Law of the State.
- 7 2 2 <u>Due Execution and Delivery</u>. This Agreement and Closing Documents are legal, valid, and binding obligations of, and are fully enforceable against, the AOC
- 7 2 3 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order, to which the AOC is a party or by which the AOC or any of its property is subject or bound. No other action of any governmental agency or authority is required for, and the AOC has no actual knowledge of any Law in effect which would prohibit, the AOC's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.

8. INDEMNITIES

- 8.1 AOC's Indemnities Subject to section 8.3, below, the AOC indemnifies, defends, and holds harmless the County Parties against all Indemnified Loss asserted against the County Parties arising from the matters described below in this section 8.1:
- 8 1.1 Representations and Warranties. Any breach of or inaccuracy in the AOC's representations and warranties contained in section 7.2 of this Agreement or in the Closing Documents.

- 8.2 <u>County's Indomnities</u>. Subject to section 8.3, below, the County indemnifies, defends, and holds harmless the State Parties against all Indemnified Loss asserted against the State Parties arising from the matters described below in this section 8.2:
- 8.2.1 <u>Breach</u>. Any breach by a County Party of its obligations set forth in this Agreement or in the Closing Documents;
- 8.2.2 <u>Representations and Warranties</u> Any breach of or inaccuracy in the County's representations and warranties contained in section 7.1 of this Agreement or in the Closing Documents:
- 8 2 3 County Responsibilities. Any event occurring before the Closing Date, or which is otherwise attributable to the time prior to the Closing Date, related to the County's ownership, possession, operation, management, maintenance, and repair of, or responsibility for, the Property; and
- 8 2 4 <u>CERCLA</u> Under section 70393(d) of the Act, any liability imposed on the State Parties pursuant to the Comprehensive Environmental Response. Compensation and Liability Act of 1980, as amended, (42 U.S.C section 9601 <u>et seq.</u>), or related provisions, for conditions that existed in. on, or under the Real Property at the time of the Closing whether or not known to the County
- 8.3 Indemnity Exclusions. Neither Party is entitled to be indemnified, defended, or held harmless by the other Party under this Agreement in respect of any event, circumstance, or condition that arises from its own negligence or willful misconduct, nor from any property insurance claim for which the Party is responsible under this Agreement or the JOA. The obligations of a Party under section 8.1 or 8.2 of this Agreement, as applicable, will in no event release the other Party from, or diminish its obligation to fully and faithfully perform its duties under, the Agreement, the Closing Documents, or any other agreement.

9. RIGHT TO AUDIT

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

10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any provision of this Agreement, the nondefaulting Party will provide written notice to the defaulting Party of the breach or default ("Default Notice") Upon receipt of the Default Notice, the defaulting Party will have 30 calendar days to cure the breach or default described in the Default Notice and to provide evidence of that cure to the non-defaulting Party. If the breach or default is not capable of cure within the 30 calendar day period, then no breach or default can be deemed to have occurred by reason of the failure to cure so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("Cure Period"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "Event of Default," and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 11 of this Agreement. The Parties may at any time 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 transactions contemplated in this Agreement, the County Administrative Officer and an Assistant Director of the AOC's Office of Court Construction and Management will meet to discuss a resolution to the dispute. If the Parties are not able to resolve their dispute within 30 calendar days through that unassisted negotiation, they will attempt to resolve the dispute by mediation under this section 11.1 If the dispute concerns a matter within the jurisdiction of the Court Facilities Dispute Resolution Committee ("CFDRC"), established by section 70303 of the Act, the Parties must first mediate the dispute before either Party may commence a dispute resolution proceeding before the CFDRC.

11.1.1 Initiation of Mediation Either or both of the Parties may request the initiation of mediation for any dispute described in section 11.1, whether or not the dispute falls within the CFDRC's jurisdiction, by delivering a written request for mediation ("Mediation Request") to the other Party. The Mediation Request must (1) include a brief summary of the issues in dispute, (2) state the dates on which the requesting Party is unavailable to attend the mediation within the immediately-succeeding 90 calendar days after the delivery to the other Party of the Mediation Request, and (3) list at least three neutral mediators who are acceptable to the requesting Party for mediation of the dispute. Within five business days after the requesting Party's delivery of a Mediation Request to the other Party, the responding Party must deliver to

the requesting Party a response to the Mediation Request ("Mediation Response"), which must: (a) include a brief summary of the issues in dispute (which may or may not be the same as the summary provided by the requesting Party); (b) state the dates on which the responding Party is unavailable to attend the mediation within the 85 calendar days immediately following the requesting Party's receipt of the Mediation Response; and (c) state whether any of the neutral mediators listed in the Mediation Response must acceptable to the responding Party and, if none are, then the Mediation Response must list at least three neutral mediators who are acceptable to the responding Party.

- 11.1.2 Selection of Mediator. Within 10 calendar days after delivery to the requesting Party of the Mediation Response, the Parties will attempt in good faith to agree upon a neutral mediator to preside over the mediation. If the Parties are not able to agree upon a neutral mediator within 10 calendar days after delivery to the requesting Party of the Mediation Response, the Parties must apply to the CFDRC for selection of a neutral mediator to mediate the dispute. The Parties' application to the CFDRC must be filed in accordance with the regulations and rules adopted by the CFDRC under the Act ("CFDRC Regulations") and must include copies of the Mediation Request and Mediation Response. The mediator must be a person knowledgeable in the provisions of the Act and with a reasonable degree of experience and expertise with the Transfer contemplated in the Act. The mediator must have no current or prior involvement with either Party in the negotiations between the Parties related to the Act or any of the court facility transfers provided for in the Act, and will discharge his or her duties impartially and as a neutral, independent participant to the mediation process to assist the Parties to achieve a settlement and compromise of their dispute, taking into consideration the relevant facts, applicable Law and the pertinent provisions of any relevant agreement between the County and the AOC. The selection of a mediator by the CFDRC will be final and binding on the Parties.
- 11.1.3 <u>Cost of Mediation</u> The Parties will share equally in payment of all costs of the mediation, including the compensation of the mediator. The Parties and the mediator must reach a written agreement regarding the mediator's compensation and expenses before the mediation is commenced.
- 11.1.4 Date, Time, and Place of Mediation. In consultation with the Parties, the mediator will fix the date, time, and place of each mediation session. The mediation may be held at any convenient location agreeable to the Parties and the mediator. Mediation must be completed within 90 calendar days after the requesting Party's delivery to the responding Party of the Mediation Request.
- 11.1.5 <u>Attendance at Mediation</u>. Both Parties must attend the mediation session(s). The Parties may satisfy this attendance requirement by sending a representative familiar with the facts of the dispute, who has the authority to negotiate on behalf of, and to effectively recommend settlement to, the governmental entity he or she

represents. Any Party to the mediation may have the assistance of an attorney or other representative of its choice at its own cost. Other persons may attend the mediation sessions only with the consent of the Parties and the mediator.

- 11.1.6 Statements Before Mediation. The mediator will determine the manner in which the issues in dispute will be framed and addressed. The Parties should expect that the mediator will request a premediation statement outlining facts, issues, and positions of each Party ("Premediation Statement") in advance of the mediation session. At the discretion of the mediator, the Premediation Statements or other information may be mutually exchanged by the Parties.
- and the provisions of California Evidence Code sections 1152 and 1154 will apply to all written and verbal evidence presented in the mediation and to settlement communications made in the Premediation Statement, during the mediation itself, or otherwise in furtherance of or related to the mediation or the settlement of the dispute. The Premediation Statements shall be confidential, for settlement purposes only, and will not be admissible for any purpose other than for the mediation. Without limiting the foregoing, the provisions of California Evidence Code sections 1115 through 1128, inclusive, will apply in connection with any mediation under this Agreement.
- 11.2 <u>Referral to CFDRC</u>. After compliance with the terms of section 11 t 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, and decision by, the Director of Finance, under the Act and 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, and/or electronic means, including e-mail.

If to the AOC:

Administrative Office of the Courts
Attention: Assistant Director, Office of
Court Construction and Management
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Voice 415-865-4040
Lax 415-865-8885

With a copy to:

Administrative Office of the Courts
Office of the General Counsel
Attention: Managing Attorney, Real Estate Unit
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Voice: 415-865-4057
Fax 415-865-8885

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

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

Voice: 415-865-4090 Fax: 415-865-4326

E-mail: grant walker/a/jud ca gov

If to the County

County of Mendocino
Office of County Administration
501 Low Gap Road, Room 1010
Ukiah, CA 95482
Attention County Executive Officer

Voice: 707-463-4441 Fax: 707-463-5649

E-mail coadmin'à co mendocino calus

With a copy to:

County of Mendocino Office of General Counsel 501 Low Gap Road, Room 1010 Ukiah, CA 95482

Voice: 707-463-4449 Fax: 707-463-4592

E-mail: nadelj \tilde{a} , co mendocino ca.us

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

The following sections of this Agreement will survive the Closing, and will thereafter remain in full force and effect 3, 4, 5.4, and 6 through 14, inclusive. All other rights and duties hereunder will cease upon termination of this Agreement or Closing. In the event of the termination of this Agreement, all documents, other tangible objects, and information containing or representing confidential or proprietary information disclosed by one Party to the other, and all copies that are in the possession or under the control of the other Party will be and remain the property of the Party that disclosed the documents, objects, and information, and all those documents and tangible objects will be promptly returned to the Party that disclosed them at that Party's written request.

14. MISCELLANEOUS

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

- 14.2 <u>Force Majeure</u> Neither Party will be responsible for performance under this Agreement to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, whether foreseeable or unforeseeable
- 14.3 Assignment. Neither Party may assign this Agreement in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any Law will be void and of no effect
- 14.4 <u>Binding Effect</u>. This Agreement binds the parties and their permitted successors and assigns.
- 14.5 <u>Third Parties Benefited.</u> The State Parties are intended beneficiaries of all provisions of this Agreement and the Closing Documents for the benefit of the AOC.
- 14.6 Governing Law: Jurisdiction 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. The Parties, to the fullest extent permitted by Law, knowingly, intentionally, and voluntarily, with and upon the advice of competent counsel (i) submit to personal jurisdiction in the State of California over any suit, action, or proceeding arising from or related to the terms of this Agreement (each an "Action"); (ii) agree that any Action must be brought in any State court in San Francisco County, California; (iii) submit to the jurisdiction of that court; and (iv) agree not to bring any Action in any forum other than in a State court in San Francisco County, California
- 14.7 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. The words "hereof," "herein," and "hereunder," and other words of similar import, refer to this Agreement as a whole and not to any subdivision of this Agreement. This Agreement and the Closing Documents will not be construed against either Party as the principal 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.
- 14.8 <u>Integration; Amendments.</u> This Agreement and the Closing Documents contain the entire agreement of the Parties with respect to the Transfer, and supersede all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This Agreement may be amended only by written agreement signed by both of the Parties.
- 14.9 <u>Incorporation By Reference</u>. 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, Exhibits, and Appendices will be deemed to include the entirety of this Agreement.

- 14.10 <u>Severability</u>. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties will promptly ineet 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.
- 14.11 <u>Further Assurances</u> The Parties agree to cooperate reasonably and in good taith with one another to (1) implement the terms and provisions set forth in this Agreement, the Closing Documents, and the Act, and (2) consummate the transactions contemplated herein, and 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 Closing Documents, and the Act.

|SIGNATURE PAGE TO IMMEDIATELY FOLLOW|

Lagree to the terms of this Agreement.

APPROVED AS TO FORM Administrative Office of the Courts, Office of the General Counsel By: Name: Dianne Barry Title: Attorney Date: 12/17/18	By: Name. Grant Walker Title: Senior Manager, Business Services Date: 12/19/28
ATTESI: KRIS <u>TI FURMAN</u> . Clerk of the Board By: Clark of the Board Deputy	By: Name: Am Wattenburger Title: Chair, Board of Supervisors Date: 12-23-07
APPROVI D AS TO FORM County of Mendocino, Office of the County Counsel	
Name: Doubles 1 Losalt Title: Doubles County Consel Date: 1 - 2-8	•

APPROVED BY RISK MANAGEMENT

For Insurance Requirements

EXHIBITS

Exhibit "A" - Legal Description of the Land

Exhibit "B" - Site Plan and Floor Plan

Exhibit "C" - Depiction of Court Parking

Exhibit "D" - Intentionally Omitted

Exhibit "E" - Categories of Property Disclosure Documents

Exhibit "F" - Joint Occupancy Agreement

Exhibit "G" - Memorandum of Joint Occupancy Agreement

Exhibit "II" - List of Service Contracts

Exhibit "I" Copy of Section 70324 of the Act

EXHIBITS

Exhibit "A" | Legal Description of the Land

Exhibit "B" - Site Plan and Floor Plan

Exhibit "C" - Depiction of Court Parking

Exhibit "D" - Intentionally Omitted

Exhibit "E" - Categories of Property Disclosure Documents

Exhibit "F" - Form of Joint Occupancy Agreement

Exhibit "G" - Form of Memorandum of Joint Occupancy Agreement

Exhibit "H" List of Service Contracts

Exhibit "I" - Copy of Section 70324 of the Act

Exhibit "A"

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows

Block 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

APN: 2-225-01

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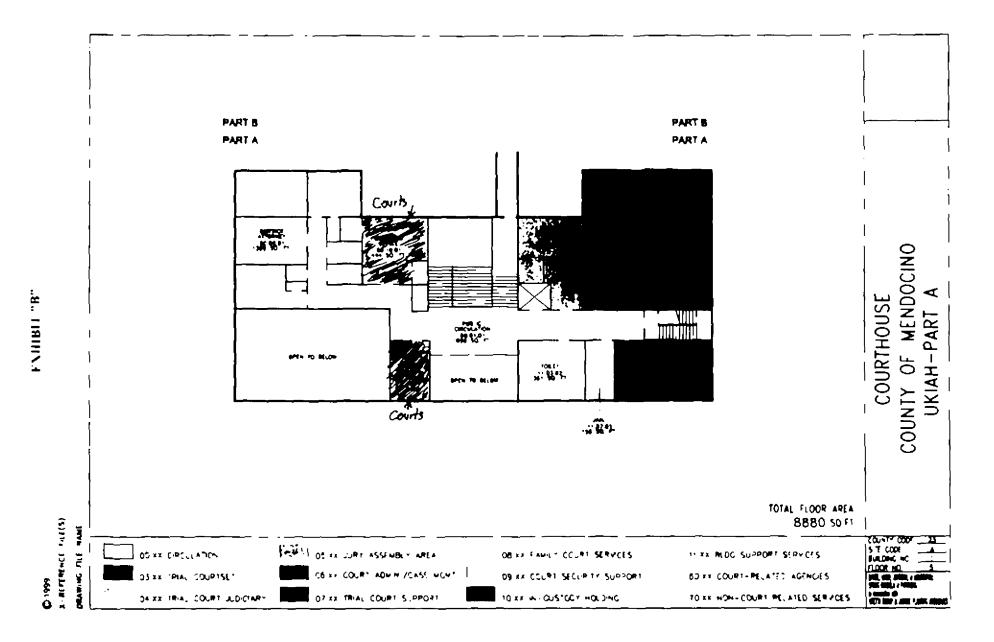
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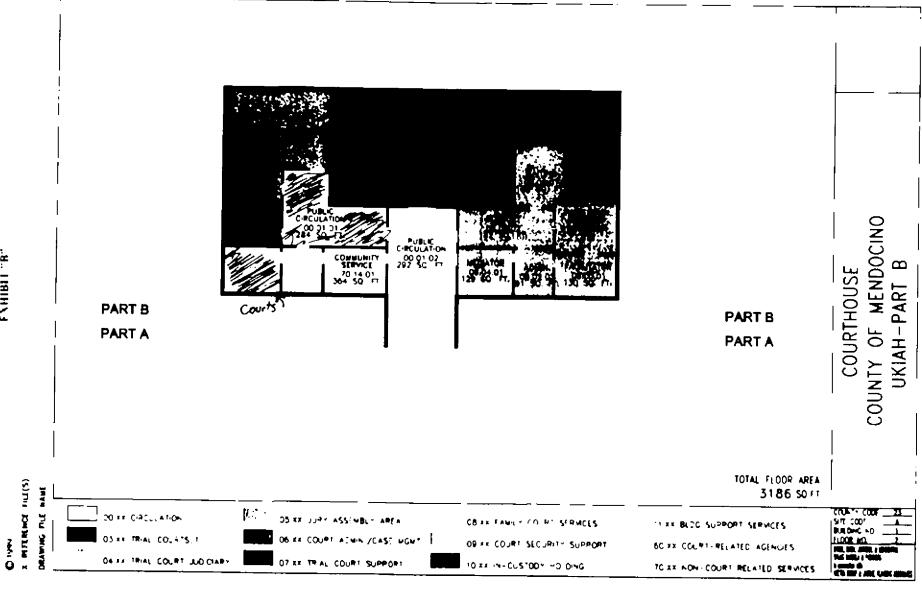
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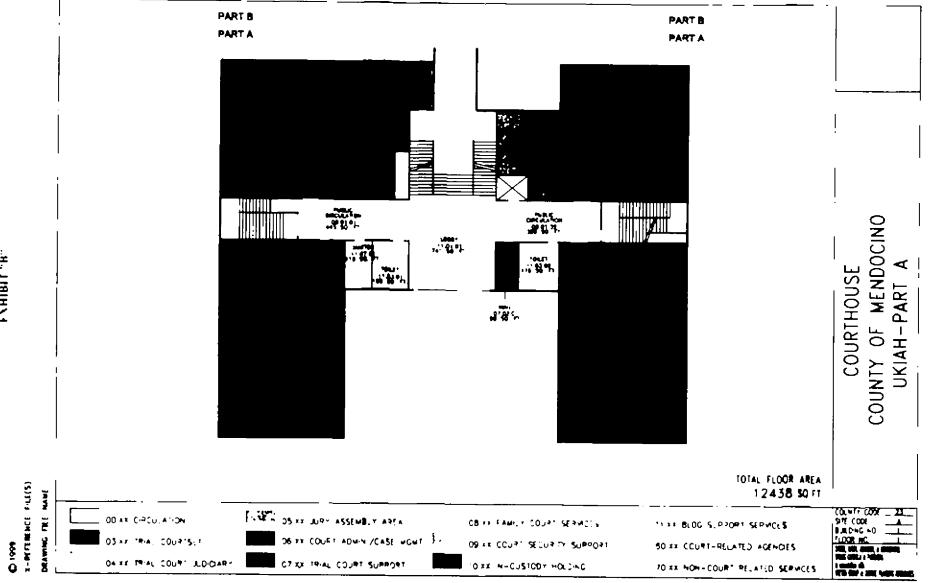
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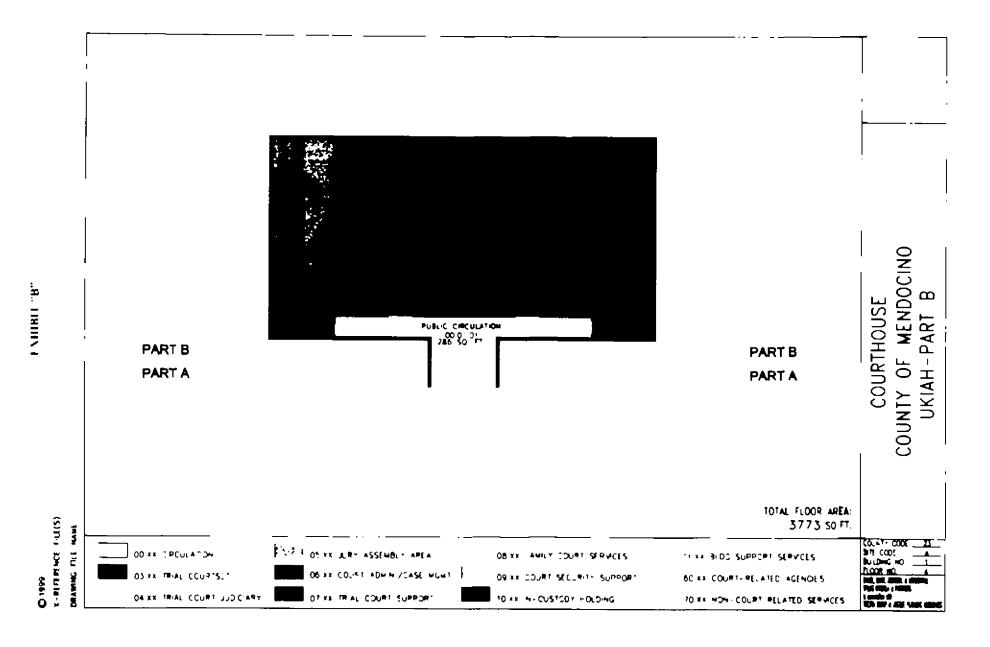
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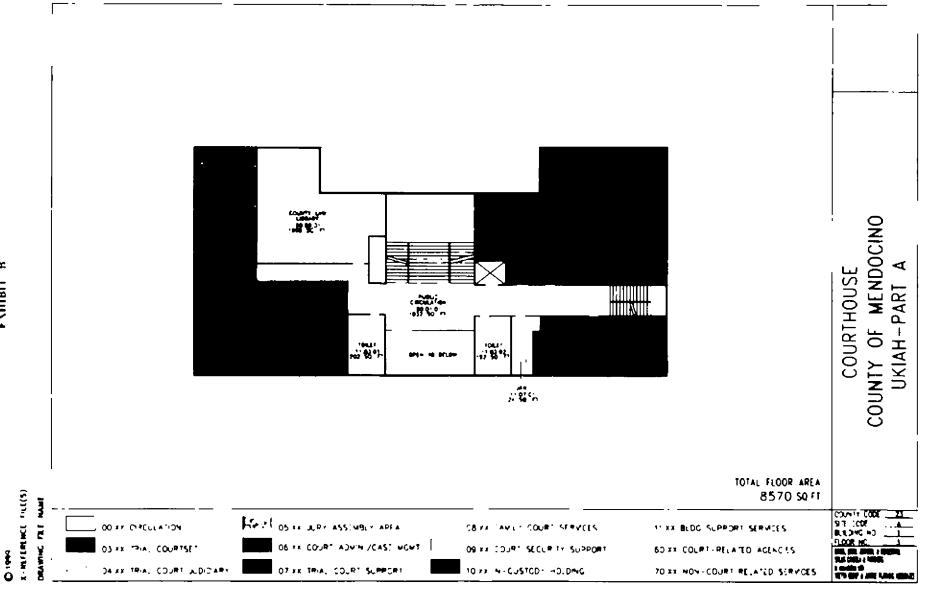
EXHIBIT "B" SITE PLAN AND FLOOR PLAN

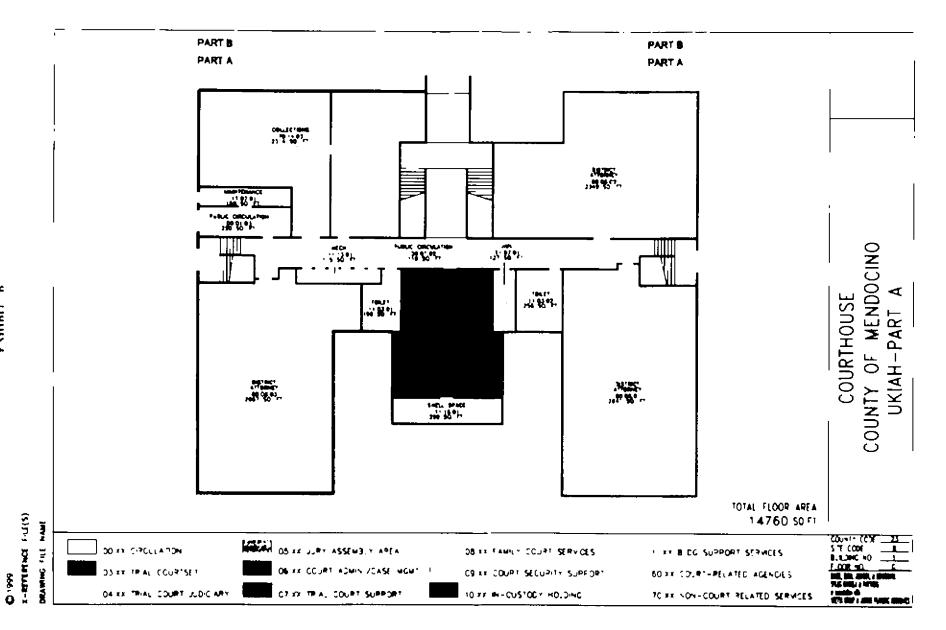




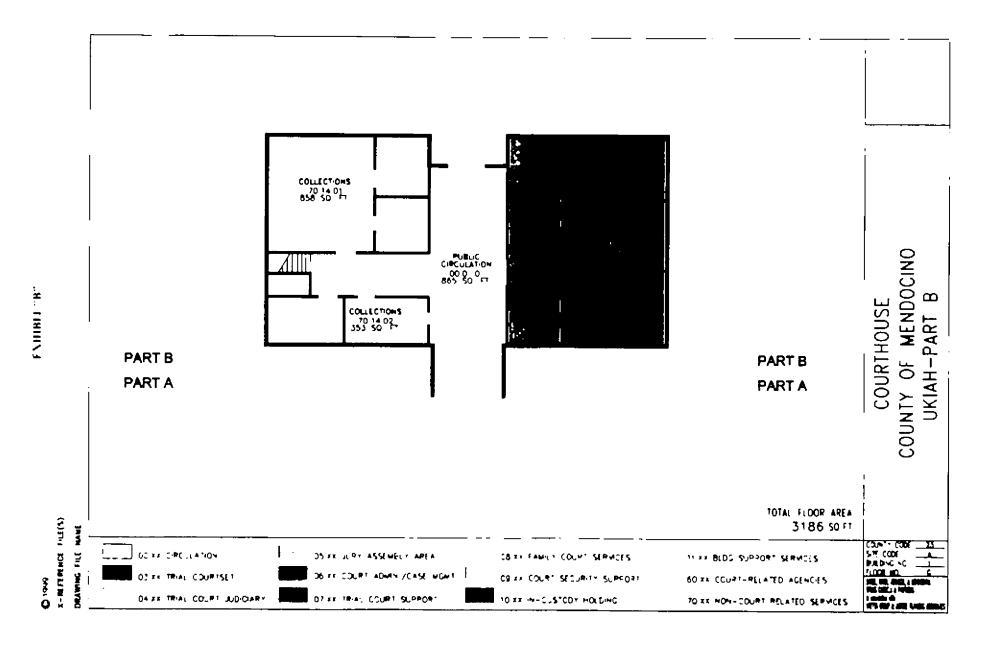






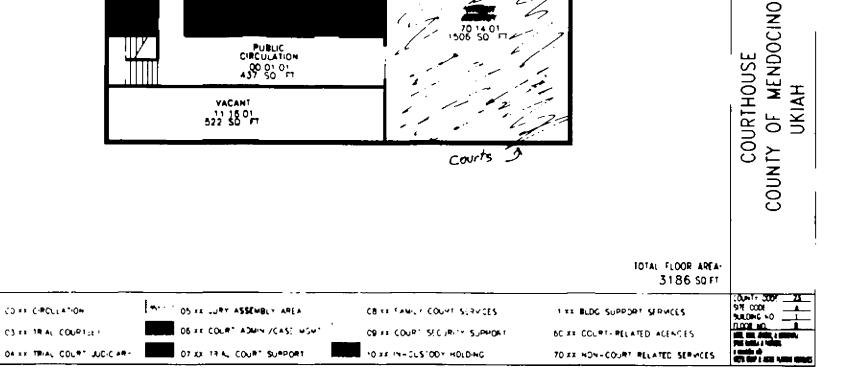


H.7



X-REPERCE PLU(S)

DRAWING



o.

EXHIBIT "B"

SITE PLAN OF REAL PROPERTY

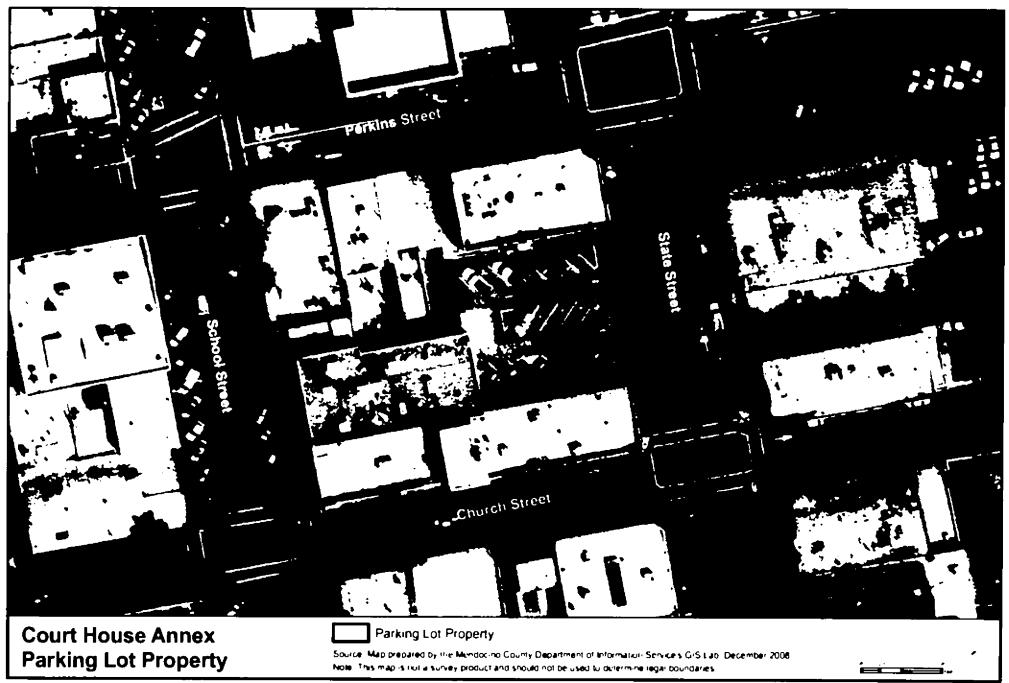


EXHIBIT "C" DEPICTION OF COURT PARKING

DEPICTION OF COURT PARKING

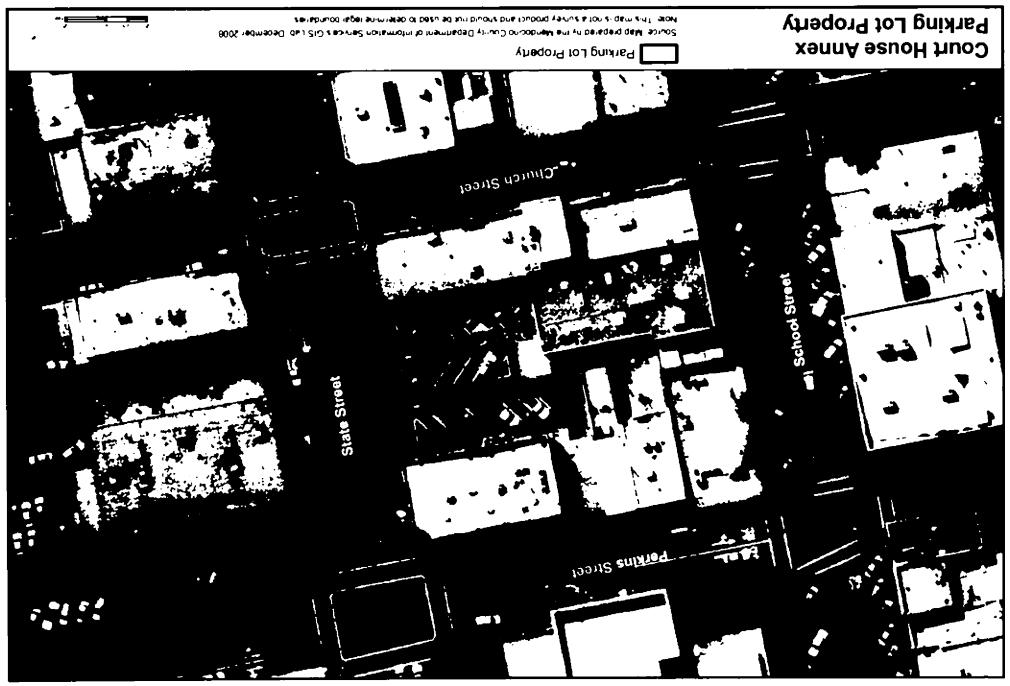


EXHIBIT "D"

INTENTIONALLY OMITTED

EXHIBIT "E"

CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

EXHIBIT "F" FORM OF JOINT OCCUPANCY AGREEMENT

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FORM OF JOINT OCCUPANCY AGREEMENT

1. PURPOSE

The Judicial Council of California ("Council"), Administrative Office of the Courts (together, the "AOC"), and the County of Mendocino ("County") set forth the terms and conditions for the Parties' shared possession, occupancy, and use of the Real Property.

2. **DEFINITIONS**

- "Act" means The Trial Court Facilities Act of 2002 (Government Code sections 70301-70404) as of the Effective Date.
- "Agreement" means the Transfer Agreement for the Transfer of Responsibility for Court Facility, by and between the AOC and the County, dated as of December 31, 2008, under which the County transferred to the AOC responsibility for certain portions of the Real Property under the Act.
- "AOC Claim" means any demand, complaint, cause of action, or claim alleging or arising from acts, errors, omissions, or negligence of the Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).
- "AOC Share" means 67.62%, which is the percentage of the Total Exclusive-Use Area occupied by the Court.
- "Appraiser" means an MAI appraiser with at least five years experience in appraising real properties similar to the Real Property.
- "Broker" means a broker licensed with the California Department of Real Estate with adequate knowledge and experience in assessing and providing opinions of value for real properties similar to the Real Property.
- "Building" means the building on the Land occupied by the Court, all connected or related structures and improvements, and all Building Equipment.
- "Building Equipment" means the installed equipment and systems that serve the Building generally or the Common Area. The Building Equipment does not include the equipment and systems that exclusively serve the Exclusive-Use Area of only one Party.
- "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 AOC, County, Court,

and any Occupants, and includes (1) hallways, stairwells, elevators, escalators, 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 and Utilities that do not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and through the Building to the Court Exclusive-Use Area, and (5) the Offsite Parking Area. The Common Area does not include any part of the Exclusive-Use Area of either Party except for any Building Equipment that may be located therein.

"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.

"Contributing Party" means the County.

"County Exclusive-Use Area" means the 13,600 square feet of the floor space in the Building, the Land, which are exclusively occupied and used by the County as depicted on Attachment "2" to this JOA.

"County Parties" means the County, its political subdivisions, and their respective officers, agents, and employees.

"County Parking" has the meaning given to it in the Agreement.

"County Services MOU" means the document titled Memorandum of Understanding, dated July 19, 2005, by and between the County and the Court, as amended from time to time.

"County Share" means 32.38%, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

"Court" means the Superior Court of California, County of Mendocino.

"Court Exclusive-Use Area" means the 28,407 square feet of the floor space of the Building, which is exclusively occupied and used by the Court and depicted on Attachment "2" to this JOA.

"Court Parking" has the meaning given to it in the Agreement.

"Deficiency" means any Minor Deficiency or Major Deficiency, as those terms are defined below.

"Effective Date" means the date on which the Agreement is signed by the last of the Parties to sign.

"Emergency" means a sudden, unexpected event or circumstance on or affecting the Common Area or the Real Property that: (1) threatens the life, health, or safety of persons occupying or visiting the Building, (2) substantially and materially interferes with the Contributing Party's 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 the Contributing Party, (4) threatens to diminish the asset value of the Contributing Party's Exclusive-Use Area, (5) threatens the preservation of the Contributing Party's files, records, and documents located in the Building, or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Contributing Party's Exclusive-Use Area or use of the Common Area.

"Equipment Permits" means all 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.

"Estimated Shared Costs" means the Responsible Party's reasonable, itemized estimate of the Shared Costs for the Real Property for a fiscal year.

"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.

"General Liability Claim" means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of persons in, on, or about the Real Property, whether that bodily injury or death is sustained by a third party, a County Party, or a State Party, and (2) damage to or destruction of personal property of a third party (other than personal property of a County Party or a State Party) in, on, or about the Real Property, but excludes all AOC Claims.

"Hazardous Substance" means any material or substance regulated under any federal, state, or local laws, ordinances, regulations, rules, statutes, and administrative actions or orders respecting hazardous or toxic substances, waste, or materials, or industrial hygiene.

"Indemnified Loss" means all liability, damages, attorney fees, costs, expenses, or losses with respect to which either Party is obligated to indemnify the other Party under this JOA.

"JOA" means this Joint Occupancy Agreement.

"Land" means the real property described on Attachment "1" to this JOA, and includes the County's (1) rights to enter and exit the Land, (2) recorded and unrecorded rights to water, water stock, oil, gas, minerals, and timber related to the Land, and (3) existing, granted development permits, entitlements, and air and view rights.

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

"Major Deficiency" means any condition, damage or defect in any portion of the Building that materially interferes with, prevents, or affects the occupancy or use of the Real Property by any employees, guests, invitees, or patrons of either Party, and cannot reasonably be repaired within 10 days or at a reasonable cost of less than \$1,000, as determined in the reasonably judgment of the Contributing Party.

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

"Minor Deficiency" means any condition, damage or defect in any portion of the Building that materially interferes with, prevents, or affects the occupancy or use of the Real Property by any employees, guests, invitees, or patrons of either Party, and can be reasonably repaired within 10 days and at a reasonable cost of less than \$1,000, as determined in the reasonable judgment of the Contributing Party.

"Non-Owning Party" means the AOC, which is the Party that does not own fee title to the Real Property.

"Occupancy Agreement" means any agreement that entitles any party other than the County or the AOC to occupy or use any part of the Real Property.

"Occupant" means any party that occupies or uses the Real Property under an Occupancy Agreement.

"Offsite Parking Area" means the parking area serving the Building, and includes the Court Parking.

"Operation" means the administration, management, maintenance, and repair of designated areas of the Real Property, and includes custodial services for the Common Area, but does not include custodial services for either Party's Exclusive-Use Area, which 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 AOC or the County, and "Parties" means the AOC and the County.

"Property Damage Claim" means any claim or demand arising from or related to a loss or physical damage to the Real Property that is required to be covered by the Property Insurance Policies.

"Property Insurance Costs" means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under Owner's self-insurance program.

"Property Insurance Policies" means one or more policies of property insurance maintained by the Owner that insure the Real Property against those risks covered by an All-Risk/Special Form property insurance policy with coverage amounts equal to at least the 100% Replacement Cost of the Real Property. The Property Insurance Policy may include any self-insurance policy maintained by the Owner for the Real Property.

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

"Real Property" means the Land, the Building, the Court Facility and Offsite Parking Area.

"Responsible Party" means AOC, which is the Party responsible for the Operation of the Common Area under this JOA.

"Restricted Area" means all areas within the Court Exclusive-Use Area that are (i) not generally accessible to the public, including judges' chambers, all non-public restrooms, elevators, break rooms, and corridors, and other non-public spaces that are dedicated for use only by judges or Court staff and employees, and (ii) public areas during non-business hours if the area utilizes security screening during business hours.

"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 for Security Services (BOS Agreement #04-020) between the County and the Court with an effective date of November 17, 2003, as amended from time to time.

"Share" means the AOC 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, equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area, including the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges

arising from the Responsible Party's failure to timely pay those costs or keep the Equipment Permits in effect); and (iii) the cost of Utilities provided to the Real Property, if Utilities are not separately metered for either Party's Exclusive-Use Area. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party's Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; (c) any fees, fines, penalties, interest, or other charges arising from the Responsible Party's Operation of the Real Property in a negligent manner or a manner that does not comply with Law; or (d) any costs relating to the Operations of the Offsite Parking Area, including without limitation the cost of any Utilities provided to the Offsite Parking Area.

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

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

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

"Total Building Square Footage" means 57,979 square feet, which is the total usable square footage of the Building.

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

"Utilities" means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are not governed by this JOA.

3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Area and the non-exclusive right to occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area. Each Party may use the Common Area on a non-exclusive basis provided such use (i) does not interfere with the other Party's use of its Exclusive-Use Area or the Common Area, (ii) does not materially increase the other Party's obligations under this JOA, and (iii) complies with

Law. The Parties may from time to time agree on reasonable rules and regulations for their use of the Common Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

- 3.2.1 Exclusive-Use Areas. 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 its Exclusive-Use Area or the Common Area.
- 3.2.2 Common Area. The Responsible Party is responsible for the Operation of the Common Area and will provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party's obligations under section 4 of this JOA. The Responsible party shall obtain the written consent from the Contributing Party prior to conducting any maintenance, repair or replacement of any equipment, fixture, or other property located in the common area that exceeds the sum of \$2,500. The Responsible Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost, but the Responsible Party must first obtain the written consent of the Contributing Party to those additions or alterations. Notwithstanding that the Offsite Parking Area is included within the definition of Common Area, the County is responsible for the Operation of the Offsite Parking Area, at its sole cost and expense, and the costs and expenses incurred by the County for Operation of the Offsite Parking Area will not be included as a Shared Cost.
- 3.2.3 Correction of Deficiencies. If a Deficiency occurs, the Contributing Party shall notify the Responsible Party in writing specifying whether the Deficiency is a Major Deficiency or a Minor Deficiency, and the Contributing Party's estimate of the cost and time period for correction of the Deficiency ("Notice of Deficiency"). If the Deficiency is identified as a Minor Deficiency, the Responsible Party shall promptly commence and complete the correction of the Minor Deficiency within 10 days of the Responsible Party's receipt of the Notice of Deficiency. If the Responsible Party does not commence and/or complete the correction of the Minor Deficiency within such 10 day period, the Contributing Party may, without obligation, correct the Minor Deficiency, and the Contributing Party may demand that the Responsible Party reimburse the Contributing Party within 30 days of demand for the Responsible Party's Share of the reasonable cost of correcting the Minor Deficiency. If the Deficiency is identified as a Major Deficiency, within 10 days of the Responsible Party's receipt of the Notice of Deficiency the Responsible Party shall promptly notify the Contributing Party in writing of the proposed method of, and estimated time period for, correction of the Major Deficiency ("Notice of Correction"). If the Responsible Party does not deliver the Notice of Correction within such 10 day period, or if the Responsible Party does not commence and/or complete the correction of the Major Deficiency within the time period specified in the Notice of Correction, Contributing Party may, without obligation, correct

the Major Deficiency, and the Contributing Party may demand that the Responsible Party reimburse the Contributing Party within 30 days of demand for the Responsible Party's Share of the reasonable cost of correcting the Major Deficiency. If the Responsible Party fails to timely reimburse the Contributing Party for the costs of correcting any Deficiency pursuant to this section, the Contributing Party may offset those costs against any future amounts it owes to the Responsible Party under this JOA or any other written agreement. Notwithstanding the foregoing, if any Deficiency constitutes an Emergency, this section 3.2.3 shall not apply, and section 3.2.4 shall apply.

- 3.2.4 Emergencies. If any Emergency occurs, the Parties must immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances. The Responsible Party must promptly take steps to correct any Deticiency arising from the Emergency. If the Responsible Party does not immediately commence efforts to correct the Emergency, the Contributing Party may, but shall not be obligated to, correct the Emergency without making any further demand on the Responsible Party, and shall notify the Responsible Party of the steps taken to correct the Emergency as soon as reasonably possible. The Party that corrects the Emergency is entitled to reimbursement from the other Party of the non-correcting Party's Share of the actual cost of correcting the Emergency pursuant to section 4 of this JOA.
- Area, at its sole cost and expense, provided that at all times after Transfer, the Court's judges, staff, employees, and jurors will have the right to use and occupy the Court Parking in the Offsite Parking Area. After Transfer, if any of the Court Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Court Parking, the County must provide alternate parking for the Court of comparable convenience to the Building, and of at least the same number and type of spaces, as the Court Parking. The County must consult with the Court before any relocation of the Court Parking. The Parties will use the unreserved parking spaces in the Offsite Parking Area on a first-come, first-served basis. The County will not permit its staff, employees, contractors, invitees, licensees, and patrons to park in the Offsite Parking Area designated as reserved Court Parking. If the AOC or the Court gives written notice to the County that the employees or patrons of the County are parking in the reserved Court Parking, the County will promptly remedy those violations.
- 3.4 <u>Cooperation</u>. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner will cooperate in good faith with, and ensure that, the Non-Owning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use 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, but that delegation will not relieve the delegating Party from its obligations under this JOA.

- 3.5 <u>Security-Related Areas</u>. The County will remain responsible for the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through the Security-Related Areas under the Security Services MOU, and will have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.
- 3.6 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Area, and Owner is responsible for all Occupancy Agreements affecting the Common Area, in each case without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it.
- 3.7 <u>Obtaining Equipment Permits</u>. The Responsible Party is responsible for maintaining and renewing the Equipment Permits.
- 3.8 <u>Telecommunications Services</u>. The County will be responsible for the Operation of the Switches ("Data Equipment") located in located in the following areas:
 - a) the closet on the first floor having fiber optic cabling;
 - the break room the of the Court Human Resources Department located on the third floor:
 - c) the storage closet next to the Bailist's office in the basement;
 - d) the access panel leading to the ceiling wherein County cabling is located on the third floor in the Court financial offices; and
 - e) access to the roof at the end of the 5th floor.

The County will have the right to enter the Court Exclusive-Use Area, at times reasonably-convenient to the Court and the other Occupants of the Court Exclusive-Use Area, for purposes of inspecting and Operation of the Data Equipment, as and when necessary. The County will continue to provide telecommunications services to the Court in the Court Facility, under the terms of the County Services MOU.

3.9 <u>Criminal Background Screening</u>. The Responsible Party must screen and approve all County employees and Contractors before they provide services in or make deliveries to any Restricted Area. 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 "5"** to this JOA sets forth the criteria for approval of a County employee or Contractor based on the results of the

screening. Unless an exemption applies, only screened and approved County employees and Contractors ("Approved Persons") can have unescorted access to Restricted Areas. Unscreened County employees and Contractors ("Unscreened Persons") may access Restricted Areas if they are escorted and monitored by an Approved Person. The Responsible Party must ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9.

- 3.9.1 Approved Persons. The County must issue an identification badge to each Approved Person bearing the Approved Person's name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. If the County issues identification badges to its employees, the County need not issue a separate badge to Approved Persons, but may affix a sticker or other marking on the existing badges of Approved Persons to indicate their right to access Restricted Areas. Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.
- 3.9.2 Exemptions. The following County employees and 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 Effective Date of this JOA; and (ii) Unscreened Persons only when responding to and correcting the imminent threat arising from an Emergency.
- 3.10 County Facilities Payment. Nothing in this JOA diminishes or modifies the County's obligations under the Act and the Agreement.

4. SHARED COSTS

Payment of Estimated Shared Costs. The Responsible Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Responsible Party for its Share of all Shared Costs under this section 4. Within 30 days after the first day of each fiscal year, the Responsible Party will deliver to the Contributing Party a statement (the "Estimate Statement") itemizing the Estimated Shared Costs, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statement, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Responsible Party will, if necessary, revise the Estimate Statement, which both Parties will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statement in writing. However, until the Contributing Party approves the Estimate Statement, it will pay its share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statement, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate

Statement, 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. Payment of Estimated Shared Costs will be made in equal monthly installments on the first day of each calendar month of each fiscal year, subject to this JOA.

- 4.2 Payment of Actual Shared Costs. Within 30 days after the end of each calendar month, the Responsible Party will 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 Responsible Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Monthly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable calendar month, the Responsible Party will refund the amount overpaid to the Contributing Party within 30 days after the Responsible Party's delivery of the Monthly Invoice, except that if the Contributing Party consents, the Responsible Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs are greater than the Estimated Shared Costs for the applicable calendar month ("Excess Costs"), the Contributing Party will pay such Excess Costs to the Responsible Party within 30 days after its receipt of the Monthly Invoice, except that (a) if the Excess Costs are more than 10% of the Estimated Shared Costs for any calendar month, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs based on the Estimate Statement, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that calendar month, until the Parties have met and reached an agreement regarding the amount of the Excess Costs.
- 4.2.1 Agreement for Quarterly Invoicing and Payment. The Parties may mutually agree that the Responsible Party will deliver, and the Contributing Party will pay, invoices itemizing Actual Shared Costs on a quarterly basis rather than on a monthly basis. If the Parties so agree, 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 <u>Notice of Anticipated Excess Cost</u>. Prior to incurring any Shared Cost that the Responsible Party reasonably believes will result in an Excess Cost in an amount greater than \$2500.00, the Responsible Party shall give written notice to the Contributing Party describing the amount and reason for the Shared Cost; except that no notice must be given to the Contributing Party if the Shared Cost will be incurred in connection with an Emergency under section 3.2.4 of this JOA. If the Contributing Party objects in

writing to the Shared Cost within 30 days after receiving the Responsible Party's notice, the Parties must meet and confer, in person or by telephone, within 10 calendar days to resolve their dispute concerning the Shared Cost. If the Parties do not reach agreement concerning the Shared Cost during that meet and confer process, the Parties will promptly seek to resolve their dispute concerning the Shared Cost under the terms of section 10 of this JOA. If the Contributing Party does not respond to the Responsible Party's notice within 30 days of receiving the notice, the Responsible Party may proceed with expenditure of the Shared Cost in the amount and for the purpose described in the notice, and the Contributing Party must pay its Share of that Shared Cost.

- 4.4 Audit Rights. The Contributing Party may, at its sole cost and upon reasonable notice to the Responsible Party, inspect the Responsible Party's books, records, and supporting documents concerning all Actual Shared Costs incurred for up to 12 calendar months prior to the date of the Contributing Party's inspection. The Parties will cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference to either Party. If, after its inspection, the Contributing Party disputes any Actual Shared Costs for any of the immediatelypreceding 12 calendar months, the Contributing Party may engage an independent certified public accountant, acceptable to both Parties, to audit the Responsible 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 calendar month or fiscal quarter, as then applicable, the Parties will make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit. The Contributing Party must pay the entire cost of the audit, but if the audit shows that the Contributing Party has overpaid the Actual Shared Costs by more than three percent in any calendar month, the Responsible 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 Offsite Parking Area Costs. The County is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Offsite Parking Area, and those costs and expenses will not be included as a Shared Cost.
- Party will reimburse Owner for the Non-Owning Party's Share of the Property Insurance Costs, in the same manner set forth in section 4 of this JOA, with Owner having the rights and duties of the Responsible Party, and the Non-Owning Party having the rights and duties of the Contributing Party. Owner will not change any deductible or self-insurance retention amount in respect of the Property Insurance Policies without the prior, written consent of the Non-Owning Party.

5. DECREASES AND INCREASES OF SPACE IN BUILDING

- Decrease of Space. At least 30 days before a Party ("Decreasing Party") decreases the size of its Exclusive-Use Area ("Decreased Space"), the Decreasing Party must, by written notice, offer the Decreased Space to the other Party ("Non-Decreasing Party") on the same terms set forth in any offer to or from a third party for the Decreased Space ("Third Party Terms"). The Third Party Terms must separate the rent for the Decreased Space from any amounts to be paid for Operation, Utilities, and other costs. If the Non-Decreasing Party elects not to occupy the Decreased Space on the Third Party Terms, or fails to respond to the notice within the 30 day period, the Decreasing Party may permit any third party to occupy and use the Decreased Space on the Third Party Terms. If a third party will occupy the Decreased Space on terms that are more-favorable to the third party than the Third Party Terms, the Decreasing Party must again first offer the Decreased Space to the Non-Decreasing Party on those more-favorable terms under this section 5.1. Upon transfer to the Non-Decreasing Party, the Decreased Space will be part of the Non-Decreasing Party's Exclusive-Use Area under this JOA for all purposes, subject to the Non-Decreasing Party's rent and adjusted Share in respect of the Decreased Space. Any transfer of Decreased Space to any third party will not relieve the Parties of their rights and duties under this JOA as to the Decreased Space.
- 5.2 <u>Increase of Space</u>. If a Party wishes to increase the size of its Exclusive-Use Area, and the other Party agrees to allow that Party to occupy part of its Exclusive-Use Area ("Increased Space"), then the Party that takes occupancy of the Increased Space may be charged a reasonable rent for its occupancy of the Increased Space.

5.3 Compatible Use; Hazardous Substances.

- 5.3.1 <u>Compatible Use</u>. Each Party must use, and must require that any Occupant use, its Exclusive-Use Area in a manner that is compatible with the Parties' use of the Building on the Effective 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 Responsible Party must ensure that any Common Area Occupant uses its space in a manner compatible with the Parties' use of the Building.
- 5.3.2 <u>Hazardous Substances</u>. Neither Party will store, use, treat, manufacture, or sell, or allow any other person to store, use, treat, manufacture, or sell, any Hazardous Substance on the Real Property except in compliance with Law.
- 5.4 <u>Vacate Right Pursuant to Section 70344(b) of the Act</u>. After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act, 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 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 its Equity in the Vacated Space. The

Vacating Party must 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, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair market value of the Vacating Party's relocation costs, the Parties will select a mutuallyacceptable relocation expert with at least five years of experience in determining relocation costs in California ("Expert"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser, Broker, or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser, Broker, or Expert. Any disputes under this section 5.4 will be resolved under section 0 of the Agreement. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to Attachment "3" attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to Attachment "4" attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.5 Amendment to JOA; Equity Rights. Notwithstanding the terms of section 5.1 of this JOA, if the Parties agree to change the size of their Exclusive-Use Areas under sections 5.1 or 5.2 of this JOA, or if the Parties' Equity rights will be modified by this JOA, the Parties will amend this JOA to: (i) establish any rent to which a Party is entitled; (ii) adjust their Exclusive-Use Areas; and (iii) adjust each Party's Share, and if applicable, their Equity rights in the Real Property. An amendment to this JOA that provides for a Party's rental of additional Exclusive-Use Area from the other Party will not modify the Parties' Equity rights in the Real Property, and the Parties' Equity rights will remain as they were on the Effective Date, except only if a Party is compensated for its Equity rights by the other Party under this JOA or the Act.

6. INSURANCE

6.1 <u>Property Insurance</u>.

6.1.1 Property Insurance Policies to be Maintained. Owner will provide, maintain in full force and effect, and make direct payment of all Property Insurance Costs, subject to the other Party's obligation to pay its portion of those costs under section 4 above, until the AOC provides written notice to Owner requesting that it no longer provide the Property Insurance Policies under this JOA. Owner will add the Judicial Council of California, the Administrative Office of the Courts, and the Court as additional insureds and loss payees by specific endorsement to each of the Property Insurance Policies with the same coverages and limits as the principal insured under the Property Insurance Policies.

- 6.1.2 Allocation of Risk for Property Damage Claims. While Owner is providing and maintaining the Property Insurance Policies, and the Non-Owning Party is paying its portion of the Property Insurance Costs under section 4 above, Owner will bear all of the risk arising from Property Damage Claims, and Owner hereby waives, and will cause its insurer(s) to waive, all rights of recovery against the other Party and its insurer(s) for any Property Damage Claims, except for Property Damage Claims arising solely and directly from the gross negligence or willful misconduct of the other Party. Owner will be solely and exclusively responsible to tender to its self-insurance program or its insurance carriers, as applicable, and to process and pursue to final resolution, any and all Property Damage Claims, including (if covered by the Property Insurance Policies) claims for costs associated with obtaining and relocating to alternative space while any portion of the Real Property is being repaired.
- 6.1.3 Compliance with Property Insurance Policies. While Owner is providing and maintaining the Property Insurance Policies under this JOA, Owner will provide the Non-Owning Party with certificates of insurance evidencing the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time. The State Parties and the County Parties will comply in all material respects with all requirements for the use of the Real Property that are set forth in the Property Insurance Policies and that Owner has provided to the Non-Owning Party.
- 6.1.4 Property Insurance Proceeds. Upon the occurrence of any Property Loss, each Party will be entitled to the applicable proceeds from the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area, subject to section 7, below. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the total limits of all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of Owner, then if both Parties elect to restore or replace the damaged portions of the Real Property ("Damaged Property") under section 7 below, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property Damage Claim, the AOC would be responsible to pay (subject to section 7, below) \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share

of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property under section 7, below) the balance of the uninsured loss. The Owner will assign and deliver to the other Party all insurance proceeds owed to the other Party effective upon its receipt of those proceeds.

6.1.5 No Waiver of Equity Rights. The provisions of section 6.1.4 of this JOA will not be deemed or construed to waive, diminish, release, or otherwise affect the Equity rights of either Party in respect of the Real Property.

6.2 Reporting and Processing Claims.

- 6.2.1 <u>Incident Reports</u>. The Responsible Party will maintain copies of any Incident reports that it prepares for a period of five years, and at the request of the Contributing Party, the Responsible Party will provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.
- 6.2.2 Party Responsible for Claims. If either Party receives any demand, complaint, notice, document, or information alleging the existence or occurrence of any incident, event, circumstance, or occurrence in, on, or about the Real Property ("Incident") that is or could result in any Property Damage Claim or General Liability Claim (each, a "Claim", and together, "Claims") or an AOC Claim, or if a Party otherwise becomes aware that an Incident has occurred, that Party will make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties will work together, diligently and in good faith, to determine which of them bears responsibility for the loss or injury alleged, and whether either Party is entitled to indemnification by the other in respect of the Incident under sections 8.1 or 8.2 of this Agreement. If the Parties are not able to so agree, then they will resolve those matters under section 11 of the Agreement.
- 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 policy coverages required hereunder. Unless the Parties otherwise agree, all Contractors must indemnify, defend, and hold harmless the County Parties and the State Parties from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses arising from the performance by the Contractors under their contracts, and neither Party waives any right of recovery or subrogation against the other in respect of their contractual arrangements with the Contractors.

6.4 <u>Workers' Compensation Coverage</u>. Each Party will each maintain its own workers' compensation insurance covering its own employees, and neither Party will have any liability or responsibility for workers' compensation insurance coverage for employees of the other Party. The State Parties and the County Parties hereby waive, and will cause their respective insurers to waive, their respective rights of recovery against one another for workers' compensation claims.

7. DAMAGE OR DESTRUCTION

- 7.1 Damage or Destruction Event. It, due to Property Loss, the Real Property cannot be occupied by one or both Parties, each Party will be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of section 6, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing ("Restoration Election Notice") whether it wishes to restore or replace the Damaged Property.
- Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties will cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the proceeds it receives as indemnity for direct physical loss or damage under the Property Insurance Policies and otherwise paying its portion of the cost to restore or replace the Damaged Property, as set forth in this JOA. If the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares or their Equity rights, the Parties will each pay the costs and expense to restore or replace the Damaged Property according to their newly-determined Shares or Equity rights.
- 7.3 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 must meet and confer in good faith to determine how to proceed with respect to (i) the Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under this JOA, and (iii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 0 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties' final resolution of those issues.
- 7.4 <u>Neither Party Elects to Restore or Replace</u>. If neither Party elects to restore or replace the Damaged Property, then both Parties will retain the proceeds of the Property Insurance Policies to which they are entitled under this JOA. If any of the Non-Owning Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss,

then the Owner will compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area, determined in the manner described in section 5.4 of this JOA, except that all insurance proceeds the Non-Owning Party has received, or will receive, as indemnity for direct physical loss or damage from final resolution of any Property Damage Claims made in respect of the Damaged Property will be deducted from the Equity rights compensation paid by the Owner to the Non-Owning Party for its Equity rights in the uninhabitable parts of its Exclusive-Use Area. To the extent covered by the terms of the Property Insurance Policies, the Non-Owning Party will be entitled to that portion of the proceeds from the Property Damage Claim that is directly related to compensation for the Non-Owning Parties' relocation costs arising from the Property Loss. If the Non-Owning Party will no longer occupy the Building due to Property Loss that neither Party elects to restore or replace, then when the Non-Owning Party has been compensated for its Equity rights under this section 7.4, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office.

8. INDEMNIFICATION

- 8.1 Indemnification Obligation of State Parties. The State Parties will and do indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County Parties, from and against all Indemnified Loss arising from (1) all AOC Claims, and (2) General Liability Claims where and to the extent that the General Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a State Party.
- 8.2 Indemnification Obligation of County Parties. The County Parties will and do indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the State Parties, from and against all Indemnified Loss arising from General Liability Claims where and to the extent that the General Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a County Party.
- 8.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all General Liability Claims for which it is responsible under sections 8.1 or 8.2, as applicable. The indemnified Party may elect, but is not required, to participate, at the indemnified Party's sole expense, in the litigation, settlement, or other resolution of any General Liability Claim as to which it is the indemnified Party. If the indemnified Party elects to participate in the indemnifying Party's litigation or other resolution of a General Liability Claim, the indemnifying Party will cooperate with the indemnified Party's participation.
- 8.4 <u>Effect of Indemnification Rights</u>. 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.

8.5 Personal Property; Waiver of Subrogation. Neither Party will be liable for, and each Party releases the other from, any damage or destruction to the other Party's personal property located on or in the Real Property. The County Parties and the State Parties hereby waive, and will cause their respective insurers to waive, their respective rights of recovery against one another for losses, costs, and liabilities related to physical damage to their business personal property.

9. CONDEMNATION

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

10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any provision of this JOA, the Parties will comply with the terms for notice of default and cure period set forth in section 10 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

11. DISPUTE RESOLUTION

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties will comply with the terms for dispute resolution set forth in section 11of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

12. NOTICES

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

13. MISCELLANEOUS

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

- 13.2 Force Majeure. Neither Party is responsible for performance under this JOA to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, whether foreseeable or unforeseeable.
- 13.3 <u>Assignment</u>. Neither Party may assign this JOA in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any Law will be void and of no effect.
- 13.4 <u>Binding Effect</u>. This JOA binds the Parties and their permitted successors and assigns
- 13.5 <u>Third Parties Benefited</u>. The Court is an intended beneficiary of all provisions of this JOA for the benefit of the AOC.
- 13.6 Governing Law; Jurisdiction. This JOA, and the Parties' performance under this JOA, will be exclusively governed by the laws of the State without regard to its conflict of law provisions. The Parties, to the fullest extent permitted by Law, knowingly, intentionally, and voluntarily, with and upon the advice of competent counsel: (i) submit to personal jurisdiction in the State of California over any suit, action, or proceeding arising from or related to the terms of this Agreement (each an "Action"); (ii) agree that any Action must be brought in any State court in San Francisco County, California; (iii) submit to the jurisdiction of that court; and (iv) agree not to bring any Action in any forum other than in a State court in San Francisco County, California.
- 13.7 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. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a 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.
- 13.8 Integration; Amendments. This JOA and the Agreement contain the entire agreement of the Parties with respect to the subject matter of this JOA, and supersede all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This JOA may be amended only by written agreement signed by both of the Parties.
- 13.9 <u>Incorporation By Reference</u>. The Attachments to this JOA are incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments mean and include the entirety of this JOA.

- 13.10 Severability. If any term of this JOA is inconsistent with applicable Law, then on the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this JOA not affected by the inconsistency will remain in full force and effect.
- 13.11 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 will execute any further agreements and perform any additional acts that may be reasonably necessary to carry out the purposes and intent of this JOA and the Act.
- 13.12 <u>Conflicts Between JOA and Agreement</u>. The Agreement supersedes and controls to the extent of any conflicts between the terms of the Agreement and this JOA.
- 13.13 <u>Signature Authority</u>. The individuals signing this JOA on behalf of the AOC and the County certify that they are authorized to do so.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

I agree to the terms of this JOA.

APPROVED AS TO FORM: Administrative Office of the Courts, Office of the General Counsel	JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS
Ву:	By: Name: Grant Walker
Name: Dianne Barry	
Title: Attorney Date:	Title: Senior Manager, Business Services Date:
ATTEST:, Clerk of the Board	COUNTY OF MENDOCINO, a political subdivision of the State of California
By:	Ву:
Deputy	Name: Jim Wattenburger
	Title: Chair, Board of Supervisors Date:
APPROVED AS TO FORM:	
County of Mendocino, Office of the County Counsel	
By:	
Name:	
I ille:	
Date:	

ATTACHMENT "1" TO JOA

LEGAL DESCRIPTION OF LAND

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

ATTACHMENT "2" TO JOA SITE PLAN OF REAL PROPERTY

SILE BUYN OF REAL PROPERTY



ATTACHMENT "3" TO JOA

FORM OF EQUITY RIGHTS PURCHASE AGREEMENT

1. PURPOSE

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

2. **DEFINITIONS**

"Agreement" means this Equity Rights Purchase Agreement.

"Building" means the "Building" as defined in the Transfer Agreement.

"Common Area" means the "Common Area" as defined in the Transfer Agreement.

"Compensation" means the amount paid by the Majority Occupant to the Minority Occupant in exchange for the Minority Occupant's Equity Rights.

"Court Facility" means the trial court facility commonly known as the Lakeport Courthouse, as further defined in the Transfer Agreement.

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

"Equity" means "equity" as used in section 70344(b) of the Act.

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

"Equity Rights" means (1) all rights, interests, and entitlement of the Minority Occupant in and to the _____ square feet of space in the Building that is occupied exclusively by the Minority Occupant on the Effective Date, and which space comprises approximately ___ percent of the total Building square footage, as depicted on Exhibit "A" attached to this Agreement, and (2) all non-exclusive rights, interests, and entitlement of the Minority Occupant in and to the Common Area.

"Grant Deed" means the "Grant Deed" as defined in the Transfer Agreement.

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

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

"Party" means the AOC or the County, and "Parties" means the AOC and the County.

"Real Property" means the "Real Property" as defined in the Transfer Agreement.

"Transfer Agreement" means the Transfer Agreement For the Transfer of Responsibility For Court Facility, and all attached Exhibits and Schedules, dated as of ______, 20___, which sets forth the terms for the transfer of responsibility for and the transfer of title to the Court Facility under the Act.

3. PURCHASE OF EQUITY RIGHTS

- 3.1 Exercise of Vacate Right. The Majority Occupant has elected to exercise its right to require the Minority Occupant to vacate the Building under section 70344(b) of the Act and has given the Minority Occupant reasonable notice of its election to so exercise.
- 3.2 <u>Compensation</u>. The Compensation for the Equity Purchase is , which amount will be paid by the Majority Occupant to the Minority Occupant [in a lump sum on the earlier of (1) the date that the Minority Occupant actually vacates the Building, or (2) the date on which the Grant Deed is recorded in connection with the transfer of title under the Transfer Agreement.] **OR** [describe].
- 3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing.

Occupant's alternate premises, including without limitation, any brokerage commissions, finders' fees, closing costs, tenant improvement costs, or consultant's fees. The terms of this section 3.3 will survive the consummation of the Equity Purchase until _______, 200_ [Note: This should be the same date as the deadline for vacation of the Real Property by the Minority Occupant set forth in section 4.3 below].

- 3.4 <u>Rights and Responsibilities</u>. Upon completion of the Equity Purchase, the rights and responsibilities of the Parties in respect of the Equity Rights purchased by the Majority Occupant will be as set forth in the Transfer Agreement.
- 3.5 <u>Representations and Warranties</u>. Each Party makes the following representations and warranties to the other to the best of its knowledge after reasonable investigation and inquiry:
- 3.5.1 The Compensation is equal to the fair market value of the Minority Occupant's Equity Rights in the Real Property;
- 3.5.2 The person who has signed this Agreement on behalf of the Party has been duly authorized and empowered, by a resolution or other formal action of the Party, to sign this Agreement on its behalf, and no other or further approval or consent is required to authorize or empower the Party to enter into and perform this Agreement; and
- 3.5.3 This Agreement and the Equity Purchase contemplated in this Agreement do not and will not violate any agreement, obligation, or court order by which the Party is bound or to which it or its assets is subject.

4. CLOSING THE EQUITY PURCHASE TRANSACTION

- 4.1 Delivery of Signed Agreement. The last Party to sign this Agreement must deliver to the AOC, within three business days after signing, ____ fully-signed originals of this Agreement.
- 4.2 <u>When the Equity Purchase Takes Effect</u>. The Equity Purchase will be effective and deemed consummated immediately and automatically upon the Majority Occupant's payment of the Compensation to the Minority Occupant, whether or not the Minority Occupant has then vacated the Real Property.
- When Minority Occupant Must Vacate the Real Property. The Minority Occupant agrees that it will entirely vacate its occupancy of the Real Property by no later than _______, 200___. If the Minority Occupant fails to complete its vacation the Real Property by _______, 200___ through no fault of the Majority Occupant, the Minority Occupant will be deemed to have fully and forever waived and relinquished its

rights, under section 70344(b) of the Act and section 3.3 of this Agreement, to require the Majority Occupant to pay the Minority Occupant's relocation costs.

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

5. MISCELLANEOUS

- 5.1 <u>Dispute Resolution</u>. Any dispute between the Parties concerning this Agreement must be resolved under the terms for "Dispute Resolution" in section 11 of the Transfer Agreement.
- 5.2 <u>Amendments</u>. This Agreement may be amended only by written agreement signed by both of the Parties.
- 5.3 <u>Waivers</u>. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both Parties. Waiver by either Party at any time of any breach of this Agreement cannot be deemed a waiver of or consent to a breach of the same or any other provision of this Agreement. If a Party's action requires the consent or approval of the other Party, that consent or approval on any one occasion cannot be deemed a consent to or approval of that action on any later occasion or a consent or approval of any other action.
- 5.4 <u>Binding Effect</u>. This Agreement binds the Parties and their permitted successors and assigns. The State Parties are intended beneficiaries of all provisions of this Agreement for the benefit of the AOC. Otherwise, this Agreement is for the benefit only of the Parties, and no third parties are intended to be benefited by this Agreement.
- 5.5 Governing Law. This Agreement, and the Parties' performance under this Agreement, will be exclusively governed by the laws of the State without regard to its conflict of law provisions.
- 5.6 <u>Construction</u>. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any Party as the principal 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.
- 5.7 <u>Integration</u>. This Agreement and the Transfer Agreement contain the entire agreement of the Parties with respect to the Equity Purchase, and supersede all previous and concurrent communications, understandings, and agreements, whether verbal, written, express, or implied, between the Parties concerning the subject matter of this Agreement.

- 5.8 <u>Capitalized Terms</u>. Any capitalized terms that are not otherwise defined in this Agreement will have the meanings given to them in the Transfer Agreement.
- 5.9 Severability. If any term of this Agreement is inconsistent with applicable law, then upon the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this Agreement not affected by the inconsistency will remain in full force and effect.
- 5.10 <u>Further Assurances</u>. The County and the AOC agree to cooperate reasonably and in good faith with one another to (1) implement the terms of this Agreement, and (2) consummate the Equity Purchase, and will execute any further agreements and perform any additional acts that are reasonably necessary to carry out the terms of this Agreement.
- 5.11 <u>Notices</u>. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the "Notices" provision of section 12 of the Transfer Agreement.

|SIGNATURES FOLLOW ON NEXT PAGE|

I agree to the terms of this Agreement.

APPROVED AS TO FORM: Administrative Office of the Courts, Office of the General Counsel	JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS
By:Name: Dianne Barry	By:
Name: Dianne Barry	By: Name: Grant Walker
Title: Attorney Date:	Title: Senior Manager, Business Services Date:
ATTESΤ:, Clerk of the Board	COUNTY OF MENDOCINO, a political subdivision of the State of California
By:	Ву:
Deputy	By: Name: Jim Wattenburger
	Title: Chair, Board of Supervisors Date:
APPROVED AS TO FORM: County of Mendocino, Office of the County Counsel	
By:	
.Name:	
Title:	
Date:	

EXHIBIT "A"

COPY OF FLOOR PLAN

[See Attached]

ATTACHMENT "4" TO JOA

FORM OF TERMINATION OF JOINT OCCUPANCY AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

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

TERMINATION OF JOINT OCCUPANCY AGREEMENT

This Termination of Joint Occupancy Agreement ("Termination") is made and entered into this ______ day of ______, 20___, by and between the Judicial Council of California, Administrative Office of the Courts ("AOC"), and the COUNTY OF MENDOCINO ("County"). The AOC and the County each constitute a "Party" and collectively constitute the "Parties" to this Termination.

RECITALS

- A. On ______, 200___, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facility (the "Transfer Agreement"). Under the Transfer Agreement, the County transferred to the AOC responsibility for funding and operation of the County Courthouse, which is located in a building on certain real property in the City of Ukiah, County of Mendocino, State of California and having a street address of 100 North State Street, Ukiah, California (as more completely described in the Transfer Agreement, the "Real Property"). The legal description of the Real Property is attached to this Termination as Attachment 1
- B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated _______, 20____ ("JOA"), setting forth the parties' respective rights and obligations with respect to the shared occupancy and use of the Real Property.
- C. To memorialize the parties' respective rights and duties under the JOA, the parties signed a Memorandum of Joint Occupancy Agreement ("Memorandum"), which was recorded in the Official Records of the County as Instrument No.

- D. The JOA has now been terminated by the County and the AOC, and is no longer of any force or effect, except for the terms of the JOA that expressly survive the termination of the JOA.
- E. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum.

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

- 1. The JOA and the Memorandum are terminated, and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.
- 2. This Termination is to be recorded in the Official Records of the County with respect to the Real Property, whereupon the Memorandum will automatically be removed as an encumbrance on the title to the Real Property.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

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

APPROVED AS TO FORM: Administrative Office of the Courts, Office of the General Counsel	JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS
By:	By:
Name: Dianne Barry	By:
Title: Attorney Date:	l'itle: Senior Manager, Business Services Date:
ATTEST:, Clerk of the Board	COUNTY OF MENDOCINO, a political subdivision of the State of California
By:	By:
Deputy	By: Name: Jim Wattenburger Title: Chair, Board of Supervisors Date:
APPROVED AS TO FORM: County of Mendocino, Office of the County Counsel	
Ву:	
Name:	
Intle:	
Date:	

AOC ACKNOWLEDGEMENT

STATE OF CALIFORN	iIA)) SS	
COUNTY OF SAN FRA	•	
On	, before me.	, a Notary Public,
evidence to be the personacknowledged to me the	RANT WALKER, who proved to on whose name is subscribed to the at he/she executed the same in his/2 on the instrument the person, or ted the instrument.	within instrument and her authorized capacity, and
l certify under perforegoing paragraph is	enalty of perjury under the laws of true and correct.	the State of California that the
WITNESS my h	and and official seal.	
	Notary Pub	lic

COUNTY ACKNOWLEDGEMENT

COUNTY OF UKIAH)			
) SS. }			
On this	day of	in the year 200_, before me, y Clerk of the Board of Supervisors, Mendocino			
	, Deputy	Clerk of the Board of Supervisors, Mendocino			
County, State of Ca		County and state, personally appeared			
	_ 	to me on the basis of satisfactory evidence to be			
		the within instrument and acknowledged to me			
		authorized capacity, and that by his/her signature			
on the instrument the executed the instrument	•	y upon behalf of which the person acted,			
I certify unde	er penalty of perjury	under the laws of the State of California that the			
foregoing paragraph	n is true and correct.				
	Ву:				

EXHIBIT "1"

LEGAL DESCRIPTION OF THE REAL PROPERTY

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

ATTACHMENT "5" 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 Pre-Screening Area of the Real Property if any of the following applies to that employee or Contractor:

- 1. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see Appendix 1 to this Attachment "5").
- 2. Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(c) or any violent felony which is listed in Penal Code section 667.5(c).
- 3. Any conviction or charge pending court disposition with respect to felonies or misdemeanors contributing to the delinquency of a minor.
- 4. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving mob action (a.k.a. gang activity).
- 5. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving any crime (other than a minor traffic violation) not included in paragraphs I 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 months.

In order to obtain a written exemption with respect to paragraph 5, above, the County must submit all relevant information relating to the conviction or pending charge (e.g. type of offense, date of conviction, and sentence) to the Senior Manager of ERS. The County shall <u>not</u> include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS will 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 contendre, or a forfeiture of bail in municipal, superior or federal court regardless of whether sentence is imposed by the court.

APPENDIX 1 TO ATTACHMENT "5"

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

- 1. <u>Property Crimes</u>. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).
- 2. <u>Assaultive Crimes</u>. 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. <u>Sex Crimes</u>. 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. <u>Drug Crimes.</u> Maintain 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.

EXHIBIT "G"

FORM OF MEMORANDUM OF JOINT OCCUPANCY AGREEMENT

EXHIBIT "G"

FORM OF MEMORANDUM OF JOINT OCCUPANCY AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA

e/o Judicial Council of California

Administrative Office of the Courts

Office of the General Counsel

455 Golden Gate Avenue

San Francisco, CA 94102

Attn: Melvin Kennedy, Managing Attorney

Office of the General Counsel - Real Estate Unit

OFFICIAL STATE BUSINESS. FXEMPT FROM RECORDING FEES PURSUANT TO GOVIT CODE SECTION 27383 AND DOCL MENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION (1922)

APN(S): 2-225-01; County of Mendocino

MEMORANDUM OF JOINT OCCUPANCY AGREEMENT

THIS MEMORANDUM OF JOINT OCCUPANCY AGREEMENT ("Memorandum") is made and entered into the _____ day of _____, 200__ by and between the County of Mendocino, whose present address is 501 Low Gap Road, Ukiah, CA 94585 ("County"), and the Judicial Council of California, Administrative Office of the Courts ("AOC"), whose present address is 455 Golden Gate Avenue, San Francisco, CA 94102, Attention: Melvin Kennedy, Managing Attorney, Office of the General Counsel, with respect to the following facts:

RECITALS

A. County is the fee owner of that certain real property located in the City of Ukiah, County of Mendocino, State of California, and having a street address of 100 North State Street, Ukiah, CA 95485 as more particularly described on Attachment 1 to this Memorandum ("Land"), together with the improvements located thereon containing the court facility commonly known as County Courthouse, and all other buildings, structures, and improvements located on and/or affixed to the Land (together with the Land, the "Real Property");

В	i. (Under tha	it certai	n Tra	insfer .	Agreen	ent For The	Transfer of	Responsibility
For Cou	irt Fac	ility bety	veen A	OC a	nd Co	unty d	ated as of _	, 200	, AOC and
County	have	entered	into t	hat c	ertain	Joint	Occupancy	Agreement,	dated as of
			. 200_	_ ("Je	OA"),	setting	forth the to	rms governir	ig the Parties'

respective rights and responsibilities regarding their shared possession, occupancy and use of the Real Property, as more particularly described in the JOA;

- C. The JOA provides, among other things, for rights of first refusal and rights of first offer in favor of County and AOC to expand into and occupy, on a paid basis, any portion of the Real Property that County or AOC desire to vacate in accordance with Government Code section 70342(e);
- D. Under the terms of the JOA, this Memorandum is to be recorded in the Official Records of County with respect to the Property for the purpose of memorializing the existence of the JOA, the terms of which inure to the benefit of, and bind, AOC, County and their respective successors and assigns. Any third-party interested in obtaining information about the Agreement may contact the parties at their above-referenced addresses.

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

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

JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS

COURTS
By:
Name: Grant Walker
Title: Senior Manager, Business Services
Date:
COUNTY OF MENDOCINO, a political subdivision of the State of California
By:
Name:
Title: Chair, Board of Supervisors
Date:

AOC ACKNOWLEDGEMENT

STATE OF CALIFORNIA	^)) SS.	
COUNTY OF SAN FRAN	NCISCO) 33.	
			, a Notary Public,
evidence to be the person acknowledged to me that	whose name is sub he/she executed the on the instrument th	scribed to the ware same in his/her	on the basis of satisfactory ithin instrument and authorized capacity, and entity upon behalf of which
I certify under pen foregoing paragraph is tr		er the laws of the	e State of California that the
WITNESS my har	nd and official seal.		
		Notary Public	
		INDICALLY I GOIL	

COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA COUNTY OF UKIAH)	
) SS.)	
On this	day of , Depu	in the year 200_, before me, uty Clerk of the Board of Supervisors, Mendocino	
County, State of C	alifornia, and for sai	id County and state, personally appeared to me on the basis of satisfactory evidence to be	
that he/she execute	ed the same in his/he the person, or the en	o the within instrument and acknowledged to me er authorized capacity, and that by his/her signature tity upon behalf of which the person acted,	
·	der penalty of perjury oh is true and correct	y under the laws of the State of California that the	
	By:_		
		Deputy Clerk	

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

EXHIBIT "H" LIST OF SERVICE CONTRACTS

Court Facility: #23-A1 Owned-Shared (TOR Only)

JOINT OCCUPANCY AGREEMENT

1. PURPOSE

The Judicial Council of California ("Council"). Administrative Office of the Courts (together, the "AOC"), and the County of Mendocino ("County") set forth the terms and conditions for the Parties' shared possession, occupancy, and use of the Real Property.

2. **DEFINITIONS**

- "Act" means The Trial Court Facilities Act of 2002 (Government Code sections 70301-70404) as of the Effective Date.
- "Agreement" means the Transfer Agreement for the Transfer of Responsibility for Court Facility, by and between the AOC and the County, dated as of December 31, 2008, under which the County transferred to the AOC responsibility for certain portions of the Real Property under the Act.
- "AOC Claim" means any demand, complaint, cause of action, or claim alleging or arising from acts, errors, omissions, or negligence of the Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).
- "AOC Share" means 67.62%, which is the percentage of the Total Exclusive-Use Area occupied by the Court.
- "Appraiser" means an MAI appraiser with at least five years experience in appraising real properties similar to the Real Property.
- "Broker" means a broker licensed with the California Department of Real Estate with adequate knowledge and experience in assessing and providing opinions of value for real properties similar to the Real Property.
- "Building" means the building on the Land occupied by the Court, all connected or related structures and improvements, and all Building Equipment.
- "Building Equipment" means the installed equipment and systems that serve the Building generally or the Common Area. The Building Equipment does not include the equipment and systems that exclusively serve the Exclusive-Use Area of only one Party.
- "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 AOC, County, Court, and any Occupants, and includes (1) hallways, stairwells, elevators, escalators, 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 and Utilities that do not exclusively serve only one Party's Exclusive-Use Area, (4) driveways, walkways, and other means of access over the Land and through the Building to the Court Exclusive-Use Area, and (5) the Offsite Parking Area. The Common Area does not include any part of the Exclusive-Use Area of either Party except for any Building Equipment that may be located therein.

"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.

"Contributing Party" means the County.

"County Exclusive-Use Area" means the 13.600 square feet of the floor space in the Building, the Land, which are exclusively occupied and used by the County as depicted on Attachment "2" to this JOA.

"County Parties" means the County, its political subdivisions, and their respective officers, agents, and employees.

"County Parking" has the meaning given to it in the Agreement.

"County Services MOU" means the document titled Memorandum of Understanding, dated July 19, 2005, by and between the County and the Court, as amended from time to time.

"County Share" means 32.38%, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

"Court" means the Superior Court of California, County of Mendocino.

"Court Exclusive-Use Area" means the 28,407 square feet of the floor space of the Building, which is exclusively occupied and used by the Court and depicted on Attachment "2" to this JOA.

"Court Parking" has the meaning given to it in the Agreement.

"**Deficiency**" means any Minor Deficiency or Major Deficiency, as those terms are defined below.

"Effective Date" means the date on which the Agreement is signed by the last of the Parties to sign.

"Emergency" means a sudden, unexpected event or circumstance on or affecting the Common Area or the Real Property that: (1) threatens the life, health, or safety of persons occupying or visiting the Building, (2) substantially and materially interferes with the Contributing Party's 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 the Contributing Party. (4) threatens to diminish the asset value of the Contributing Party's Exclusive-Use Area, (5) threatens the preservation of the Contributing Party's files, records, and documents located in the Building, or (6) causes or exacerbates an unsafe, unsanitary, unlawful, or non-functional condition affecting the Contributing Party's Exclusive-Use Area or use of the Common Area.

"Equipment Permits" means all 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.

"Estimated Shared Costs" means the Responsible Party's reasonable, itemized estimate of the Shared Costs for the Real Property for a fiscal year.

"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.

"General Liability Claim" means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of persons in, on, or about the Real Property, whether that bodily injury or death is sustained by a third party, a County Party, or a State Party, and (2) damage to or destruction of personal property of a third party (other than personal property of a County Party or a State Party) in, on, or about the Real Property, but excludes all AOC Claims.

"Hazardous Substance" means any material or substance regulated under any federal, state, or local laws, ordinances, regulations, rules, statutes, and administrative actions or orders respecting hazardous or toxic substances, waste, or materials, or industrial hygiene.

"Indemnified Loss" means all liability, damages, attorney fees, costs, expenses, or losses with respect to which either Party is obligated to indemnify the other Party under this JOA.

"JOA" means this Joint Occupancy Agreement.

"Land" means the real property described on Attachment "1" to this JOA, and includes the County's (1) rights to enter and exit the Land. (2) recorded and unrecorded rights to water, water stock, oil, gas, minerals, and timber related to the Land, and (3) existing, granted development permits, entitlements, and air and view rights.

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

"Major Deficiency" means any condition, damage or defect in any portion of the Building that materially interferes with, prevents, or affects the occupancy or use of the Real Property by any employees, guests, invitees, or patrons of either Party, and cannot reasonably be repaired within 10 days or at a reasonable cost of less than \$1,000, as determined in the reasonably judgment of the Contributing Party.

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

"Minor Deficiency" means any condition, damage or defect in any portion of the Building that materially interferes with, prevents, or affects the occupancy or use of the Real Property by any employees, guests, invitees, or patrons of either Party, and can be reasonably repaired within 10 days and at a reasonable cost of less than \$1,000, as determined in the reasonable judgment of the Contributing Party.

"Non-Owning Party" means the AOC, which is the Party that does not own fee title to the Real Property.

"Occupancy Agreement" means any agreement that entitles any party other than the County or the AOC to occupy or use any part of the Real Property.

"Occupant" means any party that occupies or uses the Real Property under an Occupancy Agreement.

"Offsite Parking Area" means the parking area serving the Building, and includes the Court Parking.

"Operation" means the administration, management, maintenance, and repair of designated areas of the Real Property, and includes custodial services for the Common Area, but does not include custodial services for either Party's Exclusive-Use Area, which 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 AOC or the County, and "Parties" means the AOC and the County.

- "Property Damage Claim" means any claim or demand arising from or related to a loss or physical damage to the Real Property that is required to be covered by the Property Insurance Policies.
- "Property Insurance Costs" means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under Owner's self-insurance program.
- "Property Insurance Policies" means one or more policies of property insurance maintained by the Owner that insure the Real Property against those risks covered by an All-Risk/Special Form property insurance policy with coverage amounts equal to at least the 100% Replacement Cost of the Real Property. The Property Insurance Policy may include any self-insurance policy maintained by the Owner for the Real Property.
- "Property Loss" means any loss or damage to, or destruction of, the Real Property that arises from a cause that is required to be covered under the terms of the Property Insurance Policies.
- "Real Property" means the Land, the Building, the Court Facility and Offsite Parking Area.
- "Responsible Party" means AOC, which is the Party responsible for the Operation of the Common Area under this JOA.
- "Restricted Area" means all areas within the Court Exclusive-Use Area that are (i) not generally accessible to the public, including judges' chambers, all non-public restrooms, elevators, break rooms, and corridors, and other non-public spaces that are dedicated for use only by judges or Court staff and employees, and (ii) public areas during non-business hours if the area utilizes security screening during business hours.
- "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 for Security Services (BOS Agreement #04-020) between the County and the Court with an effective date of November 17, 2003, as amended from time to time.
- "Share" means the AOC 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, equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area, including the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges

arising from the Responsible Party's failure to timely pay those costs or keep the Equipment Permits in effect); and (iii) the cost of Utilities provided to the Real Property, if Utilities are not separately metered for either Party's Exclusive-Use Area. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party's Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; (c) any fees, fines, penalties, interest, or other charges arising from the Responsible Party's Operation of the Real Property in a negligent manner or a manner that does not comply with Law; or (d) any costs relating to the Operations of the Offsite Parking Area, including without limitation the cost of any Utilities provided to the Offsite Parking Area.

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

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

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

"Total Building Square Footage" means 57.979 square feet, which is the total usable square footage of the Building.

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

"Utilities" means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are not governed by this JOA.

3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area, and 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. Each Party may use the Common Area on a non-exclusive basis provided such use (i) does not interfere with the other Party's use of its Exclusive-Use Area or the Common Area. (ii) does not materially increase the other Party's obligations under this JOA, and (iii) complies with

Law. The Parties may from time to time agree on reasonable rules and regulations for their use of the Common Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

- 3.2.1 Exclusive-Use Areas. 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 its Exclusive-Use Area or the Common Area.
- 3.2.2 Common Area. The Responsible Party is responsible for the Operation of the Common Area and will provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party's obligations under section 4 of this JOA. The Responsible party shall obtain the written consent from the Contributing Party prior to conducting any maintenance, repair or replacement of any equipment, fixture, or other property located in the common area that exceeds the sum of \$2,500. The Responsible Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost, but the Responsible Party must first obtain the written consent of the Contributing Party to those additions or alterations. Notwithstanding that the Offsite Parking Area is included within the definition of Common Area, the County is responsible for the Operation of the Offsite Parking Area, at its sole cost and expense, and the costs and expenses incurred by the County for Operation of the Offsite Parking Area will not be included as a Shared Cost.
- 3.2.3 Correction of Deficiencies. If a Deficiency occurs, the Contributing Party shall notify the Responsible Party in writing specifying whether the Deficiency is a Major Deficiency or a Minor Deficiency, and the Contributing Party's estimate of the cost and time period for correction of the Deficiency ("Notice of Deficiency"). If the Deficiency is identified as a Minor Deficiency, the Responsible Party shall promptly commence and complete the correction of the Minor Deficiency within 10 days of the Responsible Party's receipt of the Notice of Deficiency. If the Responsible Party does not commence and/or complete the correction of the Minor Deficiency within such 10 day period, the Contributing Party may, without obligation, correct the Minor Deficiency. and the Contributing Party may demand that the Responsible Party reimburse the Contributing Party within 30 days of demand for the Responsible Party's Share of the reasonable cost of correcting the Minor Deficiency. If the Deficiency is identified as a Major Deficiency, within 10 days of the Responsible Party's receipt of the Notice of Deficiency the Responsible Party shall promptly notify the Contributing Party in writing of the proposed method of, and estimated time period for, correction of the Major Deficiency ("Notice of Correction"). If the Responsible Party does not deliver the Notice of Correction within such 10 day period, or if the Responsible Party does not commence and/or complete the correction of the Major Deficiency within the time period specified in the Notice of Correction, Contributing Party may, without obligation, correct

the Major Deficiency, and the Contributing Party may demand that the Responsible Party reimburse the Contributing Party within 30 days of demand for the Responsible Party's Share of the reasonable cost of correcting the Major Deficiency. If the Responsible Party fails to timely reimburse the Contributing Party for the costs of correcting any Deficiency pursuant to this section, the Contributing Party may offset those costs against any future amounts it owes to the Responsible Party under this JOA or any other written agreement. Notwithstanding the foregoing, if any Deficiency constitutes an Emergency, this section 3.2.3 shall not apply, and section 3.2.4 shall apply.

- 3.2.4 Emergencies. If any Emergency occurs, the Parties must immediately notify one another of the Emergency by telephone or any other means reasonable under the circumstances. The Responsible Party must promptly take steps to correct any Deficiency arising from the Emergency. If the Responsible Party does not immediately commence efforts to correct the Emergency, the Contributing Party may, but shall not be obligated to, correct the Emergency without making any further demand on the Responsible Party, and shall notify the Responsible Party of the steps taken to correct the Emergency as soon as reasonably possible. The Party that corrects the Emergency is entitled to reimbursement from the other Party of the non-correcting Party's Share of the actual cost of correcting the Emergency pursuant to section 4 of this JOA.
- Area, at its sole cost and expense, provided that at all times after Transfer, the Court's judges, staff, employees, and jurors will have the right to use and occupy the Court Parking in the Offsite Parking Area. After Transfer, if any of the Court Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Court Parking, the County must provide alternate parking for the Court of comparable convenience to the Building, and of at least the same number and type of spaces, as the Court Parking. The County must consult with the Court before any relocation of the Court Parking. The Parties will use the unreserved parking spaces in the Offsite Parking Area on a first-come, first-served basis. The County will not permit its staff, employees, contractors, invitees, licensees, and patrons to park in the Offsite Parking Area designated as reserved Court Parking. If the AOC or the Court gives written notice to the County that the employees or patrons of the County are parking in the reserved Court Parking, the County will promptly remedy those violations.
- 3.4 <u>Cooperation</u>. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner will cooperate in good faith with, and ensure that, the Non-Owning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use 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, but that delegation will not relieve the delegating Party from its obligations under this JOA.

- 3.5 <u>Security-Related Areas</u>. The County will remain responsible for the secure entry, exit, transport, and holding of prisoners attending Court sessions to, from, in, and through the Security-Related Areas under the Security Services MOU, and will have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.
- 3.6 Occupancy Agreements. Each Party is responsible for all Occupancy Agreements affecting its Exclusive-Use Area, and Owner is responsible for all Occupancy Agreements affecting the Common Area, in each case without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it.
- 3.7 <u>Obtaining Equipment Permits</u>. The Responsible Party is responsible for maintaining and renewing the Equipment Permits.
- 3.8 <u>Telecommunications Services</u>. The County will be responsible for the Operation of the Switches ("**Data Equipment**") located in located in the following areas:
 - a) the closet on the first floor having fiber optic cabling;
 - the break room the of the Court Human Resources Department located on the third floor;
 - c) the storage closet next to the Bailiffs office in the basement;
 - d) the access panel leading to the ceiling wherein County cabling is located on the third floor in the Court financial offices; and
 - e) access to the roof at the end of the 5th floor.

The County will have the right to enter the Court Exclusive-Use Area, at times reasonably-convenient to the Court and the other Occupants of the Court Exclusive-Use Area, for purposes of inspecting and Operation of the Data Equipment, as and when necessary. The County will continue to provide telecommunications services to the Court in the Court Facility, under the terms of the County Services MOU.

3.9 <u>Criminal Background Screening</u>. The Responsible Party must screen and approve all County employees and Contractors before they provide services in or make deliveries to any Restricted Area. 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 "5"** to this JOA sets forth the criteria for approval of a County employee or Contractor based on the results of the

screening. Unless an exemption applies, only screened and approved County employees and Contractors ("Approved Persons") can have unescorted access to Restricted Areas. Unscreened County employees and Contractors ("Unscreened Persons") may access Restricted Areas if they are escorted and monitored by an Approved Person. The Responsible Party must ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9.

- 3.9.1 Approved Persons. The County must issue an identification badge to each Approved Person bearing the Approved Person's name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. If the County issues identification badges to its employees, the County need not issue a separate badge to Approved Persons, but may affix a sticker or other marking on the existing badges of Approved Persons to indicate their right to access Restricted Areas. Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.
- 3.9.2 Exemptions. The following County employees and 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 Effective Date of this JOA; and (ii) Unscreened Persons only when responding to and correcting the imminent threat arising from an Emergency.
- 3.10 <u>County Facilities Payment</u>. Nothing in this JOA diminishes or modifies the County's obligations under the Act and the Agreement.

4. SHARED COSTS

4. F Payment of Estimated Shared Costs. The Responsible Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Responsible Party for its Share of all Shared Costs under this section 4. Within 30 days after the first day of each fiscal year, the Responsible Party will deliver to the Contributing Party a statement (the "Estimate Statement") itemizing the Estimated Shared Costs, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statement, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Responsible Party will, if necessary, revise the Estimate Statement, which both Parties will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statement in writing. However, until the Contributing Party approves the Estimate Statement, it will pay its share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statement, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate Statement, 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. Payment of Estimated Shared Costs will be made in equal monthly installments on the first day of each calendar month of each fiscal year, subject to this JOA.

- Payment of Actual Shared Costs. Within 30 days after the end of each 4.2 calendar month, the Responsible Party will 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 Responsible Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Monthly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable calendar month, the Responsible Party will refund the amount overpaid to the Contributing Party within 30 days after the Responsible Party's delivery of the Monthly Invoice, except that if the Contributing Party consents, the Responsible Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs are greater than the Estimated Shared Costs for the applicable calendar month ("Excess Costs"), the Contributing Party will pay such Excess Costs to the Responsible Party within 30 days after its receipt of the Monthly Invoice, except that (a) if the Excess Costs are more than 10% of the Estimated Shared Costs for any calendar month, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs based on the Estimate Statement, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that calendar month, until the Parties have met and reached an agreement regarding the amount of the Excess Costs.
- 4.2.1 Agreement for Quarterly Invoicing and Payment. The Parties may mutually agree that the Responsible Party will deliver, and the Contributing Party will pay, invoices itemizing Actual Shared Costs on a quarterly basis rather than on a monthly basis. If the Parties so agree, 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 Cost. Prior to incurring any Shared Cost that the Responsible Party reasonably believes will result in an Excess Cost in an amount greater than \$2500.00, the Responsible Party shall give written notice to the Contributing Party describing the amount and reason for the Shared Cost; except that no notice must be given to the Contributing Party if the Shared Cost will be incurred in connection with an Emergency under section 3.2.4 of this JOA. If the Contributing Party objects in

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- Audit Rights. The Contributing Party may, at its sole cost and upon reasonable notice to the Responsible Party, inspect the Responsible Party's books. records, and supporting documents concerning all Actual Shared Costs incurred for up to 12 calendar months prior to the date of the Contributing Party's inspection. The Parties will cooperate reasonably with each other to ensure that the inspection is performed promptly and without undue interference to either Party. If, after its inspection, the Contributing Party disputes any Actual Shared Costs for any of the immediatelypreceding 12 calendar months, the Contributing Party may engage an independent certified public accountant, acceptable to both Parties, to audit the Responsible 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 calendar month or fiscal quarter, as then applicable, the Parties will make the payments necessary to resolve that overpayment or underpayment within 30 days following the completion of the audit. The Contributing Party must pay the entire cost of the audit, but if the audit shows that the Contributing Party has overpaid the Actual Shared Costs by more than three percent in any calendar month, the Responsible 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 Offsite Parking Area Costs. The County is responsible, at its sole cost and expense, for all costs incurred with respect to the Operation of the Offsite Parking Area, and those costs and expenses will not be included as a Shared Cost.
- 4.6 Reimbursement to Owner for Property Insurance Costs. The Non-Owning Party will reimburse Owner for the Non-Owning Party's Share of the Property Insurance Costs, in the same manner set forth in section 4 of this JOA, with Owner having the rights and duties of the Responsible Party, and the Non-Owning Party having the rights and duties of the Contributing Party. Owner will not change any deductible or self-insurance retention amount in respect of the Property Insurance Policies without the prior, written consent of the Non-Owning Party.

5. DECREASES AND INCREASES OF SPACE IN BUILDING

- 5.1 Decrease of Space. At least 30 days before a Party ("Decreasing Party") decreases the size of its Exclusive-Use Area ("Decreased Space"), the Decreasing Party must, by written notice, offer the Decreased Space to the other Party ("Non-Decreasing Party") on the same terms set forth in any offer to or from a third party for the Decreased Space ("Third Party Terms"). The Third Party Terms must separate the rent for the Decreased Space from any amounts to be paid for Operation, Utilities, and other costs. If the Non-Decreasing Party elects not to occupy the Decreased Space on the Third Party Terms, or fails to respond to the notice within the 30 day period, the Decreasing Party may permit any third party to occupy and use the Decreased Space on the Third Party Terms. If a third party will occupy the Decreased Space on terms that are more-favorable to the third party than the Third Party Terms, the Decreasing Party must again first offer the Decreased Space to the Non-Decreasing Party on those more-favorable terms under this section 5.1. Upon transfer to the Non-Decreasing Party, the Decreased Space will be part of the Non-Decreasing Party's Exclusive-Use Area under this JOA for all purposes, subject to the Non-Decreasing Party's rent and adjusted Share in respect of the Decreased Space. Any transfer of Decreased Space to any third party will not relieve the Parties of their rights and duties under this JOA as to the Decreased Space.
- 5.2 <u>Increase of Space</u>. If a Party wishes to increase the size of its Exclusive-Use Area, and the other Party agrees to allow that Party to occupy part of its Exclusive-Use Area ("Increased Space"), then the Party that takes occupancy of the Increased Space may be charged a reasonable rent for its occupancy of the Increased Space.

5.3 Compatible Use: Hazardous Substances.

- 5.3.1 Compatible Use. Each Party must use, and must require that any Occupant use, its Exclusive-Use Area in a manner that is compatible with the Parties' use of the Building on the Effective 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 Responsible Party must ensure that any Common Area Occupant uses its space in a manner compatible with the Parties' use of the Building.
- 5.3.2 <u>Hazardous Substances</u>. Neither Party will store, use, treat, manufacture, or sell, or allow any other person to store, use, treat, manufacture, or sell, any Hazardous Substance on the Real Property except in compliance with Law.
- 5.4 <u>Vacate Right Pursuant to Section 70344(b) of the Act.</u> After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act, 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 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 its Equity in the Vacated Space. The

Vacating Party must 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, the Parties will select a mutually-acceptable Appraiser or a Broker to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair market value of the Vacating Party's relocation costs, the Parties will select a mutuallyacceptable relocation expert with at least five years of experience in determining relocation costs in California ("Expert"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser, Broker, or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser, Broker, or Expert. Any disputes under this section 5.4 will be resolved under section 0 of the Agreement. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to Attachment "3" attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to Attachment "4" attached to this JOA, when the Vacating Party has vacated the Vacated Space.

5.5 Amendment to JOA; Equity Rights. Notwithstanding the terms of section 5.1 of this JOA, if the Parties agree to change the size of their Exclusive-Use Areas under sections 5.1 or 5.2 of this JOA, or if the Parties' Equity rights will be modified by this JOA, the Parties will amend this JOA to: (i) establish any rent to which a Party is entitled: (ii) adjust their Exclusive-Use Areas; and (iii) adjust each Party's Share, and if applicable, their Equity rights in the Real Property. An amendment to this JOA that provides for a Party's rental of additional Exclusive-Use Area from the other Party will not modify the Parties' Equity rights in the Real Property, and the Parties' Equity rights will remain as they were on the Effective Date, except only if a Party is compensated for its Equity rights by the other Party under this JOA or the Act.

6. INSURANCE

6.1 <u>Property Insurance.</u>

6.1.1 Property Insurance Policies to be Maintained. Owner will provide, maintain in full force and effect, and make direct payment of all Property Insurance Costs, subject to the other Party's obligation to pay its portion of those costs under section 4 above, until the AOC provides written notice to Owner requesting that it no longer provide the Property Insurance Policies under this JOA. Owner will add the Judicial Council of California, the Administrative Office of the Courts, and the Court as additional insureds and loss payees by specific endorsement to each of the Property Insurance Policies with the same coverages and limits as the principal insured under the Property Insurance Policies.

- 6.1.2 Allocation of Risk for Property Damage Claims. While Owner is providing and maintaining the Property Insurance Policies, and the Non-Owning Party is paying its portion of the Property Insurance Costs under section 4 above, Owner will bear all of the risk arising from Property Damage Claims, and Owner hereby waives, and will cause its insurer(s) to waive, all rights of recovery against the other Party and its insurer(s) for any Property Damage Claims, except for Property Damage Claims arising solely and directly from the gross negligence or willful misconduct of the other Party. Owner will be solely and exclusively responsible to tender to its self-insurance program or its insurance carriers, as applicable, and to process and pursue to final resolution, any and all Property Damage Claims, including (if covered by the Property Insurance Policies) claims for costs associated with obtaining and relocating to alternative space while any portion of the Real Property is being repaired.
- 6.1.3 Compliance with Property Insurance Policies. While Owner is providing and maintaining the Property Insurance Policies under this JOA, Owner will provide the Non-Owning Party with certificates of insurance evidencing the Property Insurance Policies, as the Property Insurance Policies may be issued or modified from time to time. The State Parties and the County Parties will comply in all material respects with all requirements for the use of the Real Property that are set forth in the Property Insurance Policies and that Owner has provided to the Non-Owning Party.
- 6.1.4 Property Insurance Proceeds. Upon the occurrence of any Property Loss, each Party will be entitled to the applicable proceeds from the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area, subject to section 7, below. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the total limits of all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of Owner, then if both Parties elect to restore or replace the damaged portions of the Real Property ("Damaged Property") under section 7 below, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property Damage Claim, the AOC would be responsible to pay (subject to section 7, below) \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share

of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property under section 7, below) the balance of the uninsured loss. The Owner will assign and deliver to the other Party all insurance proceeds owed to the other Party effective upon its receipt of those proceeds.

6.1.5 No Waiver of Equity Rights. The provisions of section 6.1.4 of this JOA will not be deemed or construed to waive, diminish, release, or otherwise affect the Equity rights of either Party in respect of the Real Property.

6.2 Reporting and Processing Claims.

- 6.2.1 <u>Incident Reports</u>. The Responsible Party will maintain copies of any Incident reports that it prepares for a period of five years, and at the request of the Contributing Party, the Responsible Party will provide the Contributing Party with a complete copy of, or reasonable access to, those Incident reports.
- 6.2.2 Party Responsible for Claims. If either Party receives any demand, complaint, notice, document, or information alleging the existence or occurrence of any incident, event, circumstance, or occurrence in, on, or about the Real Property ("Incident") that is or could result in any Property Damage Claim or General Liability Claim (each, a "Claim", and together, "Claims") or an AOC Claim, or if a Party otherwise becomes aware that an Incident has occurred, that Party will make best efforts to promptly notify the other Party of that Incident. Following that notice, the Parties will work together, diligently and in good faith, to determine which of them bears responsibility for the loss or injury alleged, and whether either Party is entitled to indemnification by the other in respect of the Incident under sections 8.1 or 8.2 of this Agreement. If the Parties are not able to so agree, then they will resolve those matters under section 11 of the Agreement.
- 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 policy coverages 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.

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6.4 <u>Workers' Compensation Coverage</u>. Each Party will each maintain its own workers' compensation insurance covering its own employees, and neither Party will have any liability or responsibility for workers' compensation insurance coverage for employees of the other Party. The State Parties and the County Parties hereby waive, and will cause their respective insurers to waive, their respective rights of recovery against one another for workers' compensation claims.

7. DAMAGE OR DESTRUCTION

- 7.1 <u>Damage or Destruction Event</u>. If, due to Property Loss, the Real Property cannot be occupied by one or both Parties, each Party will be solely responsible to arrange for its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of section 6, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing ("Restoration Election Notice") whether it wishes to restore or replace the Damaged Property.
- 7.2 Both Parties Elect to Restore or Replace. If both Parties elect to restore or replace the Damaged Property, the Parties will cooperate in good faith to restore or replace the Damaged Property, with each Party contributing the proceeds it receives as indemnity for direct physical loss or damage under the Property Insurance Policies and otherwise paying its portion of the cost to restore or replace the Damaged Property, as set forth in this JOA. If the Parties restore or replace the Damaged Property in a way that results in a change to the Parties' Shares or their Equity rights, the Parties will each pay the costs and expense to restore or replace the Damaged Property according to their newly-determined Shares or Equity rights.
- 7.3 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 must meet and confer in good faith to determine how to proceed with respect to (i) the Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under this JOA, and (iii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 0 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties' final resolution of those issues.
- 7.4 <u>Neither Party Elects to Restore or Replace</u>. If neither Party elects to restore or replace the Damaged Property, then both Parties will retain the proceeds of the Property Insurance Policies to which they are entitled under this JOA. If any of the Non-Owning Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss,

Court Facility: #23-A1 IMANDB WV:2028240VI then the Owner will compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive-Use Area, determined in the manner described in section 5.4 of this JOA, except that all insurance proceeds the Non-Owning Party has received, or will receive, as indemnity for direct physical loss or damage from final resolution of any Property Damage Claims made in respect of the Damaged Property will be deducted from the Equity rights compensation paid by the Owner to the Non-Owning Party for its Equity rights in the uninhabitable parts of its Exclusive-Use Area. To the extent covered by the terms of the Property Insurance Policies, the Non-Owning Party will be entitled to that portion of the proceeds from the Property Damage Claim that is directly related to compensation for the Non-Owning Parties' relocation costs arising from the Property Loss. If the Non-Owning Party will no longer occupy the Building due to Property Loss that neither Party elects to restore or replace, then when the Non-Owning Party has been compensated for its Equity rights under this section 7.4, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office.

8. INDEMNIFICATION

- 8.1 Indemnification Obligation of State Parties. The State Parties will and do indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County Parties, from and against all Indemnified Loss arising from (1) all AOC Claims, and (2) General Liability Claims where and to the extent that the General Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a State Party.
- 8.2 <u>Indemnification Obligation of County Parties</u>. The County Parties will and do indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the State Parties, from and against all Indemnified Loss arising from General Liability Claims where and to the extent that the General Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a County Party.
- 8.3 <u>Indemnified Party's Participation</u>. The indemnifying Party must manage and be entirely responsible to handle and resolve all General Liability Claims for which it is responsible under sections 8.1 or 8.2, as applicable. The indemnified Party may elect, but is not required, to participate, at the indemnified Party's sole expense, in the litigation, settlement, or other resolution of any General Liability Claim as to which it is the indemnified Party. If the indemnified Party elects to participate in the indemnifying Party's litigation or other resolution of a General Liability Claim, the indemnifying Party will cooperate with the indemnified Party's participation.
- 8.4 <u>Effect of Indemnification Rights</u>. 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.

8.5 Personal Property; Waiver of Subrogation. Neither Party will be liable for, and each Party releases the other from, any damage or destruction to the other Party's personal property located on or in the Real Property. The County Parties and the State Parties hereby waive, and will cause their respective insurers to waive, their respective rights of recovery against one another for losses, costs, and liabilities related to physical damage to their business personal property.

9. CONDEMNATION

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

10. DEFAULT NOTICE AND CURE

Upon a Party's breach or default of any provision of this JOA, the Parties will comply with the terms for notice of default and cure period set forth in section 10 of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

11. DISPUTE RESOLUTION

In the event of a dispute between the Parties relating to performance of the Parties' obligations under this JOA, the Parties will comply with the terms for dispute resolution set forth in section 11of the Agreement, which terms are incorporated into this JOA as though fully set forth herein.

12. NOTICES

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

13. MISCELLANEOUS

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

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- 13.2 <u>Force Majeure</u>. Neither Party is responsible for performance under this JOA to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, whether foreseeable or unforeseeable.
- 13.3 <u>Assignment</u>. Neither Party may assign this JOA in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any Law will be void and of no effect.
- 13.4 <u>Binding Effect</u>. This JOA binds the Parties and their permitted successors and assigns.
- 13.5 <u>Third Parties Benefited</u>. The Court is an intended beneficiary of all provisions of this JOA for the benefit of the AOC.
- 13.6 Governing Law; Jurisdiction. This JOA, and the Parties' performance under this JOA, will be exclusively governed by the laws of the State without regard to its conflict of law provisions. The Parties, to the fullest extent permitted by Law, knowingly, intentionally, and voluntarily, with and upon the advice of competent counsel: (i) submit to personal jurisdiction in the State of California over any suit, action, or proceeding arising from or related to the terms of this Agreement (each an "Action"); (ii) agree that any Action must be brought in any State court in San Francisco County, California; (iii) submit to the jurisdiction of that court; and (iv) agree not to bring any Action in any forum other than in a State court in San Francisco County, California.
- 13.7 <u>Construction</u>. The headings used in this JOA are for convenience only and will not affect the meaning or interpretation of this JOA. The words "hereot," "herein," and "hereunder," and other words of similar import, refer to this JOA as a whole and not to any subdivision of this JOA. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a Party as the principal 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.
- 13.8 <u>Integration; Amendments</u>. This JOA and the Agreement contain the entire agreement of the Parties with respect to the subject matter of this JOA, and supersede all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This JOA may be amended only by written agreement signed by both of the Parties.
- 13.9 <u>Incorporation By Reference</u>. The Attachments to this JOA are incorporated into and made a part of this JOA for all purposes, and all references to this JOA in any of the Attachments mean and include the entirety of this JOA.

- 13.10 <u>Severability</u>. If any term of this JOA is inconsistent with applicable Law, then on the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this JOA not affected by the inconsistency will remain in full force and effect.
- 13.11 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 will execute any further agreements and perform any additional acts that may be reasonably necessary to carry out the purposes and intent of this JOA and the Act.
- 13.12 Conflicts Between JOA and Agreement. The Agreement supersedes and controls to the extent of any conflicts between the terms of the Agreement and this JOA.
- 13.13 <u>Signature Authority</u>. The individuals signing this JOA on behalf of the AOC and the County certify that they are authorized to do so.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

I agree to the terms of this JOA.

APPROVED AS TO FORM: JUDICIAL COUNCIL OF CALIFORNIA, Administrative Office of the Courts, **ADMINISTRATIVE OFFICE OF** Office of the General Counsel **COURTS** Bv: Name: Grant Walker Name: Dianne Barry Title: Attorney Title: Senior Manager, Business Services Date: COUNTY OF MENDOCINO, a political ATTEST: KRISTI FURMAN , Clerk of the Board subdivision of the State of California By: Name: Jim Wattenburger

Date:

Title: Chair, Board of Supervisors 12.23.08

THE

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

Title: Date:

APPROVED BY RISK **MANAGEMENT** For **surance** Requirements

ATTACHMENT "1" TO JOA

LEGAL DESCRIPTION OF LAND

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

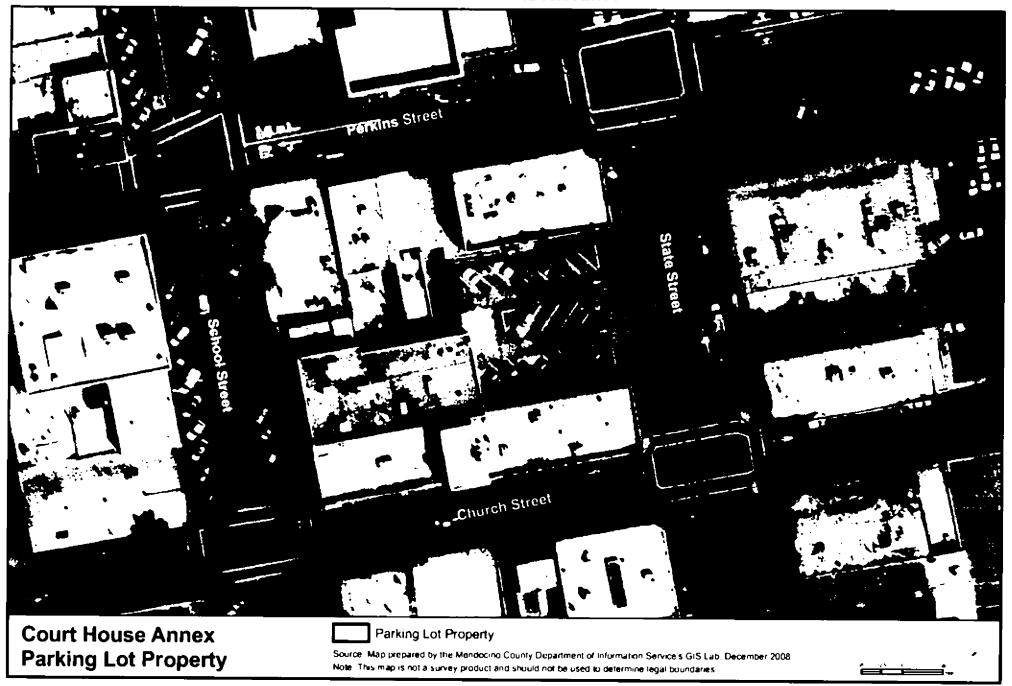
BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

ATTACHMENT "2" TO JOA SITE PLAN OF REAL PROPERTY

ATTACHMENT 2

SITE PLAN OF REAL PROPERTY



ATTACHMENT "3" TO JOA

FORM OF EQUITY RIGHTS PURCHASE AGREEMENT

1. PURPOSE

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

2. **DEFINITIONS**

"Agreement" means this Equity Rights Purchase Agreement.

"Building" means the "Building" as defined in the Transfer Agreement.

"Common Area" means the "Common Area" as defined in the Transfer Agreement.

"Compensation" means the amount paid by the Majority Occupant to the Minority Occupant in exchange for the Minority Occupant's Equity Rights.

"Court Facility" means the trial court facility commonly known as the Lakeport Courthouse, as further defined in the Transfer Agreement.

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

"Equity" means "equity" as used in section 70344(b) of the Act.

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

"Equity Rights" means (1) all rights, interests, and entitlement of the Minority Occupant in and to the _____ square feet of space in the Building that is occupied exclusively by the Minority Occupant on the Effective Date, and which space comprises approximately ____ percent of the total Building square footage, as depicted on Exhibit "A" attached to this Agreement, and (2) all non-exclusive rights, interests, and entitlement of the Minority Occupant in and to the Common Area.

"Grant Deed" means the "Grant Deed" as defined in the Transfer Agreement.

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

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

"Party" means the AOC or the County, and "Parties" means the AOC and the County.

"Real Property" means the "Real Property" as defined in the Transfer Agreement.

"Transfer Agreement" means the Transfer Agreement For the Transfer of Responsibility For Court Facility, and all attached Exhibits and Schedules, dated as of _____, 20__, which sets forth the terms for the transfer of responsibility for and the transfer of title to the Court Facility under the Act.

3. PURCHASE OF EQUITY RIGHTS

- 3.1 <u>Exercise of Vacate Right</u>. The Majority Occupant has elected to exercise its right to require the Minority Occupant to vacate the Building under section 70344(b) of the Act and has given the Minority Occupant reasonable notice of its election to so exercise.
- 3.2 <u>Compensation</u>. The Compensation for the Equity Purchase is \$______, which amount will be paid by the Majority Occupant to the Minority Occupant [in a lump sum on the earlier of (1) the date that the Minority Occupant actually vacates the Building, or (2) the date on which the Grant Deed is recorded in connection with the transfer of title under the Transfer Agreement.] **OR** [describe].
- 3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing,

3-2

purch	iasing, i	mproving,	furnishing	, or	otherwise j	preparin	g for	occupanc	y the Mi	nority
Occup	pant's a	ltemate pre	mises, inc	ludin	ig without I	imitatio	n, any	brokerag	e commis	sions.
finde	rs' fees,	closing co	sts. tenant	impr	ovement co	sts, or o	consul	tant's fees	s. The ter	ms of
this	section	3.3 will	survive	the	consumma	tion of	the	Equity	Purchase	until
		200	Note:	This	should be	the sa	me da	ate as the	e deadlin	e for
vacat	ion of	the Real F	Property	by th	ne Minorit	y Occu	pant :	set forth	in sectio	n 4.3
below	v].									

- 3.4 <u>Rights and Responsibilities</u>. Upon completion of the Equity Purchase, the rights and responsibilities of the Parties in respect of the Equity Rights purchased by the Majority Occupant will be as set forth in the Transfer Agreement.
- 3.5 <u>Representations and Warranties.</u> Each Party makes the following representations and warranties to the other to the best of its knowledge after reasonable investigation and inquiry:
- 3.5.1 The Compensation is equal to the fair market value of the Minority Occupant's Equity Rights in the Real Property;
- 3.5.2 The person who has signed this Agreement on behalf of the Party has been duly authorized and empowered, by a resolution or other formal action of the Party, to sign this Agreement on its behalf, and no other or further approval or consent is required to authorize or empower the Party to enter into and perform this Agreement; and
- 3.5.3 This Agreement and the Equity Purchase contemplated in this Agreement do not and will not violate any agreement, obligation, or court order by which the Party is bound or to which it or its assets is subject.

4. CLOSING THE EQUITY PURCHASE TRANSACTION

- 4.1 <u>Delivery of Signed Agreement</u>. The last Party to sign this Agreement must deliver to the AOC, within three business days after signing, ____ fully-signed originals of this Agreement.
- 4.2 When the Equity Purchase Takes Effect. The Equity Purchase will be effective and deemed consummated immediately and automatically upon the Majority Occupant's payment of the Compensation to the Minority Occupant, whether or not the Minority Occupant has then vacated the Real Property.
- 4.3 When Minority Occupant Must Vacate the Real Property. The Minority Occupant agrees that it will entirely vacate its occupancy of the Real Property by no later than ______, 200__. If the Minority Occupant fails to complete its vacation the Real Property by ______, 200__ through no fault of the Majority Occupant, the Minority Occupant will be deemed to have fully and forever waived and relinquished its

rights, under section 70344(b) of the Act and section 3.3 of this Agreement, to require the Majority Occupant to pay the Minority Occupant's relocation costs.

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

5. MISCELLANEOUS

- 5.1 <u>Dispute Resolution</u>. Any dispute between the Parties concerning this Agreement must be resolved under the terms for "Dispute Resolution" in section 11 of the Transfer Agreement.
- 5.2 <u>Amendments.</u> This Agreement may be amended only by written agreement signed by both of the Parties.
- 5.3 <u>Waivers</u>. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both Parties. Waiver by either Party at any time of any breach of this Agreement cannot be deemed a waiver of or consent to a breach of the same or any other provision of this Agreement. If a Party's action requires the consent or approval of the other Party, that consent or approval on any one occasion cannot be deemed a consent to or approval of that action on any later occasion or a consent or approval of any other action.
- 5.4 <u>Binding Effect</u>. This Agreement binds the Parties and their permitted successors and assigns. The State Parties are intended beneficiaries of all provisions of this Agreement for the benefit of the AOC. Otherwise, this Agreement is for the benefit only of the Parties, and no third parties are intended to be benefited by this Agreement.
- 5.5 Governing Law. This Agreement, and the Parties' performance under this Agreement, will be exclusively governed by the laws of the State without regard to its conflict of law provisions.
- 5.6 <u>Construction</u>. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any Party as the principal 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.
- 5.7 <u>Integration</u>. This Agreement and the Transfer Agreement contain the entire agreement of the Parties with respect to the Equity Purchase, and supersede all previous and concurrent communications, understandings, and agreements, whether verbal,

written, express, or implied, between the Parties concerning the subject matter of this Agreement.

- 5.8 <u>Capitalized Terms</u>. Any capitalized terms that are not otherwise defined in this Agreement will have the meanings given to them in the Transfer Agreement.
- 5.9 Severability. If any term of this Agreement is inconsistent with applicable law, then upon the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this Agreement not affected by the inconsistency will remain in full force and effect.
- 5.10 <u>Further Assurances</u>. The County and the AOC agree to cooperate reasonably and in good faith with one another to (1) implement the terms of this Agreement, and (2) consummate the Equity Purchase, and will execute any further agreements and perform any additional acts that are reasonably necessary to carry out the terms of this Agreement.
- 5.11 Notices. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the "Notices" provision of section 12 of the Transfer Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

I agree to the terms of this Agreement.

APPROVED AS TO FORM: Administrative Office of the Courts, Office of the General Counsel	JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS
By: Name: Dianne Barry Title: Attorney Date:	By:
ATTEST: Clerk of the Board	COUNTY OF MENDOCINO, a political subdivision of the State of California
By:	By: Name: Jim Wattenburger Title: Chair, Board of Supervisors Date:
APPROVED AS TO FORM: County of Mendocino, Office of the County Counsel	
By: Name: Title:	

Court Facility: #23-A1 IMANDB WV/2028240VI

EXHIBIT "A"

COPY OF FLOOR PLAN

[See Attached]

ATTACHMENT "4" TO JOA

FORM OF TERMINATION OF JOINT OCCUPANCY AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

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

tn: Managing Attorney
Office of the General Counsel - Real Estate Unit

TERMINATION OF JOINT OCCUPANCY AGREEMENT

This Termination of Joint Occupancy Agreement ("Termination") is made and entered into this ________ day of ________, 20___, by and between the Judicial Council of California, Administrative Office of the Courts ("AOC"), and the COUNTY OF MENDOCINO ("County"). The AOC and the County each constitute a "Party" and collectively constitute the "Parties" to this Termination.

RECITALS

- A. On _______, 200 ____, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facility (the "Transfer Agreement"). Under the Transfer Agreement, the County transferred to the ΛΟC responsibility for funding and operation of the County Courthouse, which is located in a building on certain real property in the City of Ukiah, County of Mendocino, State of California and having a street address of 100 North State Street, Ukiah, California (as more completely described in the Transfer Agreement, the "Real Property"). The legal description of the Real Property is attached to this Termination as Attachment 1
- B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated ______, 20____ ("JOA"), setting forth the parties' respective rights and obligations with respect to the shared occupancy and use of the Real Property.

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

- D. The JOA has now been terminated by the County and the AOC, and is no longer of any force or effect, except for the terms of the JOA that expressly survive the termination of the JOA.
- E. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum.
- NOW. THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and AOC do hereby agree as follows:
- 1. The JOA and the Memorandum are terminated, and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.
- 2. This Termination is to be recorded in the Official Records of the County with respect to the Real Property, whereupon the Memorandum will automatically be removed as an encumbrance on the title to the Real Property.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

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

APPROVED AS TO FORM: Administrative Office of the Courts, Office of the General Counsel	JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS
By: Name: Dianne Barry Title: Attorney Date:	By: Name: Grant Walker Title: Senior Manager, Business Services Date:
ATTEST: Clerk of the Board	COUNTY OF MENDOCINO, a political subdivision of the State of California
By:	By: Name: Jim Wattenburger Title: Chair, Board of Supervisors Date:
APPROVED AS TO FORM: County of Mendocino, Office of the County Counsel	
By: Name: Title: Date:	

AOC ACKNOWLEDGEMENT

STATE OF CALIFO	RNIA)
COUNTY OF) SS.)
On	herore me,	, a Notary Public,, who proved to me on the basis of the is subscribed to the within instrument and
acknowledged to me tl	hat he/she executed the sam e instrument the person, or t	e is subscribed to the within instrument and e in his/her authorized capacity, and that by the entity upon behalf of which the person
I certify under foregoing paragraph is		e laws of the State of California that the
WITNESS my	hand and official seal.	
	-	Notary Public

COUNTY ACKNOWLEDGEMENT

STATE OF CALIF	FORNIA)
) SS.
COUNTY OF)
On this	day of	in the year 200, before me. uty Clerk of the Board of Supervisors, Mendocino County y and state, personally appeared
	, Depr	uty Clerk of the Board of Supervisors, Mendocino County
State of California, a	and for said Count	y and state, personally appeared
		ed to me on the basis of satisfactory evidence to be the
person whose name	is subscribed to th	e within instrument and acknowledged to me that he/she
executed the same in	n his/her authorize	d capacity, and that by his/her signature on the instrument
the person, or the en	tity upon behalf of	f which the person acted, executed the instrument.
1	1	
		ry under the laws of the State of California that the
foregoing paragraph	is true and correc	t.
	F	Ву:

EXHIBIT "1"

LEGAL DESCRIPTION OF THE REAL PROPERTY

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

4-6

ATTACHMENT "5" 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 Pre-Screening Area of the Real Property if any of the following applies to that employee or Contractor:

- 1. Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see Appendix 1 to this Attachment "5").
- 2. Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(e) 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 felonics 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 months.

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

Court Facility: #23-A1 IMANDB WV:2028240() For purposes of these criteria, "conviction" includes a verdict of guilty, a plea of guilty, a plea of nolo contendre, or a forfeiture of bail in municipal, superior or federal court regardless of whether sentence is imposed by the court.

APPENDIX 1 TO ATTACHMENT "5"

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

- 1. <u>Property Crimes</u>. 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. <u>Homicide</u>. Murder; second degree murder; and voluntary manslaughter.
- 4. <u>Sex Crimes</u>. 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. <u>Drug Crimes.</u> Maintain a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.
- 7. <u>Weapons</u>. 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.

5-3

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA c'o Judicial Council of California Administrative Office of the Courts Office of the General Counsel 455 Golden Gate Avenue San Francisco, CA 94102

Attn: Melvin Kennedy, Managing Attorney

Office of the General Counsel - Real Estate Unit

DEFICIAL INFATE BUSINESS - EXEMPT FROM RECORDING FEES PURSUANT TO GOVE CODE SECTION 27369 AND DOCUMENT ARY TRANSFER TAX PURSUANE TO BE VENUE AND LAXATION CODE SECTION (1922)

APN(S): 2-225-01; County of Mendocino

MEMORANDUM OF JOINT OCCUPANCY AGREEMENT

THIS MEMORANDUM OF JOINT OCCUPANCY AGREEMENT ("Memorandum") is made and entered into the 23rd day of <u>December</u>, 2008 by and between the County of Mendocino, whose present address is 501 Low Gap Road. Ukiah, CA 94585 ("County"), and the Judicial Council of California. Administrative Office of the Courts ("AOC"), whose present address is 455 Golden Gate Avenue. San Francisco, CA 94102, Attention: Melvin Kennedy, Managing Attorney. Office of the General Counsel, with respect to the following facts:

RECITALS

- A. County is the fee owner of that certain real property located in the City of Ukiah, County of Mendocino, State of California, and having a street address of 100 North State Street, Ukiah, CA 95485 as more particularly described on **Attachment 1** to this Memorandum ("Land"), together with the improvements located thereon containing the court facility commonly known as County Courthouse, and all other buildings, structures, and improvements located on and/or affixed to the Land (together with the Land, the "Real Property");
- B. Under that certain Transfer Agreement For The Transfer of Responsibility For Court Facility between AOC and County dated as of <u>Dec. 23</u>, 2008. AOC and County have entered into that certain Joint Occupancy Agreement, dated as of <u>December 23</u>, 2008 ("JOA"), setting forth the terms governing the Parties' respective rights and responsibilities regarding their shared possession, occupancy and use of the Real Property, as more particularly described in the JOA;
- C. The JOA provides, among other things, for rights of first refusal and rights of first offer in favor of County and AOC to expand into and occupy, on a paid basis, any

portion of the Real Property that County or AOC desire to vacate in accordance with Government Code section 70342(e);

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

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

Name:

Title:

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

JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS

By:	- 201 × 2007 - 1 - 2/20	1.2.762
Name:	Dianne Barry	1
Title:	Attorney /	•
Date:	Attorney / All CA	

Senior Manager, Business Services

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

Name Jim R. Wattenburger

Chair, Board of Supervisors

Title:

Date: 12-23-08

AOC ACKNOWLEDGEMENT

STATE OF CALIFORNIA)	
•)	SS
COUNTY OF SAN FRANCISCO)	

On Decreased before me, Tenfold Bette Menal Notary Public, personally appeared GRANT WALKER, 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.

Notary Public

COUNTY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)	
)	SS.
COUNTY OF UKIAH)	

On this 23d day of December in the year 2008, before me.

Advience Moore Deputy Clerk of the Board of Supervisors, Mendocino County, State of California, and for said County and state, personally appeared Tim R. Wattenburger 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.

Deputy Clerk

By: Warinne Moone

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

That certain piece of property situated in the City of Ukiah, County of Mendocino being a portion of Lot 25 of the Yokayo Rancho and being further described as follows:

BLOCK 15, as shown on the Map of the Town of Ukiah City, 1888, stored in the offices of the Mendocino County Recorder, being bound on the north by West Standley Street, on the east by North State Street, on the south by West Perkins Street and on the west by North School Street.

Assessor's Parcel Number 2-225-01

EXHIBIT "I" COPY OF SECTION 70324 OF THE ACT

Court Facility: #23-A1 Owned-Shared (TOR Only)