

Facility # 41-A-02

Building Name: Traffic/Small Claims Annex

Building Address: 500 County Center, Redwood City, CA

**TRANSFER AGREEMENT
BETWEEN THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS,
AND THE COUNTY OF SAN MATEO
FOR THE TRANSFER OF RESPONSIBILITY AND TRANSFER OF TITLE 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 San Mateo (“**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 Traffic/Small Claims Annex and for the conveyance to the State of California on behalf of the Council of the County’s title to the Real Property.

2. BACKGROUND

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

3. DEFINITIONS

“**Acceptance Document**” means a certificate of acceptance or certified resolution evidencing the PWB’s approval of the Transfer of Title.

“**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.

“**AOC Claim**” means any demand, complaint, cause of action, or claim related to the period on and after the Effective Date, alleging or arising from acts, errors, omissions, or negligence of the Court in the administration and performance of judicial operations in the Court Facility (e.g., allegations of civil rights violations made by a third party against a Court employee).

“**Appraiser**” means an MAI appraiser with at least five years experience in appraising real properties similar to the Real Property in San Mateo County.

“**Building**” means the building on the Land occupied by the Court and the County, all connected or related structures and improvements and all Building Equipment.

“**Building Equipment**” means all installed equipment and systems that serve the Building, including but not limited to the Building Software.

“**Building Software**” means the software that is licensed to the County for the operation of the Building Equipment in the Building.

“**Campus**” means the entirety of the property owned and operated by the County as of the Effective Date in Redwood City bounded by Marshall Street, Winslow Street, Brewster Avenue, Veteran’s Boulevard and Middlefield Road.

“**Certificate**” means the document titled Datedown Certificate that is similar to the document attached to this Agreement as **Exhibit “M”**.

“**Closing Date**” means the TOR Closing Date or the TOT Closing Date, as applicable.

“**Closing Documents**” means the TOR Closing Documents and the TOT Closing Documents.

“**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.

“**Controller**” means the State Controller.

“**County Authorized Signatory**” means the President of the County’s Board of Supervisors.

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

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

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

“Court” means the Superior Court of California for the County of San Mateo.

“Court Facility” means the entirety of the Building, including all spaces, fixtures, and appurtenances described in section 70301(d) of the Act, including the Court Annex Parking, one room for holding superior court, one chamber for the judge of the Court, rooms for attendants of the Court, rooms for storage, and certain other areas required or used for Court functions, together with the right to enter, exit, pass over, and pass through the Land as necessary to access the Court Facility. The Court Facility may also be referred to as “the Annex”. 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 “G”** to this Agreement.

“Court Operations MOA” means the February 15, 2000, Memorandum of Agreement between the Superior Court of San Mateo County and the County of San Mateo, as amended from time to time.

“Court Annex Parking” means the Court Parking, as defined in the Transfer Agreement for the Hall of Justice court facility between the Parties of even date herewith, however, should the Annex be the sole court facility on the Campus, and the Annex continues to hear only traffic and small claims matters in the facility's one courtroom, the Jury parking and Judge parking may be reduced to 0 spaces and 1 spaces, respectively, with all of the other Court Parking remaining as defined in the Transfer Agreement for the Hall of Justice court facility.

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

“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.

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

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

“Equipment Permits” means any federal, state, or local governmental permits, certificates, and approvals required for lawful operation of any Building Equipment.

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

“Grounds Area” means the portion of the Land surrounding the Building.

“Hazardous Substance” means (1) any material or substance regulated under any Environmental Law and 2) any material or substance, whether or not defined as a hazardous material or hazardous substance in any Environmental Law that contains (i) a petroleum or refined petroleum product, (ii) asbestos, (iii) polychlorinated biphenyl, (iv) a flammable explosive, (v) a radioactive material, (vi) lead, or (vii) cyanide. The term Hazardous Substances is intended by the Parties to be interpreted in its most comprehensive and cumulative sense.

“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 or the Closing Documents.

“Intangible Personal Property” means all of the County’s: (1) Building Software and agreements or arrangements for the operation of the Building Equipment on the Real Property; (2) warranties, permits, licenses, certificates, guaranties, and suretyship agreements and arrangements, and indemnification rights in favor of the County with respect to the Real Property; (3) commitments, deposits, and rights for utilities relating to the Real Property; (4) engineering, accounting, title, legal, and other technical or business data concerning the Real Property or the Tangible Personal Property; (5) deposits, deposit accounts, and escrow accounts arising from or related to any transactions related to the Real Property 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 TOR Closing Date; or (6) all other intangible rights, interests, and claims of the County which are a part of or related to the Court Facility or the Tangible Personal Property.

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

“Land” means Lots 5 and 6 of the Parcel, as identified and further depicted on **Exhibit “A-1,”** including the County’s (1) recorded and unrecorded rights to water, water stock, oil, gas, minerals, and timber related to the Land, and (2) existing, granted development permits and entitlements.

“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.

“Liability Claim” means any demand, complaint, cause of action, or claim alleging (1) bodily injury to or death of third parties (excluding any employees of State Parties or County Parties acting within the scope of their employment as such) in, on, or about the Real Property, and (2) damage to or destruction of personal property of a third party (other than personal property of a County Party or a State Party) in, on, or about the Real Property, but excludes all AOC Claims.

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

“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.

“Parcel” means that certain real property upon which the Land is located, as more particularly described on **Exhibit “A.”**

“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 Intangible Personal Property, if any, together with the Tangible Personal Property.

“Property” means all right, title, and interest in and to the Real Property and the Personal Property.

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

“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 “J”.

“Property Insurance Costs” means all costs of providing the Property Insurance Policies, including premiums, deductibles, and self-insurance retention amounts under the County’s self-insurance program.

“Property Insurance Policies” means one or more policies of property insurance maintained by the County that insure the Real Property against those risks covered under a form of coverage with terms and conditions as comprehensive as those in an All-Risk/Special Form property insurance policy and, when applicable, the comprehensive form of equipment breakdown insurance, with coverage amounts equal to at least the 100% Replacement Cost of the improvements on the Real Property. The County’s obligation to provide the Property Insurance Policies may be satisfied, in whole or in part, by any self-insurance or deductible maintained by the County for the Real Property, or by the County’s participation in a joint powers authority established for the purpose of pooling self-insured claims.

“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.

“PWB” means the State Public Works Board.

“Real Property” means the Land and the Building.

“**Service Contracts**” means all contracts between the County and any third parties under which goods or services are provided to the Real Property.

“**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 TOR Closing Date, located on or in, or used exclusively in or necessary to the use, occupancy, or operation of, the Real Property. The term “**Tangible Personal Property**” does not include any of the “**Excluded Tangible Personal Property**” listed on **Exhibit “B”** attached to this Agreement.

“**Telecommunications MOU**” means the Information Services Department Service Level Agreement for Fiscal Year 2005-06 between the County’s Information Services Department (ISD) and customer departments of the County of San Mateo dated July 1, 2005, as amended from time to time.

“**Termination**” means the document titled Termination of Memorandum that is similar in form and content to the document attached to this Agreement as **Exhibit “O”** and that will be recorded after the Transfer of Title to terminate the Memorandum.

“**TOR Closing**” means the performance of all acts required to complete the Transfer of Responsibility under this Agreement and the TOR Closing Documents.

“**TOR Closing Date**” the later to occur of: (1) the first day of the month following the Effective Date of the Agreement (e.g. if the Effective Date is June 15, 2008, the Closing Date will be July 1, 2008), or (2) the date on which the County Facilities Payment has been approved by the State Department of Finance, as more specifically provided in section 6.1.1 below, unless modified by Section 5.1.

“**TOR Closing Documents**” means the documents listed in section 5.1.1 of this Agreement.

“**TOT Closing**” means the performance of all acts required to complete the Transfer of Title under this Agreement and the TOT Closing Documents.

“**TOT Closing Date**” means the date that the Grant Deed is recorded in the County Recorder’s Office.

“**TOT Closing Documents**” means the documents listed in section 5.2.1 of this Agreement.

“Transfer of Responsibility” means the County’s full and final grant, transfer, absolute assignment, and conveyance to the applicable State Parties, and the State Parties’ full and final acceptance and assumption of, entitlement to, and responsibility for, all of the County’s rights, duties, and liabilities arising from or related to the Court Facility under this Agreement, the TOR Closing Documents, and the Act, except for those duties and liabilities expressly retained by the County under this Agreement and the Act, and Disputes that commenced, or are otherwise attributable to, the time before the TOR Closing Date, or are related to facts or circumstances that occurred or existed prior to the TOR Closing Date. The term Transfer of Responsibility does not include the Transfer of Title.

“Transfer of Title” means the County’s full and final grant and conveyance to the State on behalf of the Council of all of the County’s right, title, and interest in and to the Real Property under this Agreement, the TOT Closing Documents, and the Act.

“Transfer” means the Transfer of Responsibility or the Transfer of Title, as determined by the context, and **“Transfers”** means the Transfer of Responsibility and the Transfer of Title, together.

“Transition Date” means March 1, 2009.

“Utilities” means all of the utilities provided to the Real Property, except for telecommunications services provided by third parties.

4. RESPONSIBILITIES OF THE PARTIES.

4.1 Transfer of Responsibility; Transfer of Title. On the TOR Closing Date, the Transfer of Responsibility for the Court Facility from the County to the AOC will occur under this Agreement and the TOR Closing Documents. On the TOT Closing Date, the Transfer of Title for the Real Property from the County to the AOC will occur under this Agreement and the TOT Closing Documents.

4.1.1 New Legal Description. As of the Effective Date, the Land (including the Building) is located within the Parcel. During the Interim Period, the County and the AOC will work together to prepare a new legal description for the Land, as permitted by California Government Code Section 66428, having boundaries approximately consistent with those depicted on **Exhibit “A-1”** to this Agreement. Prior to the TOT Closing Date, the County will take all steps necessary to formalize the new legal description for the Land to enable the Transfer of Title to occur. The Parties agree that until the new legal description for the Land has been completed and approved by both Parties, the Transfer of Responsibility will apply and relate to the real property depicted on **Exhibit “A-1”** to this Agreement; provided that, starting immediately upon

the Parties' joint approval of the new legal description for the Land, the Transfer of Responsibility will apply and relate to the entirety of the Land, as defined by the mutually-approved new legal description for the Land, whether or not the boundaries of the new legal description are exactly the same as the general depiction of the anticipated boundaries of the Land attached as **Exhibit "A-1"**.

4.2 General Responsibilities. Upon the completion of each Transfer, the Parties will have the general rights, duties, and liabilities set forth in the Act in respect of the Real Property, except as expressly delegated by the Parties in this Agreement, the applicable Closing Documents, or any other agreement.

4.3 Specific Responsibilities After the TOR Closing Date. The Parties will have the following specific rights, duties, and liabilities upon and after the TOR Closing Date:

4.3.1 Utilities. If not completed before the TOR Closing Date, the Parties will work together, diligently and in good faith, to cause the County's accounts with all providers of Utilities to be assigned to and assumed by the AOC as of the TOR Closing Date. If any 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 TOR 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 TOR Closing Date. The Parties will comply with the Telecommunications MOU with respect to payment of fees and charges of third party telecommunications providers incurred on and after the TOR Closing Date. The County will send to the AOC all invoices and other communications related to Utilities provided to the Real Property on and after the TOR Closing Date. The AOC is responsible for the payment of all Utilities costs and expenses incurred on and after the TOR Closing Date.

4.3.2 Liability Exposure. The Parties have the following specific rights and obligations during the Interim Period only:

4.3.2.1 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) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a State Party;

4.3.2.2 Indemnification Obligation of County Parties. The County Parties will and do indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the State Parties, from and against all Indemnified Loss

arising from Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a County Party.

4.3.2.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Liability Claims for which it is responsible under sections 4.3.2.1 or 4.3.2.2, as applicable. The indemnified Party may elect, but is not required, to retain its own attorney, at the indemnified Party's sole expense, to participate in the litigation, settlement negotiations, or other dispute resolution procedures for any Liability Claim as to which it is the indemnified Party. If the indemnified Party elects to retain its own attorney to participate in the litigation, settlement negotiations, or other dispute resolution procedures for a Liability Claim, the indemnifying Party will cooperate with the indemnified Party, and the attorney retained by the indemnified Party.

4.3.2.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 4.3.2.1 or 4.3.2.2 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.

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

4.3.2.6 Workers' Compensation Coverage. Each Party will each maintain its own workers' compensation insurance covering its own employees, and neither Party will have any liability or responsibility for workers' compensation insurance coverage for employees of the other Party. The obligation of the Parties to provide workers compensation insurance may be satisfied, in whole or in part, by commercial insurance, a program or self-insurance or participation in a joint powers authority established for the purpose of pooling self-insured claims.

4.3.3 Property Insurance Prior to the TOT Closing.

4.3.3.1 Property Insurance Policies to be Maintained. During the Interim Period, the County will provide the Property Insurance Policies and maintain them in full force and effect, and will make direct payment of all Property Insurance Costs, subject to the AOC's obligation to reimburse the County's Property Insurance Costs under section 4.3.3.2, below. The County shall include by specific endorsement to each of the Property Insurance Policies, the Judicial Council of California, the Administrative Office of the Courts, and the Court, as additional insureds or covered parties, as appropriate, and joint loss payees for any Property Claim payable under the terms and conditions of the Property Insurance Policies, with the same coverages and limits as the named insured under the Property Insurance Policies.

4.3.3.2 Property Insurance Costs. During the Interim Period, the AOC will reimburse the County for the County's Property Insurance Costs on a quarterly basis. Within 30 days after the end of each fiscal quarter, the County will send the AOC an invoice and supporting documents itemizing the Property Insurance Costs for the immediately-preceding fiscal quarter. The AOC will reimburse the Property Insurance Costs to the County within 30 days after the AOC's receipt of that quarterly invoice. The AOC will be entitled to audit, at the AOC's sole cost and expense, the County's records concerning the Property Insurance Costs invoiced to the AOC for up to 12 calendar months prior to the AOC's audit. If the audit reveals that the AOC overpaid or underpaid the Property Insurance Costs for any fiscal quarter, the Parties will make the payments necessary to resolve the overpayment or underpayment within 30 days after the end of the audit. If the audit shows that the County's invoice was for an amount which was more than 3% above the correct invoice amount and that the AOC made such an overpayment, then the County must reimburse the AOC for the entire cost of the audit. The County will not make any changes to the Property Insurance Policies during the Interim Period without the prior written consent of the AOC.

4.3.3.3 Allocation of Risk for Property Damage Claims. While the County is providing and maintaining the Property Insurance Policies, the County will bear all of the risk arising from Property Damage Claims, and the County hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the State Parties and their applicable insurer(s) for any Property Claims payable under the terms and conditions of the Property Insurance Policies. The County will be solely and exclusively responsible to tender to the providers of its Property Insurance Policies, and to process and pursue to final resolution, any and all Property Claims, including (if covered by the Property Insurance Policies) claims for costs associated with obtaining and relocating Court operations to, alternate space while any portion of the Real Property is being repaired or replaced. The Parties acknowledge that property insurance is "no fault" insurance; therefore, if any Property Loss occurs, there are

no exclusions or conditions to payment, irrespective of the acts or omissions of either Party, other than those exclusions specifically set forth in the Property Insurance Policies.

4.3.3.4 Compliance with Property Insurance Policies. While the County is providing and maintaining the Property Insurance Policies, the County will provide the AOC with verification that the Property Insurance Policies are in full force and effect and, at the request of the AOC, with copies of 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 the County has provided to the AOC. The AOC has examined the County's existing self-insurance program and finds it satisfies the Property Insurance Policies requirements set forth in this Agreement.

4.3.3.5 Property Insurance Proceeds. Upon the occurrence of any Property Loss during the Interim Period, the Parties will promptly meet and confer, in good faith, to determine how the proceeds of the Property Insurance Policies arising from the Property Claim will be allocated and used. The AOC will have the right to meaningful participation with the County in deciding whether to restore or replace the damaged parts of the Real Property ("**Damaged Property**").

4.3.3.6 Decision Not to Restore or Replace. If, as a result of the meeting described in section 4.3.3.5 above, the Parties decide that the insurance proceeds arising from the Property Claim will not be used to restore or replace the Damaged Property, and if any of the Building is uninhabitable as a result of the Property Loss, then the County will compensate the AOC for its Equity rights in the uninhabitable part of the Building, and to the extent covered by the Property Insurance Policies, the AOC will be entitled to that portion of the proceeds from the Property Claim that are directly related to compensation for the AOC's relocation costs arising from Property Loss. If the Parties cannot agree on the value of the AOC's Equity rights in the uninhabitable part of the Building, the Parties will select a mutually-acceptable Appraiser to determine the fair market value of those Equity rights. Any Appraiser will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser. Any disputes under this section 4.3.3.6 will be resolved under section 11 of this Agreement.

4.3.4 Incident Reports. The County will maintain copies of any report of an incident, event, circumstance, or occurrence ("**Incident Reports**") that it prepares during the Interim Period for a period of five (5) years following the end of the Interim Period, and at the request of the AOC, the County will provide the AOC with a complete copy of, or reasonable access to, those Incident Reports.

4.3.5 Occupancy Agreements. If, after the TOR Closing Date, either Party discovers an Occupancy Agreement, upon the request of the AOC, the County shall either assign or terminate those Occupancy Agreements. To the extent that any discovered Occupancy Agreements involves vending services, to the extent practical, the AOC and the County will work with the State's Department of Rehabilitation ("DOR") to ensure the continuity of vending services in the Building. Upon termination of an Occupancy Agreement, the County will return possession of those areas to the AOC that were occupied under the Occupancy Agreement. Until an Occupancy Agreement is either assigned or terminated, the County will remain responsible for any such Occupancy Agreement.

4.3.6 Building Equipment. If any Equipment Permits are not in full force and effect on the TOR Closing Date, the County will, at its sole cost and expense, remain responsible to obtain current and valid Equipment Permits as soon as possible after the TOR Closing Date. Following the receipt of the Equipment Permits, as applicable, the AOC is responsible for maintaining, operating, and repairing the Building Equipment, including maintaining and renewing all applicable Equipment Permits.

4.3.6.1 Responsibility for Sump Pump. The Parties hereby acknowledge and agree that, as of the Effective Date, the AOC will be responsible for operating the sump pump, located on the County-owned land adjacent to the Land, which is currently used to remediate periodic flooding into the Building from the County-owned land adjacent to the Land due to inclement weather. The County will cooperate with the AOC with respect to the AOC's use of the sump pump, including, without limitation, allowing the AOC access to the County-owned land adjacent to the Land for purposes of operating and maintaining the sump pump and notifying the AOC when use of the sump pump may be necessary to remediate flooding.

4.3.7 Future Development. The AOC acknowledges that the County intends to construct a new County office building that would require the use of the area currently occupied by the Annex. The AOC agrees to reasonably cooperate with the County in its efforts to develop such new County office building. Nothing herein changes either party's rights, duties or obligations pursuant to the Act, or other applicable law.

4.3.8 Data Communication/Telephone Services. The Court will be solely responsible for the continued operation, use, maintenance, expansion, replacement, and repair of the information technology data communication network utilized by the Court in the Building, which equipment is located in the telecommunications closet. Pursuant to the Telecommunications MOU, the County will be solely responsible for any voice network telecommunications equipment and services utilized by the Court in the Building, which equipment is located in the telecommunications closet in the Building.

The County will have the right to enter the Building, at times reasonably convenient to the Court, for the purposes described in this section 4.3.8, as and when necessary.

4.3.9 Parking. The County is responsible for the Operation of the Court Annex Parking under the terms of the Hall of Justice Transfer Agreement between the parties of even date herewith, provided, however, that the County is not responsible for the administration and distribution of parking permits for jurors using the 212 jury-identified parking spaces, which shall be the responsibility of the Court. The County will at all times provide, at the County's sole expense, the Court Annex Parking, or its equivalent as set forth below, for use by the Court and people attending to business and personal affairs in the Court Facility. The County shall not enter into any future agreements or amend any existing agreements with third parties that will in any way materially adversely affect the Court's rights to use the Court Annex Parking during Court sessions (and for the Court's judges, staff, and employees to use the Court Annex Parking after regular Court business hours and on weekends on an equivalent basis as County employees), or otherwise allow third parties to use the Court Annex Parking in such a way as to interfere with the Court's use of such parking, without the prior written consent of the Court, which consent shall not be unreasonably withheld. If any of the Court Annex Parking becomes unavailable for Court use in accordance with this section 4.3.9, the County will be responsible to provide, at no cost to the State Parties, alternate parking spaces of equal number and type, and reasonably similar convenience to the parking spaces that are no longer available. Notwithstanding any of the foregoing, if Court Annex Parking and County Parking are simultaneously made unavailable due to parking lot repair or maintenance, the Court Annex Parking and the County Parking shall be subject to the same inconveniences and unavailability. By way of example only, if repair or maintenance work on the Campus or a parking area causes parking spaces to be made unavailable on a temporary basis, then the County shall provide alternative or substitute parking for the Court on the same basis and degree of convenience/inconvenience that such parking is provided to County employees. If the Court vacates the Building, the County will increase the County Facilities Payment by an amount equal to the County's costs and expenses associated with the operation and maintenance of the Court Annex Parking as of the Effective Date.

4.3.10 Service Contracts. If not completed before the TOR Closing Date, the Parties will work together, diligently and in good faith, to transfer the Approved Service Contracts to the AOC, and to terminate the other Service Contracts, in a manner that avoids disruption to the operation of the Real Property. The County will endeavor to cause the Approved Service Contracts to be assigned to the AOC retroactive to the TOR 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. The County will be responsible to pay all charges and fees incurred under all Service Contracts for all periods prior to the TOR Closing Date, and the AOC is responsible for payment of all fees and charges incurred on and after the TOR Closing Date under all Approved Service Contracts. The County will send to the AOC all invoices and other communications received by the County under the Approved Service Contracts on and after the TOR Closing Date.

4.3.11 Correspondence. The County will direct all correspondence, invoices, and information related to management, operation, maintenance, or repair of the Real Property for the period on and after the TOR Closing Date to the AOC's Office of Court Construction and Management pursuant to section 12 of this Agreement.

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

4.3.13 Personal Property. If either Party determines that there exists any Tangible or Intangible Personal Property not previously transferred or assigned to the AOC that should have been so transferred or assigned, that Party will promptly provide to the other Party a notice that includes a reasonably-detailed, written description of that property. After a mutual determination is reached that said property should have been transferred or assigned, then at the AOC's request, the County will transfer, convey, or assign to the AOC any or all of the Tangible or Intangible Personal Property agreed upon. If either Party determines that any Tangible or Intangible Personal Property was inadvertently or mistakenly transferred or assigned to the AOC and that it should not have been so transferred or assigned, that Party will promptly provide to the other Party a notice that includes a reasonably-detailed, written description of that property. After a mutual determination is reached that said property should not have been transferred or assigned, then at the County's request, the AOC will return, transfer, reconvey, or assign to the County any or all of the Tangible or Intangible Personal Property agreed upon.

4.3.14 Adjustments. 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 TOR 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.

4.3.15 Easements.

4.3.15.1 Access to Real Property. Concurrently with the TOT Closing Date, the County will grant to the State, as part of the conveyance made by the Grant Deed, an easement for ingress, egress, and access to the Real Property from (a) the public streets surrounding the Campus, and (b) the Court Annex Parking, through and over the other parts of the Campus, including without limitation that portion of the Campus commonly referred to as the “park”, or “lot 7”, for such ingress, egress, and access to the Real Property. Such easement will be on terms and conditions mutually agreeable to the Parties.

4.3.15.2 Intentionally Omitted.

4.3.15.3 Other Easements. Concurrently with the TOT Closing Date, the County will grant to the State easements for: (a) any physical utilities or building equipment (e.g. pipes, gas mains, downspouts, sump pump, etc) which, as of the Effective Date, extend from the Building, under or above the adjacent County-owned land; and (b) for emergency egress from the Building onto adjacent County-owned land. Such easements will be on terms and conditions mutually agreeable to the Parties.

4.3.16 Irrevocable Licenses. Until the easements referenced in sections 4.3.15.1 and 4.3.15.3 are granted to the AOC, the AOC and the Court shall have irrevocable licenses for the purposes set forth in sections 4.3.15.1 and 4.3.15.3 and at the locations described in sections 4.3.15.1 and 4.3.15.3.

4.3.17 Relief from Section 70311 Obligations. Subject to section 4.3.14 above, effective upon the TOR Closing, the AOC confirms and agrees that the County will be and is relieved of any responsibility under section 70311 of the Act for providing to the Court those necessary and suitable court facilities currently located in the Building, except as specifically provided in this Agreement and the Act. Notwithstanding the foregoing, nothing in this section 4.3.17 limits or diminishes the obligations of the County under section 4.3.3.6 of this Agreement or section 70325(c) of the Act.

4.3.18 Condemnation. If either Party receives written notice during the Interim Period 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 during the Interim Period, the Parties will cooperate with each other in good faith to obtain the maximum award that may be obtained from the condemning authority, and upon the TOT

Closing the AOC will be entitled to all of the proceeds arising from such condemnation, conveyance, or transfer.

4.3.19 No Material Changes. The County will not, to the extent it causes damage to or affects the value of the State Parties' interest in the Real Property, or interferes with the State Parties' use of the Real Property: (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.

4.3.20 Disputes. The County will promptly notify the AOC in writing of any Dispute that arises after the Effective Date that concerns or alleges: (1) acts or omissions of the County committed at any time related to the Property; or (2) an event or incident to which the County's indemnification obligations in section 8.2 of this Agreement do or may apply. The County will manage and be entirely liable and responsible for those Disputes, but the AOC may elect, but is not required, to participate at the AOC's sole expense in the litigation or other resolution of those Disputes. If the AOC elects to participate in the litigation or other resolution of a Dispute, the County will cooperate with the AOC's participation.

4.3.21 Court Operations MOA. Unless specifically superseded by the terms and conditions of this Agreement, the terms and conditions of the Court Operations MOA shall remain in full force and effect with regard to the Annex. In the event of a conflict between the terms of the Court Operations MOA and the terms of this Agreement, the terms of this Agreement shall control.

4.3.22 Remediation. The AOC will conduct a Phase II environmental site assessment of the Real Property within six months after the TOR Closing Date to determine whether there are any Hazardous Substances in, on, under, or affecting the Real Property. In the event that the foregoing Phase II assessment identifies any such Hazardous Substances, within one year after notice from the AOC identifying the type and amount of Hazardous Substances found, the County shall take, or has already undertaken, the necessary action, at its sole cost and expense, to remediate the Hazardous Substances to the levels required for the existing uses of the Real Property, provided that such action shall result in said levels being in full compliance with the remediation requirements of the lead government agency or agencies having jurisdiction over the remediation; however, in the event that the PWB approval of the Transfer of Title requires more stringent remediation than required by the lead government agency or agencies having jurisdiction over the remediation, then the TOT Closing Date may be delayed until the Parties have met and conferred in an effort to reach a mutually satisfactory resolution to the issue, provided further, if the Parties are unable to resolve

the issue within 180 days, then they shall proceed pursuant to the provisions of Section 11 of this Agreement. Subject to the foregoing, a copy of a “no further action” letter from the lead government agency or agencies having jurisdiction over the remediation delivered to the AOC by the County shall be sufficient evidence of the completion of the remediation. The State Parties shall reasonably cooperate with the County in its remediation efforts, particularly with regard to the granting of access when and as necessary to carry out those efforts.

5. CLOSING

5.1 TOR Closing. The TOR Closing will occur upon signature of this Agreement and the TOR 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 TOR Closing Documents.

5.1.1 TOR Closing Documents. The TOR Closing Documents are as follows:

5.1.1.1 the Memorandum; and

5.1.1.2 any other documents required by Law or reasonably requested by the State Parties or the County to complete the TOR Closing.

5.1.2 Time for Signature for TOR Closing Documents. The Parties will sign the TOR Closing Documents on or as expeditiously as possible after the Effective Date. If the TOR Closing Documents have not been signed within ten days after the Effective Date, either Party that has signed the TOR Closing Documents may terminate this Agreement and the TOR Closing Documents upon five business days notice to the other Party, but if the TOR Closing Documents are fully signed by the Parties prior to the end of the five business day period, any termination notice will be of no force or effect.

5.1.3 Delivery of Signed Agreement, TOR Closing Documents, and County Authorizing Document. The last Party to sign this Agreement and the TOR Closing Documents must deliver, within three business days after signing: (i) to the County, one signed original of this Agreement and the TOR Closing Documents, and (ii) to the AOC, all remaining signed originals of this Agreement, and the TOR 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 ten business days after the AOC’s receipt of the signed originals of this Agreement and the Closing Documents.

5.1.4 Delivery of Possession. On the TOR Closing Date, the County will deliver to the AOC custody and control of, and responsibility for, the Property.

5.2 TOT Closing. The TOT Closing will occur upon the recordation of the Grant Deed in the County Recorder's Office.

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

5.2.1.1 the Grant Deed;

5.2.1.2 the Certificate;

5.2.1.3 the easement agreements required by the terms of sections 4.3.15.1 and 4.3.15.3 of this Agreement;

5.2.1.4 the Termination; and

5.2.1.5 any other documents required by Law or reasonably requested by the County, the State Parties, or AOC's title insurance company to effect the Transfer of Title.

5.2.2 Execution and Delivery of TOT Closing Documents. The County will execute and deliver the TOT Closing Documents (along with a certified copy of the County Authorizing Document) to the AOC within 30 days after the date those documents are requested in writing by the AOC. The AOC will endeavor to present this Agreement, the signed TOT Closing Documents, and the County Authorizing Document to the PWB for approval of the Transfer of Title within 60 days after the AOC's receipt of the fully-signed originals of those documents. The Parties will work together, in a good faith, cooperative manner, to effect the Transfer of Title and to resolve to the satisfaction of the PWB any condition of the Real Property that the PWB reasonably requires be resolved prior to the PWB's approval of the Transfer of Title.

5.2.3 Delivery of Title; Termination of Memorandum. On the TOT Closing Date, the County will deliver to the State Parties title to the Real Property. The AOC will endeavor to record the Termination in the County Recorder's Office within ten business days after the TOT Closing Date.

5.3 Conditions for Closing.

5.3.1 TOR and TOT Closing Conditions. Neither Party will be obligated to consummate the Transfers unless the following conditions are satisfied or waived prior to the applicable Closing Date. The conditions for the benefit of the County may only be waived by the County, and the conditions for the benefit of the AOC may only be waived by the AOC.

5.3.1.1 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 applicable Closing Date; the County must not have breached any of the County's representations, warranties, or covenants in this Agreement; and there must be no County Event of Default under this Agreement nor any circumstance which, but for the passage of time or the giving of notice or both, would constitute a County Event of Default as of the applicable Closing Date.

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

5.3.2 Additional TOT Closing Conditions for the Benefit of the AOC. In addition to the conditions set forth in section 5.3.1.1 above, the AOC is not obligated to consummate the Transfer of Title unless on or before the TOT Closing Date: the PWB has approved the Transfer of Title as evidenced by the AOC's receipt of the Acceptance Document; and a title insurance company acceptable to the State Parties is irrevocably committed to issue an owner's policy of title insurance to the State on the TOT Closing Date insuring the State's title to the Real Property, subject only to exceptions acceptable to the State Parties.

6. COUNTY FACILITIES PAYMENT

6.1 Amount of County Facilities Payment. The annual amount of the County Facilities Payment submitted to the State Department of Finance is \$73,698.00, based on the Closing occurring in the same month as the Effective Date. If the TOR Closing Date does not occur in the same month as the Effective Date, the Parties will recalculate the County Facilities Payment based upon the actual TOR Closing Date.

6.1.1 DOF Approval. If DOF does not approve the County Facilities Payment in an amount equal to or less than the annual amount set forth in section 6.1 of this Agreement, then the Parties will promptly meet and confer to determine how to proceed in respect of this Agreement and the Transfers, and the Closing Date will not occur unless and until the County Facilities Payment has been approved by DOF in an amount that is either (a) equal to or less than the amount set forth in section 6.1, above, or (ii) has been approved in writing by both the AOC and the County. If the County Facilities Payment has not been approved by DOF in accordance with (a) or (b) of this section 6.1.1 by 180 days after the Effective Date, either Party may cancel and terminate this Agreement upon ten days prior notice to the other Party; provided that, if DOF approval of the County Facilities Payment in accordance with (a) or (b) of this section 6.1.1 is received during the ten day period, any termination notice will be of no force or effect.

6.2 County Facilities Payment Obligation. The County will pay the County 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 the first quarterly installment in the amount of \$18,424.50 within five business days after the TOR Closing Date. Unless the TOR Closing Date is on the first day of a fiscal quarter, the first installment of the County Facilities Payment will be prorated under section 4.3.14 for the period from the TOR Closing Date to and including the last day of the fiscal quarter in which the TOR Closing Date occurs, subject to adjustment under section 70355 of the Act. Thereafter, the quarterly installments of the County Facilities Payment will be in the amount of \$18,424.50, subject to adjustment under section 70355 of the Act.

6.3 CFP Suspension until Transition Date. Notwithstanding anything in this Agreement to the contrary, until the Transition Date, the County will continue to perform the Operation of the Real Property 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 on the day 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 each of the Effective Date, the TOR Closing Date, and the TOT Closing Date. Each Party will give written notice to the other within five business days of its discovery of any facts or circumstances that would render any information contained in that Party's representations and warranties in this Agreement or any Closing Document incomplete, untrue, or misleading, but if a Party makes that discovery within seven calendar days prior to the applicable Closing Date, that Party must immediately deliver written notice of the relevant information to the other Party, whereupon the applicable Closing Date will be automatically delayed to allow the Party receiving that notice sufficient time to decide whether to proceed with the Closing of the applicable Transfer.

7.1 The County's Representations and Warranties. The phrase "to the best of the County's knowledge" or words of similar import, means the actual knowledge, after reasonable independent investigation and inquiry, of James N. Saco, Budget Director, and the County represents that this is the person within the County most knowledgeable with respect to the County's representations and warranties.

7.1.1 Good Standing. The County is a political subdivision of the State duly organized and validly existing under the Law of the State.

7.1.2 Authority. The County Authorized Signatory has been duly authorized and empowered to sign this Agreement and the Closing Documents on behalf of the County, and the County has taken all steps and obtained all approvals required to authorize and empower the County to sign and perform this Agreement and the Closing Documents.

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

7.1.4 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order to which the County is a party or by which the County or any of its assets is subject or bound. No other action of any governmental agency or authority is required for, and the County has no actual knowledge of any Law in effect that would prohibit, the County's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.

7.1.5 Title to Real Property. Other than any 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) the County is not

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

7.1.6 Title to Personal Property. After a reasonable and diligent search, the County has determined that, except for the Excluded Tangible Personal Property, none of the Personal Property is owned by the County, and to the extent the County has any right, title, or interest in or to the Personal Property, effective as of the TOR Closing Date, the County transfers, conveys, and quitclaims the same to the AOC.

7.1.7 No Service Contracts. To the best of the County's knowledge, there are no Service Contracts.

7.1.8 No Disputes. To the best of the County's knowledge, there are no Disputes pertaining to 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 Occupancy Agreements. To the best of the County's knowledge, the County is not a party to any Occupancy Agreement, including any Occupancy Agreement under which vending facilities are located in the Building.

7.1.10 No Violations of Law. The County has no actual knowledge of, nor has the County received any written notice from any State, federal, or other governmental or quasi-governmental authority relating to: (1) any violation of Law, whether or not appearing in public records, with respect to the Property, which violation has not been corrected to the satisfaction of the State, federal, or other governmental or quasi-governmental authority that issued the notice, or (2) any unrecorded restriction applicable to the Real Property.

7.1.11 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.

7.1.12 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.

7.1.13 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.

7.1.14 No Security-Related Areas. The County is not aware of any parts of the Real Property dedicated to or primarily used for secure entry, exit, holding, or transport of prisoners attending Court sessions.

7.1.15 No Special Circumstances. The County has not undertaken or commenced any Pending Projects in or around the Real Property, the Real Property is not subject to “bonded indebtedness” as defined in section 70301(a) of the Act, and the Building is not an “historical building” as defined in § 70301(f) of the Act.

7.1.16 100% Court Occupancy. The County does not occupy any portion of the Building, so that to the best of County’s knowledge, the Court occupies the entirety of the Building.

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

7.2.1 Good Standing. The Administrative Office of the Courts is the staff agency to the Council, an entity established by the Constitution of the State, validly existing under the Law of the State.

7.2.2 Due Execution and Delivery. This Agreement and the Closing Documents are legal, valid, and binding obligations of, and are fully enforceable against, the AOC.

7.2.3 No Conflict. This Agreement and the Closing Documents do not violate any provision of any agreement, obligation, or court order, to which the AOC is a party or by which the AOC or any of its property is subject or bound. Other than the PWB’s approval of the Transfer of Title, no other action of any governmental agency or authority is required for, and the AOC has no actual knowledge of, any Law in effect that

would prohibit, the AOC's execution, delivery, or performance of its obligations under this Agreement or the Closing Documents.

7.2.4 Non-reliance. The AOC acknowledges receipt of the Property Disclosure Documents and has conducted a reasonable and diligent review of such records. The AOC is relying solely on its own investigation of the physical condition of the Real Property and all title issues, and except as specifically otherwise set forth herein, including without limitation section 7 and section 8 of this Agreement, accepts this Transfer of Responsibility AS IS.

7.3 Representations and Warranties for TOT Closing. Each Party makes the representations and warranties set forth in this section 7.3 to the other Party effective only on the TOT Closing Date:

7.3.1 The Certificate. To the best knowledge of each Party, the matters described in the Certificate are the only exceptions to the accuracy or completeness of that Party's representations and warranties set forth in section 7.1 or 7.2 of this Agreement, respectively, as of the TOT Closing Date.

8. INDEMNITIES

8.1 AOC's Indemnities. Subject to section 8.3, below, the AOC indemnifies, defends, and holds harmless the County Parties (with counsel reasonably acceptable to the County) from and against all Indemnified Loss asserted against the County Parties arising from the matters described below in this section 8.1:

8.1.1 AOC Breach. Any breach by a State Party of an obligations set forth in this Agreement or in the Closing Documents;

8.1.2 Representations and Warranties. Any breach of or inaccuracy in the AOC's representations and warranties contained in section 7.2 of this Agreement or in the Closing Documents.

8.2 County's Indemnities. Subject to section 8.3, below, the County indemnifies, defends, and holds harmless the State Parties (with counsel reasonably acceptable to the State Parties) against all Indemnified Loss asserted against the State Parties arising from the matters described below in this section 8.2:

8.2.1 County Breach. Any breach by a County Party of its obligations in this Agreement or in the Closing Documents;

8.2.2 Representations and Warranties. Any breach of or inaccuracy in the County's representations and warranties contained in sections 7.1 or 7.3 of this Agreement or in the Closing Documents;

8.2.3 County Responsibilities. Any event or Deficiency that occurred, or Dispute that commenced, prior to the TOR Closing Date related to the County's ownership, occupancy, possession, operation, management, maintenance, repair of, or responsibility for, the Property before the TOR Closing Date, and any event that occurs, or Dispute that commences, on or after the TOR Closing Date, to the extent that it results from, or is directly attributable to, the County's ownership, occupancy, possession, operation, management, maintenance, repair of, or responsibility for, the Property before the TOR Closing Date;

8.2.4 CERCLA. Under section 70393(d) of the Act, any liability imposed on the State Parties pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. § 9601 *et seq.*), or related provisions, for conditions that existed in, on, or under the Real Property at the time of the TOR Closing whether or not known to the County; and

8.2.5 Hazardous Substances Migration. Any liability imposed on the State Parties as a result of the presence of any Hazardous Substances in, on, under, or affecting the Real Property (including the ground water under the Land), where and to the extent that such Hazardous Substance has migrated from a nearby or adjacent Campus property, irrespective of whether such migration occurred prior to, on, or after the Closing Date, including but not limited to the cost of removal or other remediation of all Hazardous Substances from the Real Property as may be ordered or required by a Court of law or the government agency or agencies having jurisdiction over such Hazardous Substances, claims, damages, costs, liabilities, attorney fees, and losses imposed on the State Parties as a consequence of the presence of the Hazardous Substances on the Land or from the migration of such Hazardous Substances from nearby or adjacent Campus property to other properties. Provided, however, this section 8.2.5, shall not apply to a new spill from a new source (a "new release") of Hazardous Substances. In particular, a "new release" means a release or discharge into the environment after the TOT Closing Date from a source that has not previously been a source of discharge or release.

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. The obligations of a Party under section 8.1 or 8.2 of this Agreement, as applicable, will in no event release the other Party from, or diminish its

obligation to fully and faithfully perform its duties under, this Agreement, the Closing Documents, or any other agreement.

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 non-defaulting Party will provide written notice to the defaulting Party of the breach or default ("**Default Notice**"). Upon receipt of the Default Notice, the defaulting Party will have 30 calendar days to cure the breach or default described in the Default Notice and to provide evidence of that cure to the non-defaulting Party. If the breach or default is not capable of cure within the 30 calendar day period, then no breach or default can be deemed to have occurred by reason of the failure to cure so long as the defaulting Party promptly begins and diligently and continuously performs the cure to completion within a reasonable time period, not to exceed 90 calendar days from commencement of the cure ("**Cure Period**"). If the defaulting Party does not provide evidence of the cure to the non-defaulting Party within the Cure Period, then the defaulting Party will be deemed to have committed an "**Event of Default,**" and the non-defaulting Party will have the right, but not the obligation, to pursue its rights with respect to resolution of disputes under section 11 of this Agreement. The Parties may mutually agree to commence the dispute resolution procedures in section 11 of this Agreement before the end of the Cure Period.

11. DISPUTE RESOLUTION

11.1 Unassisted Negotiation; Mediation. In the event of a dispute between the Parties arising under or relating to performance of the Parties' obligations under this Agreement, or any aspect of the transactions contemplated in this Agreement, the County Manager or his/her designee, and an Assistant Director of the AOC's Office of Court Construction & 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 a Party can 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 Request are acceptable to the responding Party and, if none are, then the Mediation Response must list at least three neutral mediators who are acceptable to the responding Party.

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 JAMS Government Dispute Resolution Group (“**JAMS**”) for selection of a neutral mediator to mediate the dispute. The Parties’ application to JAMS must be filed in accordance with the JAMS International Mediation Rules then in effect, and must include copies of the Mediation Request and Mediation Response. The mediator must be a person with a reasonable degree of experience and expertise in handling disputes involving governmental entities. The mediator must have no current or prior involvement with either Party in the negotiations between the Parties related to the Act or any of the court facility transfers provided for in the Act, and shall discharge his or her duties impartially and as a neutral, independent participant to the mediation process to assist the Parties to achieve a settlement and compromise of their dispute, taking into consideration the relevant facts,

applicable Law, and the pertinent provisions of any relevant agreement between the Parties. Subject to the foregoing, the selection of a mediator by JAMS will be final and binding on the Parties, and the Parties shall be equally responsible for the payment of all fees and costs charged by JAMS.

11.1.3 Cost of Mediation. The Parties will share equally in payment of all costs of the mediation, including the compensation of the mediator. The Parties and the mediator must reach a written agreement regarding the mediator's compensation and expenses before the mediation is commenced.

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 Attendance at Mediation. Both Parties must attend the mediation session(s). The Parties may satisfy this attendance requirement by sending a representative familiar with the facts of the dispute, who has the authority to negotiate on behalf of, and to effectively recommend settlement to, the Party he or she represents. Any Party to the mediation may have the assistance of an attorney or other representative of its choice, at its own cost. Other persons may attend the mediation sessions only with the consent of the Parties and the mediator.

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.

11.1.7 Confidentiality. The mediation will be confidential in all respects, and the provisions of California Evidence Code sections 1152 and 1154 will apply to all written and verbal evidence presented in the mediation and to settlement communications made in the Premediation Statement, during the mediation itself, or otherwise in furtherance of or related to the mediation or the settlement of the dispute. The Premediation Statements shall be confidential, for settlement purposes only, and will not be admissible for any purpose other than for the mediation. Without limiting the foregoing, the provisions of California Evidence Code sections 1115 through 1128, inclusive, will apply in connection with any mediation under this Agreement.

11.2 Resolution of Claims Remaining After Mediation. After compliance with the terms of section 11.1 of this Agreement, the Parties shall proceed as follows in respect of any dispute that remains unresolved: (i) if the unresolved dispute involves any of the matters set forth in sections 70303(c)(1) through (5) of the Act, the Parties shall refer the dispute to the CFDRC for hearing and recommendation to, and decision by, the Director of Finance, pursuant to the Act and the regulations and rules adopted by the CFDRC; or (ii) if the unresolved dispute does not involve any of the matters described in sections 70303(c)(1) through (5) of the Act, then the Parties may proceed to resolve the dispute in any manner permitted by Law or in equity.

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
Office of Court Construction and Management
Attention: Portfolio Administration Analyst for the Bay Area/North
Coastal Regional Office
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Voice: 415-865-4053
Fax: 415-865-8885

With a copy to:

Administrative Office of the Courts
Office of Court Construction and Management
Attention: Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102
Voice: 415-865-4048
Fax: 415-865-8885

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

Administrative Office of the Courts
Attention: Senior Manager, Business Services
455 Golden Gate Avenue
San Francisco, CA 94102-3688
Voice: 415-865-4090
Fax: 415-865-4326

If to the County:

County of San Mateo
County Manager's Office
Attention: County Manager
Hall of Justice and Records
400 County Center, First Floor
Redwood City, California 94063
Voice: 650-363-4121
Fax: 650-363-1916

With a copy to:

County of San Mateo
County Counsel
Hall of Justice and Records
400 County Center, Sixth Floor
Redwood City, California 94063
Voice: 650-363-4250
Fax: 650-363-4034

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 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 TOR Closing and the TOT Closing, and will thereafter remain in full force and effect: 3, 4, 5.1.3, 5.1.4, 5.2, 5.3, and 6 through 14, inclusive. All other rights and duties hereunder will cease upon termination of this Agreement or the TOT 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 Waivers. No waiver of any provision of this Agreement will be valid unless it is in writing and signed by both the AOC and the County. Waiver by either Party at any time of any breach of this Agreement cannot be deemed a waiver of or consent to a breach of the same or any other provision of this Agreement. If a Party's action requires the consent or approval of the other Party, that consent or approval on any one occasion cannot be deemed a consent to or approval of that action on any later occasion or a consent or approval of any other action.

14.2 Force Majeure. Neither Party will be responsible for performance under this Agreement to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, whether foreseeable or unforeseeable.

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

14.5 Third Parties Benefited. The State Parties are intended beneficiaries of all provisions of this Agreement and the Closing Documents for the benefit of the AOC.

14.6 Governing Law. This Agreement, and the Parties' performance under this Agreement, will be exclusively governed by the laws of the State without regard to its conflict of law provisions.

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

14.9 Incorporation By Reference. The factual recitals and Exhibits contained in or attached to this Agreement are all incorporated into and made a part of this Agreement for all purposes, and all references to this Agreement in any of the recitals or Exhibits will be deemed to include the entirety of this Agreement.

14.10 Severability. If a term of this Agreement is inconsistent with applicable Law, then on the request of either Party, the Parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Law, but all parts of this Agreement not affected by the inconsistency will remain in full force and effect.

14.11 Further Assurances. The Parties agree to cooperate reasonably and in good faith with one another to (1) implement the terms and provisions set forth in this Agreement, the Closing Documents, and the Act, and (2) consummate the transactions contemplated herein, and will execute any further agreements and perform any additional acts that may be reasonably necessary to carry out the purposes and intent of this Agreement, the Closing Documents, and the Act.

I agree to the terms of this Agreement.

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

COURTS

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

By: _____
Name: Kenneth Levy
Title: Attorney
Date: _____

ATTEST:
_____, Clerk of the Board

By: _____

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

**COUNTY OF SAN MATEO, a political
subdivision of the State of California**

By: _____
Name: _____
Title: County Manager
Date: _____

EXHIBITS

- Exhibit "A" – Legal Description of the Parcel
- Exhibit "A-1" – Depiction of Land
- Exhibit "B" – Excluded Tangible Personal Property Inventory
- Exhibit "C" – Form of Grant Deed
- Exhibit "D" – Intentionally Omitted
- Exhibit "E" – Intentionally Omitted
- Exhibit "F" – Intentionally Omitted
- Exhibit "G" – Copy of Site Plan and Floor Plan
- Exhibit "H" – Intentionally Omitted
- Exhibit "I" – Intentionally Omitted
- Exhibit "J" – Categories of Property Disclosure Documents
- Exhibit "K" – Intentionally Omitted
- Exhibit "L" – Form of Memorandum of Agreement
- Exhibit "M" – Form of Datedown Certificate
- Exhibit "N" – Intentionally Omitted
- Exhibit "O" – Form of Termination of Memorandum

L:\CLIENT\MANAGER\Court Facility Transfer\Agreements\Annex\Annex Final.doc

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PARCEL

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

Lots 5 and 6 in Block 3, Range "C", as shown on that certain map entitled "Town of Mezesville," filed in the office of the County Recorder of San Mateo County on August 1, 1856 in Book 1 of Maps at Page 79.

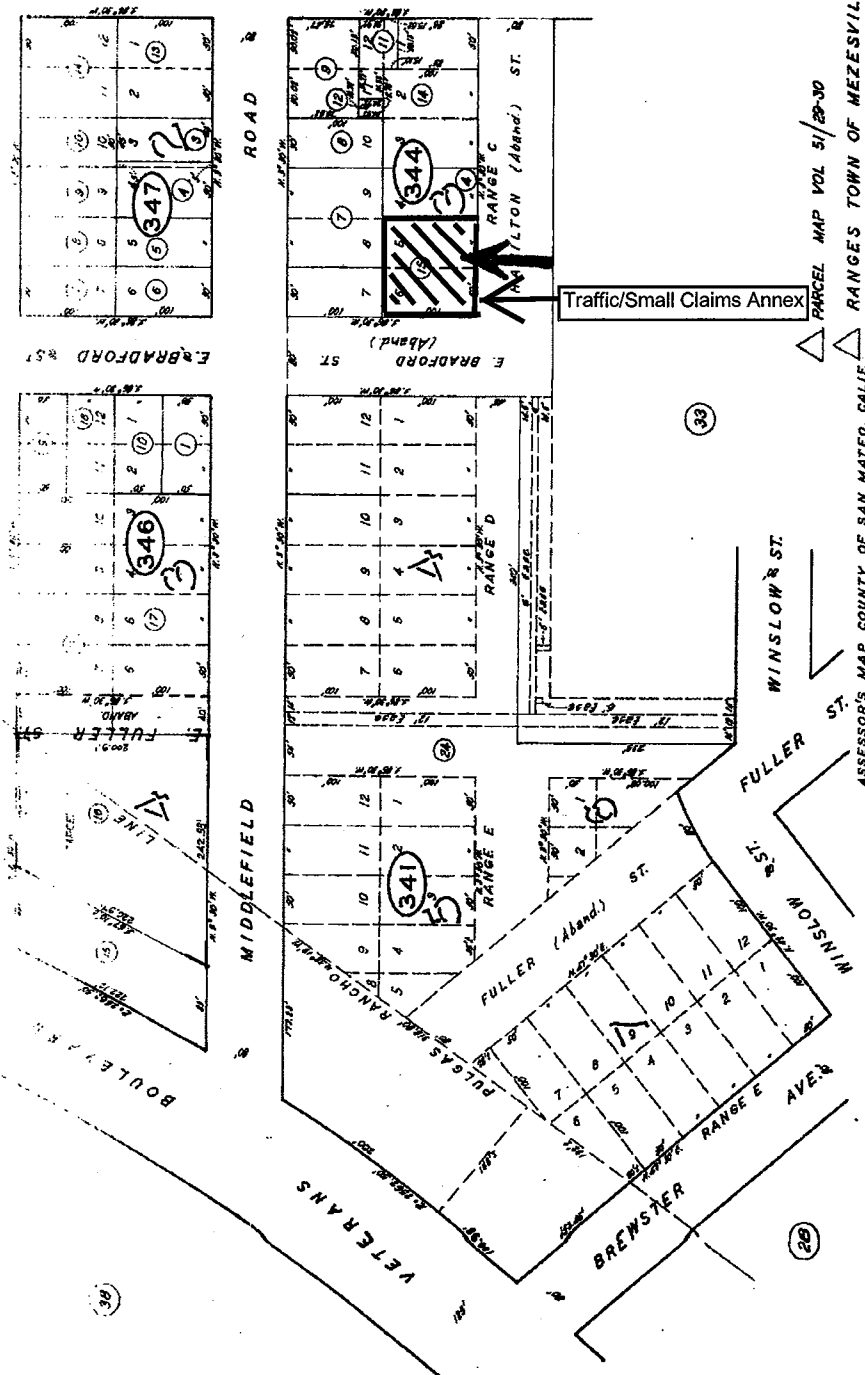
JPN: 052-034-344-15 All A

APN: 052-344-150

Exhibit A-1
 41-A2 Traffic/Small Claims
 Annex
 Depiction of Land

52-34

TAX MAP AREA
 DIVISION AERIAL SUP



PARCEL MAP VOL 51/29-30

ASSESOR'S MAP COUNTY OF SAN MATEO, CALIF. RANGES TOWN OF MEZESVILLE PTR. OF RSM 01/79

"Important: This plat is not a survey. It is furnished as a convenience to locate the land in relation to adjoining streets and other lands and NOT to guarantee any dimensions, distances, bearings, or acreage."

EXHIBIT B

Excluded Tangible Personal Property Traffic/Small Claims Annex 41-A2				
ID #	LOCATION	EQUIPMENT TYPE	MODEL	SERIAL #
41-A2	Courts Annex	Switch	2924	FAA0408L044

EXHIBIT "C"

GRANT DEED

WHEN RECORDED MAIL TO	
Judicial Council of California Administrative Office of the Courts 455 Golden Gate Avenue San Francisco, CA 94102 Attn: Assistant Director, Office of Court Construction and Management	

**OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES
PURSUANT TO GOV'T. CODE SECTION 27383 AND
DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND
TAXATION CODE SECTION 11922**

**SPACE ABOVE THIS LINE FOR
RECORDER'S USE**

GRANT DEED	Agency: Judicial Council of California Project: Traffic/Small Claims Annex, #41-A-02
APN(S): _____, County of San Mateo	
COUNTY OF SAN MATEO	
hereby GRANTS to THE STATE OF CALIFORNIA, on behalf of THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS, the following described real property situated in the State of California, County of San Mateo, described as follows:	
See Exhibit "A" consisting of one (1) page attached hereto and by this reference made a part hereof.	
Dated: _____, 2008	

**COUNTY OF SAN MATEO, a political
subdivision of the State of California**

By: _____
Name: _____
Title: President, Board of Supervisors
Date: _____

**EXHIBIT "A" TO GRANT DEED
LEGAL DESCRIPTION OF THE LAND**

STATE OF CALIFORNIA)

COUNTY OF _____)

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

WITNESS my hand and official seal.

(Signature of Notary Public)

EXHIBIT "D"

INTENTIONALLY OMITTED

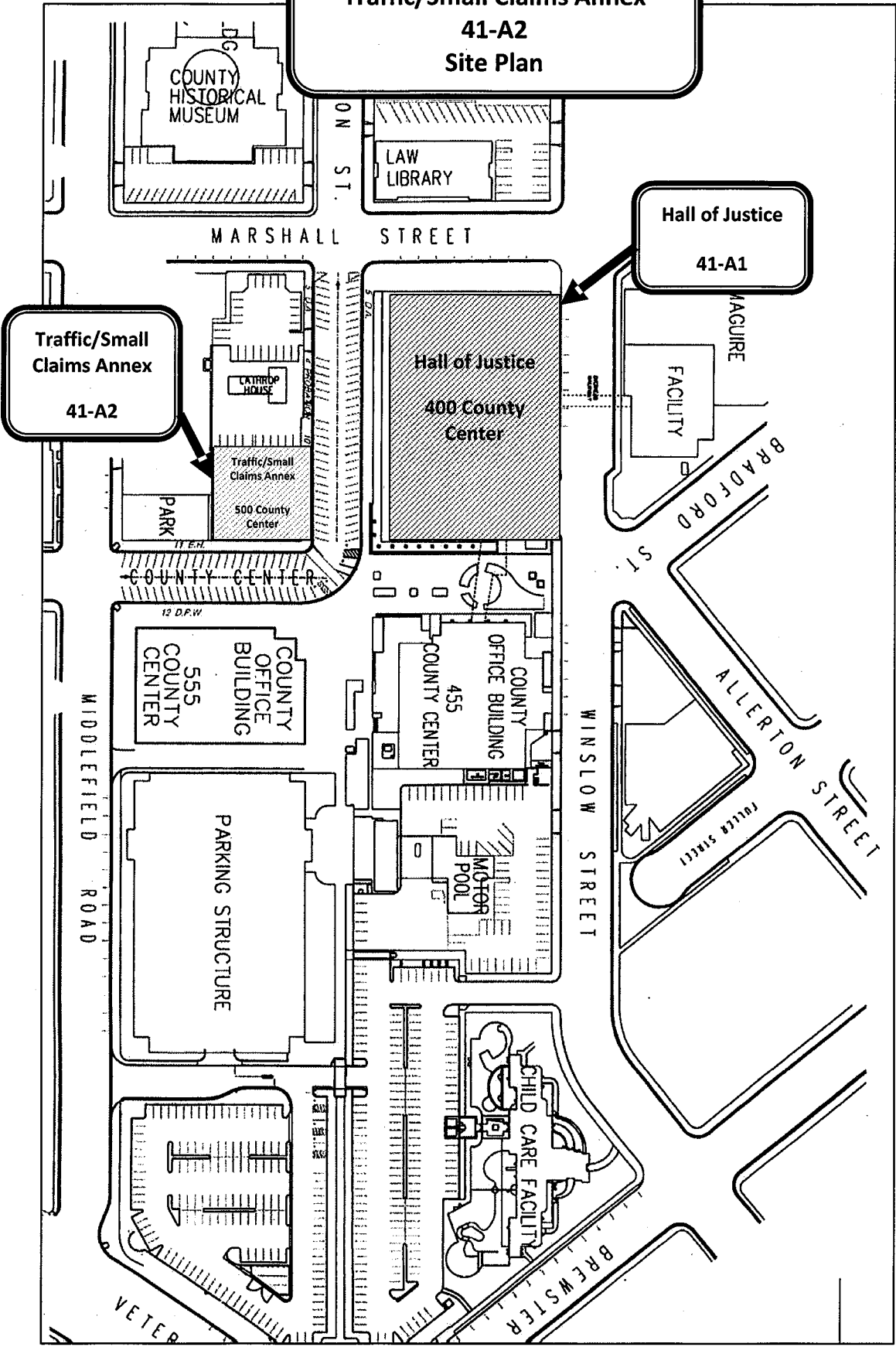
EXHIBIT "E"

INTENTIONALLY OMITTED

EXHIBIT "F"

INTENTIONALLY OMITTED

Exhibit "G"
Traffic/Small Claims Annex
41-A2
Site Plan

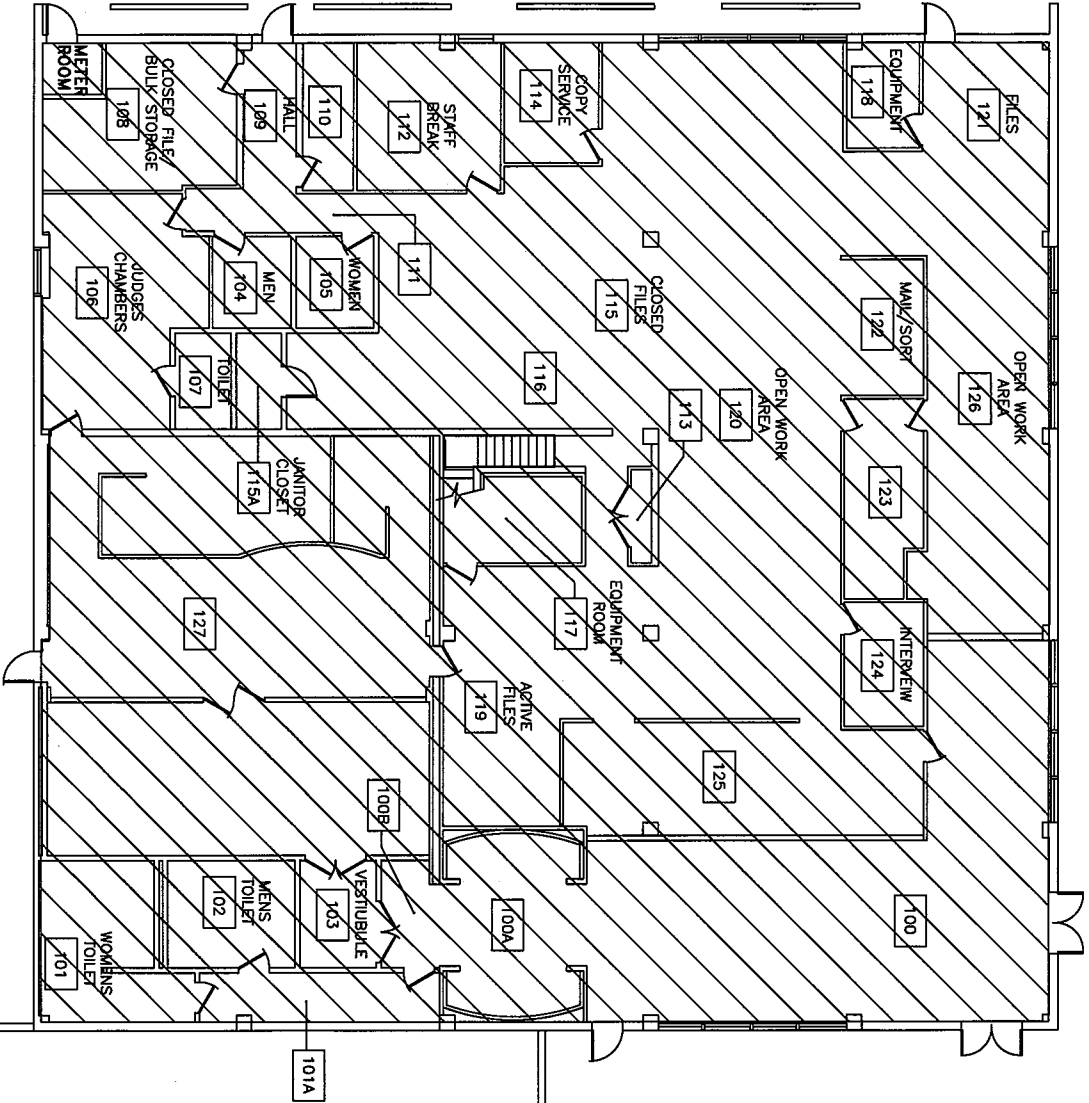


Hall of Justice
41-A1

Traffic/Small Claims Annex
41-A2

Exhibit "G"
 Traffic/Small Claims Annex
 41-A2
 First Floor

Court 9483




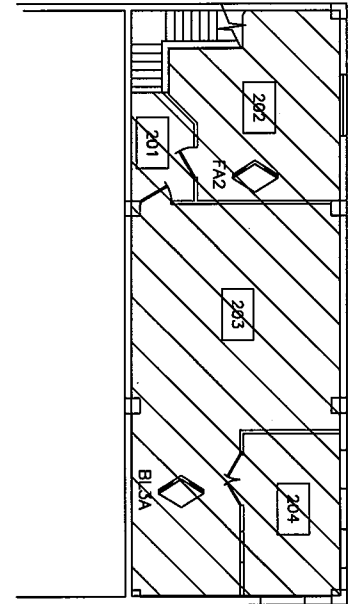
		APPLIED MANAGEMENT ENGINEERING INC. 2000 S. ELGIN AVE., SUITE 110 TEL: 650.938.1100 FAX: 650.938.1101 WWW.AMENGINEERING.COM	CITY OF SAN MATEO COURT BUILDING ANNEX ZONE 1 BUILDING #F20081 FIRST FLOOR
FLOOR PLAN 01/23/2007 1/16" = 1'-0"	1 OF 3		

Exhibit "G"
 Traffic/Small Claims
 Annex 41-A2
 Floor Plan - 2nd Floor



Court 1121





Overall Notes	
CITY OF SAN MATEO COURT BUILDING ANNEX ZONE 1 BUILDING #F3081 SECOND FLOOR	
 APPLIED MANAGEMENT ENGINEERING INC. 1000 S. SAN ANTONIO AVE. SUITE 200 SAN MATEO, CA 94401 TEL: (650) 335-4400 FAX: (650) 335-4401 WWW.AMENGINEERING.COM	
	
Project: FLOOR PLAN Date: 01/23/2007 Scale: 1/16" = 1'-0"	2 OF 3

EXHIBIT "H"

INTENTIONALLY OMITTED

EXHIBIT "I"

INTENTIONALLY OMITTED

EXHIBIT "J"

CATEGORIES OF PROPERTY DISCLOSURE DOCUMENTS

- Structural and Physical Condition. Copies of all Material Agreements depicting, evidencing, discussing, or otherwise related to the structural and/or physical condition of the Real Property, including but not limited to the plans and specifications for the original planning, design, and construction of all or any part of the Real Property, and for any later additions to or structural modifications of the Real Property, structural or engineering assessments, reports, or notices related to any part of the Real Property, inspection reports, valuation reports, documents evidencing repairs or maintenance made to or required for any part of the Real Property, whether planned, started, completed, or deferred, and all other documents and information discussing, disclosing, or revealing any structural or physical condition of the Real Property;
- Environmental. Copies of all environmental assessments and reports containing information concerning the environmental condition of the Real Property, including but not limited to any Phase I or Phase II environmental site assessments, asbestos reports, radon, mold, methane gas, or other indoor air quality studies, environmental impact reports, endangered species investigations, biological assessments, negative declarations, mitigated negative declarations, remedial action plans, notices received from or correspondence with any federal, state, or local governmental bodies concerning any actual, potential, or threatened violations of any Environmental Laws in, on, under, emanating from, adjacent to, or actually or potentially affecting the Real Property, no further action letters, environmental covenants and restrictions, closure reports, contracts between the County and any consultant for any ongoing work to investigate, assess, remediate, or monitor any actual or potential environmental hazard on or emanating from the Real Property, permits, documents, and inspection reports related to underground storage tanks, written disclosures given by the County to, or received by the County from, any third party describing or discussing any environmental condition in, on, under, emanating from, or adjacent to the Real Property, and any other reports, studies, assessments, investigations, permits, licenses, correspondence, or documents evidencing, depicting, or describing the environmental condition of the Real Property;
- Compliance with Laws. Copies of all instruments, permits, certificates, and licenses evidencing the extent to which the Real Property is in compliance with Law, including but not limited to certificates of occupancy for the Building, inspection certificates for any base Building systems for which the County is responsible, if any, including elevators, fire/life safety equipment, boilers, and emergency generators, and other base Building systems for which periodic inspection, permitting, or certification is required, a current license and certificate

of registration for any motorized vehicles included in the Tangible Personal Property, any assessments, reports or analyses reflecting the status of compliance of the Real Property with the ADA, permits and approvals (to the extent required) for any ongoing capital improvements, and repair or maintenance projects (whether or not Pending Projects) being performed by or for the County, current and sufficient licenses for all software and other proprietary materials included within the Tangible Personal Property or Intangible Personal Property, notices from and correspondence with any third party concerning any actual or claimed violations of any Law related to the Real Property, and other documents, instruments, agreements, permits, licenses, and certificates in any way related to the status of the County's compliance with Law in respect of the Real Property;

- Occupancy Agreements. Copies of all existing, written Occupancy Agreements for the Real Property, a written description of the terms of any unwritten agreement or understanding with any Occupant for occupancy or use of the Real Property, and copies of all notices to or from, and material correspondence with, any Occupant (other than the Court) or any other third party who has or claims any right to occupy or use, the Real Property;
- Intangible Personal Property. Copies of all documents creating, evidencing, or describing the Intangible Personal Property, a written description of the terms of any unwritten agreement or understanding with any third party under which the County has or claims a right in any Intangible Personal Property, including unwritten agreements or understandings concerning the provision of services, materials, supplies, warranties, guaranties, indemnification rights, or other rights of the County in respect of the Real Property; and copies of any notices to or from, and any correspondence with, any person or entity that is obligated to provide to the County, or from whom the County believes it is entitled to receive, an Intangible Personal Property right related to the Real Property;
- Damage, Destruction and Loss. Copies of all documents, correspondence, pictures, claims tendered under insurance policies, damage assessments, police reports, fire department reports, estimates, bids, or proposals for repair or replacement, agreements, and other materials describing, evidencing, depicting, or related to any casualty, event, or occurrence that resulted in damage to, or destruction, theft, or loss of, the Property where such damage, destruction or loss:
 - will not have been fully repaired or replaced by, and at the sole expense of, the County and/or the County's insurer, as of the Closing Date; or
 - is not fully insured, and the County's good faith estimate of the funds required to repair or replace the damage to, or destruction, theft, or loss of, the affected Property (net of the deductible amount on any applicable County insurance policy) is greater than Five Hundred Dollars (\$500.00);

- Condemnation. Copies of notices received by the County, and any correspondence between the County and any third party concerning, any actual or proposed condemnation or eminent domain proceedings, or any pending or proposed widening, modification, or realignment of any street or highway contiguous to the Real Property, that would or might, in either case, result in a taking of the Real Property, and copies of any claims, demands for mediation, arbitration, or other dispute resolution procedure, and causes of action or complaints received by the County in connection with any actual or proposed condemnation or eminent domain proceeding affecting the Real Property;
- Legal Proceedings. A reasonably-detailed written description of each Dispute, together with a description of the current status of each such Dispute, contact information for the attorney primarily representing the County in each Dispute (whether or not a County employee) and, to the extent specifically requested by the AOC, such other pleadings, correspondence, demands, briefs, settlement proposals, and other documents related to any Dispute;
- Miscellaneous Disclosures. Copies of any other documents, agreements, instruments, notices, correspondence, or other written materials that describe, depict, or relate to any other right, benefit, entitlement, liability, risk, condition, or circumstance affecting the Property, and reasonably-detailed written descriptions of any and all undocumented liabilities, risks, conditions, or circumstances affecting the Property, not otherwise specifically contemplated in this Schedule 8.1.3; and
- Summary of Excluded Documents. A written list setting forth the title and general subject matter of the Excluded Documents that the County did not provide or otherwise make available to the AOC because they are subject to the attorney-client or attorney work product privileges or because the County is bound by a written confidentiality obligation that precludes the AOC's review and inspection.

EXHIBIT "K"
INTENTIONALLY OMITTED

EXHIBIT "L"

FORM OF MEMORANDUM OF 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 Court Construction and Management
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Assistant Director, Office of Court
Construction and Management

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("**Memorandum**") is made and entered into this ____ day of _____ 2008, by and between the County of San Mateo, whose present address is _____, California ("**County**"), and the Judicial Council of California, Administrative Office of the Courts, whose present address is 455 Golden Gate Avenue, San Francisco, California 94102 ("**AOC**"), on behalf of the State of California, whose present address is 707 Third Street, 5th Floor, West Sacramento, California, 95605 Attention: Department of General Services, Real Estate Services Division, Acquisition Unit ("**State**"), with respect to the following facts:

RECITALS

A. The County is the owner of certain real property located in the City of Redwood City, County of San Mateo, State of California and having a street address of 500 County Center, California, as more particularly described on **Attachment 1** attached hereto and incorporated herein ("**Parcel**"), together with all buildings, structures, and improvements located on and affixed to the Land (collectively, the "**Real Property**");

B. Under the Trial Court Facilities Act of 2002, Government Code §§ 70301 *et seq.*, the AOC and the County have entered into that certain Transfer Agreement For The Transfer of Responsibility For Court Facility dated as of _____, 2008 ("**Agreement**"), setting forth the terms and conditions for the transfer from the County to the AOC of responsibility for funding and operation of the Real Property, and for the

transfer of title to a portion of the Real Property, as more particularly depicted on **Attachment 2** attached hereto and incorporated herein (the "**Land**"), from County to State on behalf of the Judicial Council of California ("**Transfer of Title**");

C. This Memorandum is recorded in the Official Records of the County against the Real Property for the purpose of memorializing the existence of the Agreement, and the State's right to consummate the Transfer of Title in accordance with the terms set forth in the Agreement. The terms and conditions of the Agreement are incorporated herein by this reference.

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

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

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

By: _____
Name: Kenneth Levy
Title: Attorney
Date: _____

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

ATTEST:
_____, Clerk of the Board

**COUNTY OF SAN MATEO, a political
subdivision of the State of California**

By: _____

By: _____
Name: _____
Title: President, Board of Supervisors
Date: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

SS.

On this _____ day of _____ in the year 200__, before me, a notary public in and for the State of California, personally appeared _____ personally known to me (or 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 he/she, or the entity on behalf of which he/she acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
State of California

STATE OF CALIFORNIA)
)
COUNTY OF _____)

SS.

On this _____ day of _____ in the year 200__, before me, a notary public in and for the State of California, personally appeared _____ personally known to me (or 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 he/she, or the entity on behalf of which he/she acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
State of California

ATTACHMENT 1 TO EXHIBIT "L"
LEGAL DESCRIPTION OF THE PARCEL

ATTACHMENT 2 TO EXHIBIT "L"

DEPICTION OF THE LAND

EXHIBIT "M"

FORM OF DATEDOWN CERTIFICATE

A. The Judicial Council of California, Administrative Office of the Courts ("AOC"), and the County of San Mateo, a political subdivision of the State of California ("County"), have entered into that certain Transfer Agreement For The Transfer of Responsibility For Court Facility dated as of _____, 2008 ("Agreement"). Capitalized terms used in this Certificate have the meanings ascribed to them in the Agreement.

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

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

THEREFORE, the County and the AOC each certify as follows to the other:

1. The County certifies as follows to the AOC, effective on the date of this Certificate and on the TOT Closing Date:

a. All of the County's representations and warranties set forth in Section 7.1 of the Agreement are true, correct, and complete in all respects, except as specifically set forth on **Schedule 1** attached to and made a part of this Certificate; and

b. All of the County's conditions to the Transfer of Title set forth in Section 5.3.1.2 of the Agreement have been satisfied or waived;

2. The AOC certifies as follows to the County, effective on the date of this Certificate and on the TOT Closing Date:

a. All of the AOC's representations and warranties set forth in Section 7.2 of the Agreement are true, correct, and complete in all respects, except as specifically set forth on Schedule 2 attached to and made a part of this Certificate; and

b. All of the AOC's conditions to the Transfer of Title set forth in Sections 5.3.1.1 and 5.3.2 of the Agreement have been satisfied or waived;

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the _____ day of _____, 2008.

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

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

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

By: _____
Name: Kenneth Levy
Title: Attorney
Date: _____

ATTEST:
_____, Clerk of the Board

**COUNTY OF SAN MATEO, a political
subdivision of the State of California**

By: _____

By: _____
Name: _____
Title: President, Board of Supervisors
Date: _____

SCHEDULE 1 TO EXHIBIT "M"

SCHEDULE 2 TO EXHIBIT "M"

EXHIBIT "N"

INTENTIONALLY OMITTED

EXHIBIT "O"

FORM OF TERMINATION OF MEMORANDUM

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

JUDICIAL COUNCIL OF CALIFORNIA
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Assistant Director, Office of Court
Construction and Management

TERMINATION OF MEMORANDUM

This Termination of Memorandum ("**Termination**") is made and entered into this _____ day of _____, 2008, by and between the Judicial Council of California, Administrative Office of the Courts ("**AOC**"), and the COUNTY OF SAN MATEO ("**County**"). The AOC and the County each constitute a "**Party**" and collectively constitute the "**Parties**" to this Termination.

RECITALS

A. On _____, 2008, the County and the AOC caused to be recorded a Memorandum of Agreement in the Official Records of the County as Instrument No. _____ (the "**Memorandum**").

B. The County and the AOC have consummated the transactions memorialized in the Memorandum and have agreed to record this Termination in the Official Records of the County to remove the Memorandum as a matter of public record.

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

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

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

By: _____
Name: Kenneth Levy
Title: Attorney
Date: _____

ATTEST:
_____, Clerk of the Board

By: _____

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

**COUNTY OF SAN MATEO, a political
subdivision of the State of California**

By: _____
Name: _____
Title: President, Board of Supervisors
Date: _____

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On this _____ day of _____ in the year 20____, before me, a notary public in and for the State of California, personally appeared _____ personally known to me (or 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 he/she, or the entity on behalf of which he/she acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
State of California

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On this _____ day of _____ in the year 20____, before me, a notary public in and for the State of California, personally appeared _____ personally known to me (or 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 he/she, or the entity on behalf of which he/she acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC
State of California

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Court Facility #41-A-02
December 11, 2008

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