

Facility #09-B-01
Building Name: Building "C"
Address: 2850 Fairlane Court, Placerville, CA 95667

PRINT DATE: September 16, 2008

JOINT OCCUPANCY AGREEMENT
BETWEEN
THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS,
AND
THE COUNTY OF EL DORADO

JOINT OCCUPANCY AGREEMENT

1. PURPOSE

The Judicial Council of California (“**Council**”), Administrative Office of the Courts (together, the “**AOC**”), and the County of El Dorado (“**County**”) set forth the terms and conditions for the Parties’ shared possession, occupancy, and use of the Real Property.

2. DEFINITIONS

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

“**Agreement**” means the Transfer Agreement for the Transfer of Responsibility for Court Facility, by and between the AOC and the County under which the County transferred to the AOC responsibility for certain portions of the Real Property under the Act.

“**AOC Claim**” means any demand, complaint, cause of action, or claim 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).

“**AOC Share**” means 20.7 percent, which is the percentage of the Total Exclusive-Use Area occupied by the Court.

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

“**BI Documents**” means the agreements evidencing and securing the Bonded Indebtedness.

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

“**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 the installed equipment and systems that serve the Building generally or the Common Area, and the Building Software. The Building

Equipment does not include any equipment or systems that exclusively serve the Exclusive-Use Area of only one Party.

“Building Software” means any software program that is licensed to the County for the Operation of any part of the Building.

“Common Area” means the areas of the Real Property that are used non-exclusively and in common by, or for the common benefit of, the AOC, the County, the Court, and any Occupants, and includes (1) those portions of the Building depicted as Common Area on **Attachment “2”** to this JOA including hallways, stairwells, elevators, and restrooms that are not located in either Party’s Exclusive-Use Area, (2) foundations, exterior walls, load-bearing walls, support beams, exterior windows, the roof, and other structural parts of the Building, (3) Building Equipment and Utilities that do not exclusively serve only one Party’s Exclusive-Use Area, (4) the Grounds Area, and (5) the Parking Area. The Common Area does not include any part of the Exclusive-Use Area of either Party except for any Building Equipment that is located in a Party’s Exclusive-Use Area.

“Contractors” means all third-party contractors, vendors, service providers, and all levels of subcontractors, and their respective employees, consultants, and representatives, that provide goods, services, or supplies to the Real Property with respect to the Operation of the Building.

“Contributing Party” means the AOC.

“County Exclusive-Use Area” means the 45,016 square feet of the floor space in the Building, which are exclusively occupied and used by the County as depicted on **Attachment “2”** to this JOA.

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

“County Share” means 79.3 percent, which is the percentage of the Total Exclusive-Use Area that is exclusively occupied and used by the County.

“Court” means the Superior Court of California, County of El Dorado.

“Court Exclusive-Use Area” means the 11,745 square feet of the floor space of the Building that are exclusively occupied and used by the Court, as depicted on **Attachment “2”** to this JOA.

“Court Parking” has the meaning given to it in the Agreement and is depicted on **Attachment “2”** to this JOA.

“Damaged Property” means that portion of the Real Property that is lost, damaged or destroyed.

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

“Effective Date” means the date on which the Transfer of Responsibility is completed under the terms of the Agreement.

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

“Equipment Permits” means all permits, certificates, and approvals required for lawful Operation of any of the Building Equipment.

“Equity” means the term “equity” as used and referred to in the Act.

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

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

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

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

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

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

“**Land**” means the real property described on **Attachment “1”** to this JOA.

“**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.

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

“**Managing Party**” means the County, which is the Party responsible for the Operation of the Common Area, the Grounds Area, and the Parking Area under this JOA.

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

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

“**Occupancy Agreement**” means any agreement or arrangement between a Party and a third party that entitles a party other than a County Party or a State 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 party that occupies or uses the Real Property under an Occupancy Agreement.

“Operation” means the administration, management, maintenance, and repair of designated areas of the Real Property, and includes custodial services for the Common Area, but does not include custodial services for either Party’s Exclusive-Use Area, which are not governed by this JOA.

“Owner” means the County, which is the Party that owns fee title to the Real Property.

“Parking Area” means the surface parking lot on the Land that includes a total of 231 parking spaces, five of which parking spaces are designated for use by vehicles displaying a valid “disabled person” license or placard, all as depicted on **Attachment “2”** to this JOA, and in which the Court Parking is located.

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

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

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

“Property Insurance Policies” means one or more policies of property insurance maintained by the Owner that insure the Real Property against those risks covered 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 percent Replacement Cost of the Real Property. Owner’s obligation to provide the Property Insurance Policies may be satisfied, in whole or in part, by any self-insurance maintained by the Owner for the Real Property, or by Owner’s participation in a joint powers authority established for the purpose of pooling self-insured claims. Notwithstanding the foregoing, while any part of the Real Property is subject to the Bonded Indebtedness, the Property Insurance Policies will be comprised of the property insurance coverage the County is required to maintain for the Real Property under the BI Documents.

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

“Real Property” means the Land and the Building, together.

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

“Security-Related Areas” means the parts of the Real Property that are used for secure holding and transport of prisoners, including holding cells.

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

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

“Shared Costs” means: (i) the cost of owned or rented capital replacement items, improvements, equipment, and repairs in or benefiting the Common Area; (ii) the cost of normal, day-to-day Operation of the Common Area including the cost of Utilities provided to the Common Area, and the cost of maintaining Equipment Permits (but excluding any late fees, interest, penalties, or other charges arising from the Managing Party’s failure to timely pay those costs or keep the Equipment Permits in effect); (iii) the cost of Utilities provided to the Exclusive-Use Areas, if Utilities are not separately metered for the Exclusive-Use Areas; (iv) the cost of necessary or agreed alterations, additions or repairs to voice or data wiring or Data Equipment (defined in section 3.8 below), except that any such costs that are the responsibility of the County or the Court under the Telecommunications MOU will be allocated and paid under the terms of the Telecommunications MOU and not included in Shared Costs; and (v) any Property Insurance Costs, subject to section 4.6 below. Shared Costs do not include: (a) any cost that is primarily for the purpose of benefiting a Party’s Exclusive-Use Area; (b) overtime charges or late fees related to any item that would otherwise be a Shared Cost, unless those overtime expenses or late fees are pre-approved by both Parties, or are necessary to remedy the imminent threat arising from an Emergency; or (c) any fees, fines, penalties, interest, or other charges arising from the Managing Party’s Operation of the Real Property in a negligent manner or a manner that does not comply with Law.

Notwithstanding anything to the contrary, Shared Costs do not include any costs relating to the Operation of the Parking Area or the Grounds Area, including without limitation the cost of any Utilities provided to the Parking Area or the Grounds Area.

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

“**Telecommunications MOU**” means the Memorandum of Agreement between the County and the Court dated June 15, 2004, as amended or replaced from time to time.

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

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

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

“**Trustee**” means the Trustee in respect of the Bonded Indebtedness and any successor trustees appointed under the BI Documents.

“**Utilities**” means the utilities services provided to the Real Property, except for telephone, cable, internet, and other data services, which are governed by section 3.8 of this JOA.

3. RIGHTS AND RESPONSIBILITIES

3.1 Rights to Exclusive-Use Area and Common Area. Under the Act, the Agreement, and this JOA, the AOC has the right to exclusively occupy and use the Court Exclusive-Use Area, and the non-exclusive right to occupy and use the Common Area and the Parking Area, and to pass over and through the Grounds Area as necessary to access and use the Building or the Parking Area, and the County has the right to exclusively occupy and use the County Exclusive-Use Area and the non-exclusive right to occupy and use the Common Area and the Parking Area. County also has the right to enter and pass through the Court Exclusive-Use Area as necessary for Operation of Building Equipment and otherwise to perform its responsibilities as the Managing Party of the Real Property under the Act, the Agreement, and this JOA. Each Party’s non-exclusive right to use the Common Area must: (i) not interfere with the other Party’s use of its Exclusive-Use Area or the Common Area; (ii) not materially increase the other

Party's obligations under this JOA; and (iii) comply with Law. The Parties may from time to time agree on reasonable rules and regulations for their shared use of the Common Area.

3.2 Responsibility for Exclusive-Use Areas and Common Area.

3.2.1 Exclusive-Use Areas. During the Term, each Party is responsible for the Operation of its Exclusive-Use Area at its sole cost and expense. Each Party may make alterations and additions to its Exclusive-Use Area, as long as those alterations and additions do not unreasonably interfere with the other Party's use of its Exclusive-Use Area or the Common Area, or materially increase the other Party's obligations under this JOA, and as long as such alterations and additions comply with Law. Any necessary or agreed alterations or additions to the voice or data wiring or Data Equipment (defined in section 3.8 below) in any portion of the Building shall be the sole responsibility of the County, subject to contribution from the AOC for its Share of the costs in accordance with section 3.8 below, except that any such costs that are the responsibility of the County or the Court under the Telecommunications MOU will be allocated and paid under the terms of the Telecommunications MOU and not included in Shared Costs. Any other additions or alterations to the Court Exclusive-Use Area that will affect or impact any voice or data wiring in the Building or Data Equipment shall be approved in advance by the County, which approval shall not be unreasonably withheld.

3.2.2 Common Area. The Managing Party is responsible for the Operation of the Common Area and will provide and pay for Utilities to the Real Property under this JOA, subject to the Contributing Party's obligation to reimburse the Managing Party for its Share of those Shared Costs under section 4 of this JOA. The Managing Party may make reasonable additions and alterations to the Common Area, the cost of which will be a Shared Cost, but the Managing Party must first obtain the written consent of the Contributing Party to those additions or alterations, which consent will not be unreasonably withheld, conditioned, or delayed. If the Contributing Party neither consents, nor provides to the Managing Party a reasonably-detailed description of its reasons for withholding its consent, within 30 days after the Contributing Party's receipt of the Managing Party's request for consent to the Common Area additions or alterations, the Contributing Party will be deemed to have consented, and will be responsible to pay its Share of the costs and expenses incurred by the Managing Party in making the Common Area alterations or additions described in the Managing Party's request for consent. Notwithstanding that the Grounds Area and the Parking Area are included within the definition of Common Area, the County is responsible for the Operation of the Grounds Area and the Parking Area, at its sole cost and expense, and the costs and

expenses incurred by the County for Operation of the Grounds Area and the Parking Area will not be included as a Shared Cost.

3.2.3 Correction of Deficiencies.

3.2.3.1 Deficiency. Upon the Managing Party's discovery of a Deficiency, the Managing Party must either (i) correct the Deficiency within 10 days, or (ii) if the Deficiency is a Major Deficiency, send a written notice to the Contributing Party, within three business days, describing the Major Deficiency and providing an estimate of the cost and time needed to correct the Major Deficiency ("**Major Deficiency Notice**"). If the Managing Party discovers or determines at any time that correction of the Major Deficiency will require additional costs exceeding the initial estimate, the Managing Party shall send a revised Major Deficiency Notice within three business days of the Managing Party's discovery or determination of the additional costs.

3.2.3.2 Contributing Party Deficiency Notice. The Contributing Party may at any time, but is not obligated to, send a written notice to the Managing Party describing the Deficiency (the "**Contributing Party Deficiency Notice**"). Upon receipt of any Contributing Party Deficiency Notice, the Managing Party must either: (i) correct the Deficiency by no later than 10 days after the Managing Party's receipt of the Contributing Party Deficiency Notice; or (ii) within three business days after the Managing Party's receipt of the Contributing Party Deficiency Notice, send a Major Deficiency Notice to the Contributing Party as described in section 3.2.3.1.

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

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

(a) If the Correcting Party is the Managing Party, the Correcting Party will be reimbursed for the non-correcting Party's Share of the actual costs to correct the Deficiency under section 4 of this JOA; provided, however, that in the event of a Major Deficiency, the Managing Party will not be entitled to reimbursement from the Contributing Party of any amount greater than the Contributing Party's Share of the estimated costs to correct the Major Deficiency that are set forth in the Correction Plan or revised Major Deficiency Notice; or

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

(c) If the non-correcting Party does not timely reimburse the Correcting Party for the non-correcting Party's Share of the costs of correction, the Correcting Party may offset the non-correcting Party's Share of the costs to correct the Deficiency against any amounts that the Correcting Party owes to the non-correcting Party under this JOA or any other agreement.

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

3.2.3.6 Not Applicable to Emergencies. This section 3.2.3 will not apply to any Deficiency that: (i) arises from an Emergency, and (ii) constitutes an imminent threat (a) to life, safety, health, or security, (b) of reduction in the value of the Contributing Party's Exclusive-Use Area or the Common Area, or (c) to the preservation

of the Contributing Party's files, records, and documents located in the Building. Rather, those Deficiencies will be governed by section 3.2.4 of this JOA. Any Deficiency that arises from an Emergency, but that does not constitute an imminent threat to the matters described in (ii) (a), (b), or (c) above, will be governed by section 3.2.3.

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

3.3 Parking. The County is responsible for the Operation of the Parking Area, at its sole cost and expense. At all times after Transfer, the Court's judges, staff, and Court users will have the right to use and occupy the Court Parking in the Parking Area. After Transfer, if any of the Court Parking becomes unavailable for Court use, or if the County wishes to relocate any of the Court Parking, the County must provide, at the County's sole cost, alternate parking for the Court of comparable convenience to the Building, and of at least the same number and type of spaces, as the Court Parking. The County must consult with the Court and the AOC before any relocation of the Court Parking, and the County must obtain the prior, written consent of the AOC, which consent will not be unreasonably withheld, before relocating any secured or reserved Court Parking spaces allocated for exclusive use of the Court. The Parties will use the Parking Area, excluding the reserved parking spaces in the Court Parking, on a first-come, first-served basis. The County will make commercially-reasonable efforts to cause its staff, employees, contractors, invitees, licensees, and patrons to refrain from parking in the Court Parking, and the AOC will make commercially-reasonable efforts to cause

the Court and Court's judges, staff, employees, jurors, contractors, invitees, licensees, and patrons to refrain from using more parking spaces in the Parking Area than are allocated to the Court Parking. If a Party gives written notice to the other Party that the employees or patrons of the other Party are parking in its portion of the Parking Area, the violating Party will make reasonable efforts to remedy those violations.

3.4 Cooperation. The Parties will cooperate with one another, reasonably and in good faith, to ensure that each Party can peacefully enjoy, possess, use, and occupy its Exclusive-Use Area and the Common Area. The Owner will cooperate in good faith with, and will make reasonable efforts to ensure that the Non-Ownning Party can exercise its rights and responsibilities under this JOA. Subject to any reasonable rules and restrictions, each Party will allow the other Party to enter its Exclusive-Use Area for any reasonable purpose related to the terms of this JOA or any other written agreement between the Parties. Either Party may delegate its responsibilities under this JOA to the other Party or to a third party, but that delegation will not relieve the delegating Party from its obligations under this JOA.

3.5 Security-Related Areas. The County will remain responsible for the secure entry, exit, transport, and holding of prisoners attending Court sessions and will have the right to enter the Court Exclusive-Use Area as reasonably necessary for that purpose.

3.6 Occupancy Agreements and Service Contracts. Each Party is responsible for any Occupancy Agreements affecting its Exclusive-Use Area, and the Managing Party is responsible for the management and administration of any Occupancy Agreements affecting the Common Area and any Service Contracts as that term is defined in section 2 above. In each case, each Party is responsible for the costs incurred in connection with Occupancy Agreements or Service Contracts that exclusively relate to its Exclusive-Use Area without contribution from the other Party. The Party that is responsible for each Occupancy Agreement is entitled to all income arising from it.

3.7 Obtaining Building Equipment Permits. The Managing Party is responsible for maintaining and renewing the Building Equipment Permits, except that the Contributing Party is responsible for maintaining and renewing any Equipment Permits for equipment or systems exclusively serving the Court Exclusive-Use Area.

3.8 Information Technology and Telephone Equipment. The County will be responsible for all voice and data wiring in the Building and the voice and data equipment ("**Data Equipment**") located in the electrical closet at the end of each wing of each floor of the Building and in the telephone closet near the Judge's chambers in the basement of the Building. The County will have the right to enter the Court Exclusive-Use Area, at times reasonably-convenient to the Court and the other Occupants of the

Court Exclusive-Use Area, for purposes of inspecting and Operation of the Data Equipment, as and when necessary. The County will continue to provide telecommunications services to the Court in the Court Facility, under the terms of the Telecommunications MOU. The cost of any necessary or agreed alterations, additions or repairs to any voice or data wiring or Data Equipment shall be a Shared Cost to the extent that the alterations, additions or repairs benefit the Parties' Exclusive Use Areas or the Common Area, except that any such costs that are the responsibility of the County or the Court under the Telecommunications MOU will be allocated and paid under the terms of the Telecommunications MOU and not included in Shared Costs.

3.9 Criminal Background Screening.

3.9.1 Access to Restricted Areas. Unless a person is responding to and correcting a Deficiency arising from an Emergency under section 3.2.4 of this JOA, only County employees and County Contractor employees who are screened or otherwise approved pursuant to section 3.9.2 of this JOA ("**Approved Persons**") may have unescorted access to Restricted Areas. Unapproved County employees and unapproved County Contractor employees may access Restricted Areas if they are escorted and monitored by any of the following: (1) an Approved Person, or (2) an employee of the Court if the Court's Executive Officer, or their designee, consents to a Court employee escorting and monitoring the unapproved person. The Managing Party must take all reasonable steps to ensure that Operation in and of all Restricted Areas is at all times consistent with this section 3.9.

3.9.2 Screening and Approval Process. Any County employees or County Contractor employees who will have unescorted access to the Restricted Areas after Transfer of Responsibility and who have not had access to the Restricted Areas prior to Transfer of Responsibility shall be approved by the Contributing Party before accessing the Restricted Areas without an escort. The Contributing Party may conduct background screening pursuant to this section before providing approval. The Contributing Party may utilize a Live Scan background check or, if the Live Scan system becomes unavailable during the Term of this JOA, another similar or successor system. **Attachment "5"** to this JOA sets forth the criteria for approval of a County employee or County Contractor employee based on the results of such screening. For the purpose of this provision, the Contributing Party agrees that any County employees or County Contractor employees who currently have unescorted access to Restricted Areas shall be deemed approved by the Contributing Party. County agrees to cooperate with the AOC with respect to the approval of County employees or County Contractor employees under this provision.

3.9.3 Identification of Approved Persons. The AOC will issue and provide an identification badge to each Approved Person bearing the Approved Person's name and picture, which badge will indicate that the Approved Person is permitted to access the Restricted Areas. In lieu of such an identification badge issued by the AOC, and upon the approval of the AOC, if the County issues identification badges to its employees, the may affix a sticker or other marking on the existing badges of Approved Persons to indicate their right to access Restricted Areas.. All Approved Persons must wear their identification badges in a readily-visible manner whenever they are in a Restricted Area.

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

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

4. SHARED COSTS

4.1 Payment of Estimated Shared Costs. The Managing Party will make timely, direct payment of all Shared Costs owed to third parties, and the Contributing Party is responsible to reimburse the Managing Party for its Share of all Shared Costs under this section 4. Within 90 days after the Effective Date, and within 30 days after the first day of each fiscal year thereafter, the Managing Party will deliver to the Contributing Party a statement (the “**Estimate Statement**”) itemizing the Estimated Shared Costs, which the Contributing Party will either comment on or approve within 30 days. If the Contributing Party disapproves any of the Estimated Shared Costs in the Estimate Statement, the Parties will promptly meet and discuss the reason for the disapproval. If the Parties reach agreement with respect to all Estimated Shared Costs, the Managing Party will, if necessary, revise the Estimate Statement, which both Parties

will approve. The Contributing Party is not obligated to make any payments of its Share of the Shared Costs until it has approved the Estimate Statement in writing. However, until the Contributing Party approves the Estimate Statement, it will pay its Share of the Shared Costs based on the approved Estimate Statement for the prior fiscal year, or, during the initial fiscal year of the Term, based on the County Facilities Payment. Upon approving the Estimate Statement, the Contributing Party will pay its Share of the Estimated Shared Costs based on the approved Estimate Statement, plus all additional amounts owed by the Contributing Party for the period during which the Parties were in the process of reaching agreement as to the Estimate Statement. Payment of Estimated Shared Costs will be made in equal quarterly installments on the first day of each fiscal quarter, subject to this JOA.

4.2 Payment of Actual Shared Costs. Within 30 days after the end of each fiscal quarter, the Managing Party will deliver to the Contributing Party a statement (the “**Quarterly Invoice**”) itemizing the actual Shared Costs incurred during the previous fiscal quarter (“**Actual Shared Costs**”). Within 30 days after a written request by the Contributing Party, the Managing Party will also deliver to the Contributing Party copies of supporting documents for any of the Actual Shared Costs shown on the Quarterly Invoice. If the Actual Shared Costs are less than the Estimated Shared Cost for the applicable fiscal quarter, the Managing Party will refund the amount overpaid to the Contributing Party within 30 days after the Managing Party’s delivery of the Quarterly Invoice, except that if the Contributing Party consents, the Managing Party may retain the overpayment and offset it against future amounts owed by the Contributing Party under this JOA. If the Actual Shared Costs are greater than the Estimated Shared Costs for the applicable fiscal quarter (“**Excess Costs**”), the Contributing Party will pay such Excess Costs to the Managing Party within 30 days after its receipt of the Quarterly Invoice, except that (a) if the Excess Costs are more than 10 percent of the Estimated Shared Costs for any fiscal quarter, or (b) if the Contributing Party has requested, but not received, supporting documents for any Excess Costs by 10 days prior to the date that payment is due, the Contributing Party will continue to make payment of its Share of the Shared Costs based on the Estimate Statement, or as otherwise agreed under section 4.3 of this JOA, but may defer payment of the Excess Costs (or, in the case of (b) above, the Excess Costs to which the supporting documents relate) for that fiscal quarter, until the Parties have met and reached an agreement regarding the amount of the Excess Costs, under section 3.2.3.5 or section 4.3 of this JOA, whichever is applicable.

4.3 Notice of Anticipated Excess Costs. Prior to incurring any Shared Cost that the Managing Party reasonably believes will result in an Excess Cost in an amount greater than 10 percent of the Estimated Shared Costs shown on the Estimate Statement, the Managing Party must give written notice to the Contributing Party describing the

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

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

4.5 Parking Area and Grounds Area.

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

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

4.6 Property Insurance Costs. The County will promptly notify the AOC of any change to the Property Insurance Policies or the Property Insurance Costs that the County is required to make in connection with the Bonded Indebtedness or under the BI Documents, and the County will not make any changes to the Property Insurance Policies that are not so required without the prior written consent of the AOC.

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

If to the AOC:

Administrative Office of the Courts
Office of Court Construction and Management
2860 Gateway Oaks, Suite 400
Sacramento, CA 95833
Attention: Regional Manager of the Northern and Central
Region of the Facilities Management Unit
Phone: (916) 263-7886
Fax: (916) 263-8140

If to the County:

Chief Administrative Office
Attention: Chief Administrative Officer
330 Fair Lane
Placerville, CA 95667
Voice: (530) 621-5567
Fax: (530) 626-5730

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

5.1 Right of First Refusal and Increase of Space In Building

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

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

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

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

5.2 Compatible Use; Hazardous Substances.

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

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

5.3 Vacate Right Pursuant to Section 70344(b) of the Act. After the Effective Date, if either Party is entitled to and does exercise its rights under section 70344(b) of the Act, the Party that is required to vacate the Building ("**Vacating Party**") must remove all of its property from, and surrender to the other Party full possession of, the space vacated ("**Vacated Space**") within 90 days after the Parties agree on the amount of compensation to be paid to the Vacating Party for (i) its Equity in the Vacated Space, and (ii) its relocation costs. The Vacating Party must repair, at its sole cost, any damage it causes to any part of the Real Property in removing its property from the Vacated Space. If the Parties cannot agree on the value of the Vacating Party's Equity in the Vacated Space, the Parties will select a mutually-acceptable Appraiser to determine the fair market value of the Vacating Party's Equity in the Vacated Space. If the Parties cannot agree on the fair market value of the Vacating Party's relocation costs, the Parties will select a mutually-acceptable relocation expert with at least five years of experience in determining relocation costs in California ("**Expert**"), to determine the fair market value of the Vacating Party's relocation costs. Any Appraiser or Expert will deliver to both Parties its determination of value, and each Party will be responsible for one-half of the costs of the Appraiser or Expert. Any disputes under this section 5.3 will be resolved under section 11 of this JOA. The Parties will enter into an Equity Rights Purchase Agreement, substantially similar to **Attachment "3"** attached to this JOA, to memorialize the terms of the purchase of the Vacating Party's Equity in the Vacated Space, and the Parties must enter into a Termination Agreement, substantially similar to **Attachment "4"** attached to this JOA, when the Vacating Party has vacated the Vacated Space. Notwithstanding this provision, during the period and to the extent that the Bonded Indebtedness is outstanding with respect to the Building, (i) the AOC shall not exercise any right it may have to make an election pursuant to section 70344(b) of the Act to purchase the County's Equity rights in the Building, and (ii) if the AOC has any Equity rights in, to, or with respect to the Building and the AOC is required to vacate the Building for reasons unrelated to Property Loss, then the Parties agree to proceed pursuant to section 70344(c) of the Act. Nothing in this provision shall preclude the

Parties from agreeing to an alternate resolution in place of the County's obligation to provide "suitable and necessary" facilities under sections 70325(c) or 70344(c) during the period the Bonded Indebtedness is outstanding, including, but not limited to, the payment of agreed compensation by the Owner to the AOC in exchange for the AOC's release of any alleged rights or entitlements established by the Act.

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

6. INSURANCE

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

6.1.1 Property Insurance Policies to be Maintained. The Managing Party 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 Contributing Party's obligation to pay its Share of those costs in accordance with section 4 of this JOA. The Managing Party will include by specific endorsement to each of the Property Insurance Policies the Judicial Council of California, the Administrative Office of the Courts, and the Court as insureds or covered parties, as appropriate, and joint loss payees for any Property Damage Claim payable under the terms and conditions of the Property Insurance Policies, with the same coverages and limits as the named insured under the Property Insurance Policies.

6.1.2 Allocation of Risk for Property Damage Claims. While the Managing Party is providing and maintaining the Property Insurance Policies, and the Contributing Party is paying its portion of the Property Insurance Costs under sections 4.1 and 4.2 and subject to section 4.6 of this JOA, the Managing Party will bear all of the risk arising from Property Damage Claims, and Managing Party hereby waives, and will cause the providers of its Property Insurance Policies to waive, all rights of recovery against the Contributing Party and its applicable insurer(s) for any Property Damage Claims payable under the terms and conditions of the Property Insurance Policies. The

Managing Party will be solely and exclusively responsible to tender to the providers of its Property Insurance Policies, and to process and pursue to final resolution, any and all Property Damage Claims, including (if covered by the Property Insurance Policies) claims for costs associated with obtaining and relocating Court operations to alternate space while any portion of the Real Property is being repaired or replaced. The Parties acknowledge that property insurance is “no fault” insurance; therefore, if any Property Loss occurs, there are no exclusions or conditions to payment, irrespective of the acts or omissions of either Party, other than those exclusions specifically set forth in the Property Insurance Policies.

6.1.3 Compliance with Property Insurance Policies. While the Managing Party is providing and maintaining the Property Insurance Policies under this JOA, the Managing Party will provide the Contributing Party with verification that the Property Insurance Policies are in full force and effect and, at the request of the Contributing Party, 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 Managing Party has provided to the Contributing Party.

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

6.1.4.1 Property Insurance Proceeds. Upon the occurrence of any Property Loss, the Parties will promptly meet and confer, in good faith, to determine (i) how the proceeds of the Property Insurance Policies arising from the Property Damage Claim will be allocated and used, it being agreed that the deductible required under the Property Insurance Policies will be allocated to the Parties on a pro rata basis according to their respective occupancy rights in the parts of the Damaged Property, and (ii) what notice will be given by the County to the Trustee under the BI Documents concerning those insurance proceeds. The AOC will have the right to meaningful participation with the County in deciding whether to restore or replace the Damaged Property. The meeting will be held, in person or by telephone, by no later than 30 days before the date that the County must give notice to the Trustee under section 5.07 of the BI Document entitled Indenture of Trust dated November 1, 1989. In no event will the insurance proceeds arising from a Property Damage Claim be allocated or used in a manner that results in a breach or default by the County under the BI Documents. The County must continue to

make all payments and perform all of its obligations under the BI Documents until the Bonded Indebtedness has been fully repaid and satisfied, notwithstanding the Property Loss.

6.1.4.2 Decision Not to Restore or Replace. If, as a result of the meeting described in section 6.1.4.1 above, the Parties decide that the applicable insurance proceeds arising from the Property Damage Claim will not be used to restore or replace the Damaged Property, and if any of the Contributing Party's Exclusive-Use Area is uninhabitable as a result of the Property Loss, then the Managing Party agrees to provide the Contributing Party with an alternate "suitable and necessary" space as described in section 70311 of the Act. The alternate space shall be subject to the approval of the Administrative Director of the Courts. Once the alternate space is approved by the Administrative Director of the Courts, the Managing Party may use any available proceeds of the Property Insurance Policies to offset the Managing Party's cost of providing such alternate space, and such cost shall also be offset dollar for dollar by any insurance recovery the Contributing Party receives from its insurers provided that (a) from the date of the Property Loss until such time as the Managing Party relocates the Contributing Party to the alternate space, the Contributing Party may use available proceeds of its insurance policies and the Property Insurance Policies to the extent related to and necessary to conduct its operations as conducted at the Court Facility prior to the date of the Property Loss, and the total amount of any such proceeds used by the Contributing Party shall not be used by the Managing Party to offset the costs of providing the alternate space, and (b) the Contributing Party shall be entitled to retain any insurance recovery it receives from its insurers that is directly related to direct physical damage of its Personal Property or business income loss. Subject to the following requirement of this section 6.1.4.2 regarding good faith negotiation of modifications, all terms of this JOA (other than those that describe the features and terms that are specific to the Building "C" County Courthouse) will remain in full force and effect, and will apply to the Contributing Party's occupancy of, and the respective rights and responsibilities of the Contributing Party and the Court for occupancy and use of, the alternate court facility space provided by the Managing Party, including the Contributing Party's obligation to reimburse the Managing Party for its Share of all Shared Costs under section 4 of this JOA. The Parties will work together, reasonably and in good faith, to modify the terms of this JOA to describe the alternate space and, if applicable, the Parties' respective proportionate Shares, rights, and responsibilities in respect of the alternate space, to the extent that the terms of this JOA do not accurately reflect the agreement of the Parties as it relates to the alternate space. The foregoing provisions shall not relieve the County of its obligation to continue to pay the County Facilities Payment pursuant to the Act and section 6 of the Agreement. If the Court Facilities Payment does not accurately reflect the cost of maintaining the alternate space, the

Parties agree to recalculate the Court Facilities Payment based on the same inflation index that was used in the original Court Facilities Payment. The foregoing provisions shall not alter the effectiveness of the Transfer of Responsibility accomplished by the Transfer Agreement. Nothing in this provision shall preclude the Parties from agreeing to a different resolution in place of the County's obligation to provide an alternate "suitable and necessary" space under this section 6.1.4.2, including but not limited to, the payment of agreed compensation by the Owner to the AOC in exchange for the AOC's release of any alleged rights or entitlements established by this section 6.1.4.2 or the Act.

6.2 Reporting and Processing Claims.

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

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

6.3 Third-Party Contractor Insurance. Each Party must require each of its Contractors to (i) obtain and maintain insurance of the type and with coverage amounts that are usual and customary to the type of business or exposures related to the work being performed on the Real Property, (ii) name both Parties as additional insureds by specific endorsement to their general liability policies, (iii) provide a waiver of subrogation in favor of both Parties with respect to all property insurance policies, and (iv) provide to the Parties a 30-day notice of cancellation or material change in any insurance coverage required hereunder. Unless the Parties otherwise agree, all Contractors must indemnify, defend, and hold harmless the County Parties and the State Parties from and against all claims, demands, liabilities, damages, attorney fees, costs, expenses, and losses arising from the performance by the Contractors under their

contracts, and neither Party waives any right of recovery or subrogation against the other in respect of their contractual arrangements with the Contractors.

6.4 Workers' Compensation Coverage. Each Party will each maintain its own workers' compensation insurance covering its own employees, and neither Party will have any liability or responsibility for workers' compensation insurance coverage for employees of the other Party.

7. DAMAGE OR DESTRUCTION

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

7.1.1 Allocation of Property Insurance Proceeds. In the event of a Property Loss, except as specified in sections 6.1.4.2 and 7.5 of this JOA, each Party will be entitled to the proceeds payable under the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area, it being agreed that the deductible required under the Property Insurance Policies will be allocated to the Parties on a pro rata basis according to their respective occupancy rights in the parts of the Damaged Property. If one or more Property Damage Claims is fully and finally resolved in an amount that exceeds the applicable amount payable under all of the Property Insurance Policies, or if any Property Loss is not covered by the Property Insurance Policies through no fault of the Owner, then if both Parties elect to restore or replace the Damaged Property, each Party will pay the amounts that exceed the coverage of the Property Insurance Policies to the extent the Property Loss is attributable to its Exclusive-Use Area or its Share of the Common Area. By way of example only, if the total amount of the Property Damage Claim is \$1,250,000, and if 40 percent is attributed to damage in the Court Exclusive-Use Area, 35 percent is attributed to damage in the County Exclusive-Use Area, and 25 percent is attributed to damage in the Common Area, and the total amount payable under the Property Insurance Policies is \$1,000,000, then the AOC would be entitled to insurance proceeds in the amount of \$400,000 (for the damage to the Court Exclusive-Use Area), the County would be entitled to insurance proceeds of \$350,000 (for damage to the County Exclusive-Use Area), and the Parties would share the remaining \$250,000 of insurance proceeds in accordance with their respective Shares. With respect to the uninsured \$250,000 portion of the Property

Damage Claim, the AOC would be responsible to pay \$100,000 (40 percent of \$250,000) in respect of its Exclusive-Use Area, plus an amount equal to the AOC Share of the \$62,500 (25 percent of \$250,000) in respect of the Common Area, and the County would be responsible to pay (if both Parties elect to restore or replace the Damaged Property) the balance of the uninsured loss. The Owner will assign and deliver to the Non-Ownning Party all insurance proceeds owed to the Non-Ownning Party effective upon its receipt of those proceeds.

7.2 Damage or Destruction Event. If, due to Property Loss, the Real Property cannot be occupied by one or both Parties, then except as provided in sections 6.1.4.2 and 7.5 of this JOA, each Party will be solely responsible for: (i) arranging its own relocation to and occupancy of alternate space, and (ii) paying for all costs associated with its own relocation to and occupancy of alternate space. Promptly after a Property Loss, the Parties will comply with the provisions of sections 6.1.2 and 7.1, and as promptly as possible, but in no event later than 180 days after a Property Loss, each Party will notify the other in writing (“**Restoration Election Notice**”) whether it wishes to restore or replace the Damaged Property.

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

7.4 Only One Party Elects to Restore or Replace. If, based on the Restoration Election Notices, only one Party elects to restore or replace the Damaged Property, then within 30 days after the Parties’ Restoration Election Notices are given, the Parties must meet and confer in good faith to determine how to proceed with respect to (i) the Damaged Property; (ii) the proceeds of the Property Insurance Policies, if any, to which each Party is entitled as indemnity for direct physical loss or damage under section 7.1.1, above, and (iii) compensation for the Equity rights of either Party in the Real Property, if applicable. If the Parties cannot agree on those matters, they will proceed as set forth in section 11 of this JOA. Until the Parties have reached a final agreement concerning how the foregoing issues will be resolved, neither Party will use any applicable insurance proceeds that are in dispute. Those insurance proceeds will only be used in accordance with the Parties’ final resolution of those issues.

7.5 Neither Party Elects to Restore or Replace. If the County elects not to restore or replace the Damaged Property and neither Party will occupy the Building, then the Owner will have the option to either (i) compensate the Non-Owning Party for its Equity rights in the uninhabitable part of the Non-Owning Party's Exclusive Use Area and the Non-Owning Party's Share of the Common Area, and the Non-Owning Party will be solely responsible for its own relocation to and occupancy of alternate space, or (ii) provide the Non-Owning Party with, and relocate the Non-Owning Party to, an alternate "suitable and necessary" space as described in section 70311 of the Act. If the Owner selects the option described in (i) of this section 7.5: (1) the Owner shall be entitled to all the proceeds of the Property Insurance Policies related to direct physical damage to the Building otherwise payable to the Non-Owning Party pursuant to section 7.1 of this Agreement to offset the cost of Owner's Equity payment to the Non-Owning Party in an amount not to exceed the Equity payment obligation; (2) when the Non-Owning Party has been compensated for its Equity rights under this section 7.5, the Parties will terminate this JOA by signing a Termination Agreement and recording it in the County Recorder's Office; and (3) section 4.3 of the Transfer Agreement, excluding sections 4.3.9, 4.3.11 and 4.3.13 shall terminate automatically by operation of this section when the Non-Owning Party receives the Owner's Equity Payment. If the Owner selects the option described in (ii) of this section 7.5: (1) the alternate space shall be subject to the approval of the Administrative Director of the Courts; (2) once the alternate space is approved by the Administrative Director of the Courts, the Owner shall be entitled to all the proceeds of the Property Insurance Policies otherwise payable to the Non-Owning Party pursuant to section 7.1 of this Agreement to offset the Owner's cost of providing such alternate space, and such cost shall also be offset dollar for dollar by any insurance recovery the Non-Owning Party receives from its insurers as a result of the Property Loss, provided that (a) from the date of the Property Loss until such time as the Owner relocates the Non-Owning Party to the alternate space, the Non-Owning Party may use the available proceeds of its insurance policies and the Property Insurance Policies to the extent related to the reasonable and necessary extra expense of conducting its operations under the circumstances, and the reasonable amount of any such proceeds used by the Non-Owning Party shall not be used by the Owning Party to offset the costs of providing the alternate space, and (b) the Non-Owning Party shall be entitled to retain any insurance recovery it receives from its insurers that is directly related to direct physical damage of its Personal Property or business income loss; and (3) all terms of this JOA (other than those that describe the features and terms that are specific to the Building "C" County Courthouse) will remain in full force and effect, and will apply to the Non-Owning Party's occupancy of, and the respective rights and responsibilities of the Non-Owning Party and the Court for occupancy and use of, the alternate court facility space provided by the Owner, including the Non-Owning Party's obligation to reimburse the Managing Party for its Share of all Shared Costs under section 4 of this JOA, provided

that the Parties will work together, reasonably and in good faith, to modify the terms of this JOA to describe the alternate space and, if applicable, the Parties' respective proportionate Shares, rights, and responsibilities in respect of the alternate space, to the extent that the terms of this JOA do not accurately reflect the agreement of the Parties as it relates to the alternate space. The foregoing provisions shall not relieve the County of its obligation to continue to pay the County Facilities Payment pursuant to the Act and section 6 of the Agreement. The foregoing provisions shall not alter the effectiveness of the Transfer of Responsibility accomplished by the Transfer Agreement. Nothing in this provision shall preclude the Parties from agreeing to a different resolution in place of the County's obligations under this section 7.5, including but not limited to, the payment of agreed compensation by the Owner to the AOC in exchange for the AOC's release of any alleged rights or entitlements established by this section 7.5 or the Act.

8. INDEMNIFICATION

8.1 Indemnification Obligation of State Parties. The State Parties will and do indemnify, defend, and hold harmless the County Parties, with counsel reasonably acceptable to the County Parties, from and against all Indemnified Loss arising from (1) all AOC Claims, and (2) Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a State Party.

8.2 Indemnification Obligation of County Parties. The County Parties will and do indemnify, defend, and hold harmless the State Parties, with counsel reasonably acceptable to the State Parties, from and against all Indemnified Loss arising from Liability Claims where and to the extent that the Liability Claims result from the willful misconduct or negligent acts, errors, or omissions of a County Party.

8.3 Indemnified Party's Participation. The indemnifying Party must manage and be entirely responsible to handle and resolve all Liability Claims for which it is responsible under sections 8.1 or 8.2, 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 reasonably cooperate with the indemnified Party, and the attorney retained by the indemnified Party, but the indemnifying Party retains the sole discretion regarding the resolution of claims for which it is responsible under sections 8.1 or 8.2

8.4 Effect of Indemnification Rights. The rights of a Party to be indemnified under sections 8.1 or 8.2 of this JOA will not be deemed or construed to limit or diminish the obligation of the indemnified Party to perform its duties at Law or under any agreement between the County Parties and the State Parties.

9. CONDEMNATION

If either Party receives written notice advising of an actual or intended condemnation of the Real Property (“**Condemnation Notice**”), that Party will immediately deliver a copy of the Condemnation Notice to the other Party. In the event of an actual condemnation, the Parties will cooperate with each other in good faith to obtain the maximum award that may be obtained from the condemning authority, each Party will be solely responsible to for: (i) arranging its own relocation to and occupancy of alternate space and (ii) paying all costs associated with its own relocation to and occupancy of alternate space, and each Party will be entitled to its Share of the condemnation proceeds. The Parties agree that in the event of a condemnation and the payment of condemnation proceeds to the AOC pursuant to this section, the County shall remain relieved of its obligation to provide necessary and suitable facilities under Section 70311 of the Act. Nothing in this section shall relieve the County of its obligations under section 6 of this Agreement.

10. DEFAULT NOTICE AND CURE

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

11. DISPUTE RESOLUTION

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

12. NOTICES

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

13. MISCELLANEOUS

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

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

13.3 Assignment. Neither Party may assign this JOA in whole or in part, whether by operation of law or otherwise, to any other entity, agency, or person without the prior written consent of the other Party. Even if that consent is given, any assignment made in contravention of any Law will be void and of no effect.

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

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

13.6 Construction. The headings used in this JOA are for convenience only and will not affect the meaning or interpretation of this JOA. The words "hereof," "herein," and "hereunder," and other words of similar import, refer to this JOA as a whole and not to any subdivision of this JOA. Both Parties have reviewed and negotiated this JOA, and this JOA will not be construed against a Party as the principal draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively.

13.7 Integration; Amendments. This JOA and the Agreement contain the entire agreement of the Parties with respect to the subject matter of this JOA, and supersede all

previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This JOA may be amended only by written agreement signed by both of the Parties.

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

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

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

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

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

[signature page follows]

I agree to the terms of this JOA.

APPROVED AS TO FORM:

ADMINISTRATIVE OFFICE OF THE
COURTS, OFFICE OF THE GENERAL
COUNSEL

By: _____
Name: Leslie G. Miessner, Attorney
Date: _____

ATTEST:
Cindy Keck, Clerk of the Board

By: _____
Cindy Keck

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

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

**COUNTY OF EL DORADO, a political
subdivision of the State of California**

By: _____
Name: Rusty Dupray
Title: Chair, Board of Supervisors
Date: _____

LIST OF ATTACHMENTS

| | |
|----------------|---|
| Attachment "1" | Legal Description of Land |
| Attachment "2" | Site Plan of Real Property |
| Attachment "3" | Form of Equity Rights Purchase Agreement |
| Attachment "4" | Form of Termination of Joint Occupancy Agreement |
| Attachment "5" | Criteria for Approving County Employees and County Contractors with Respect to Background Checks |

ATTACHMENT "1" TO JOA

LEGAL DESCRIPTION OF LAND

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

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 10 NORTH, RANGE 10 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE TRACT OF LAND HEREIN DESCRIBED, A 1 1/2 INCH CAPPED IRON PIPE, BEING A CORNER OF THE EL DORADO COUNTY FAIR GROUNDS, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 13, BEARS NORTH 53° 32' 30" WEST, 1236.60 FEET; THENCE FROM SAID POINT OF BEGINNING, ALONG AN EXISTING FENCE LINE, SOUTH 84° 46' EAST, 644.56 FEET, TO AN 18 INCH OAK; THENCE CONTINUING ON FENCE, ALONG WESTERLY SIDE OF A LANE SOUTH 12° 47 WEST, 167.59 FEET, A 16 INCH OAK; THENCE SOUTH 18° 31' WEST 307.51 FEET, A 24 INCH OAK; THENCE SOUTH 0° 30' WEST 341.94 FEET, A 3/4 INCH IRON PIPE AT AN ANGLE IN FENCE; THENCE SOUTH 31° 11' EAST, 104.93 FEET, A CORNER FENCE POST; THENCE LEAVING LAST DESCRIBED FENCE AND ALONG A FENCE ON THE SOUTHERLY SIDE OF A PEAR ORCHARD SOUTH 62° 46' WEST, 126.36 FEET, A FENCE POST; THENCE LEAVING SAID FENCE NORTH 81° 22' WEST 450.78 FEET TO A POINT IN THE EAST FENCE LINE OF EL DORADO COUNTY FAIR GROUNDS, THENCE ALONG SAID FENCE NORTH 0° 01' WEST, 935.63 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 10 NORTH, RANGE 10 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER THEREOF A 1 1/2 INCH CAPPED IRON PIPE, A CORNER OF THE EL DORADO COUNTY FAIR GROUNDS AND FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 13 BEARS NORTH 53° 32' 30" WEST 1236.60 FEET DISTANT; THENCE ALONG A FENCE LINE SOUTH 84° 46' EAST 10.05 FEET TO THE NORTHEAST CORNER, A 1 INCH CAPPED IRON PIPE STAMPED L.S. 2403 1970; THENCE SOUTH 0° 01' EAST 936.22 FEET TO THE SOUTHEAST CORNER, A 1 INCH CAPPED IRON PIPE STAMPED LS 2403 1970, SET

IN A FENCE LINE; THENCE NORTH 81° 22' WEST 10.14 FEET TO A 8 INCH ROUND CORNER FENCE POST; THENCE ALONG THE EXISTING FENCE MARKING THE EL DORADO COUNTY FAIR GROUNDS NORTH 0° 01' WEST 935.63 FEET TO THE POINT OF COMMENCEMENT.

APN: 325-280-24-100

**ATTACHMENT "2" TO JOA
SITE PLAN OF REAL PROPERTY**

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

1. PURPOSE

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

2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

“**Grant Deed**” means the “Grant Deed” as defined in the Transfer Agreement.

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

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

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

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

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

3. PURCHASE OF EQUITY RIGHTS

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

3.2 Compensation. The Compensation for the Equity Purchase is \$ _____, which amount will be paid by the Majority Occupant to the Minority Occupant [in a lump sum on the earlier of (1) the date that the Minority Occupant actually vacates the Building, or (2) the date on which the Grant Deed is recorded in connection with the transfer of title under the Transfer Agreement.] **OR** [describe].

3.3 Relocation Costs. The Majority Occupant will be responsible for the moving expenses of the Minority Occupant at the fair market rate. The Majority Occupant will, at its sole expense, make arrangements for the furniture, equipment, supplies, and other personal property of the Minority Occupant that are located in the

Building to be packed and moved, by a professional business relocation service, from the Real Property to the alternate location specified by the Minority Occupant or, at the sole option of the Minority Occupant, the Minority Occupant may engage its own moving and relocation company to perform its move and the Majority Occupant will reimburse the Minority Occupant's actual relocation costs in an amount not to exceed the amount that would have been charged by the Majority Occupant's professional relocation company for the same relocation services. In no event will the Majority Occupant be responsible for any costs incurred by the Minority Occupant in searching for, identifying, leasing, purchasing, improving, furnishing, or otherwise preparing for occupancy the Minority Occupant's alternate premises, including without limitation, any brokerage commissions, finders' fees, closing costs, tenant improvement costs, or consultant's fees. The terms of this section 3.3 will survive the consummation of the Equity Purchase until _____, 200__ [**Note: This should be the same date as the deadline for vacation of the Real Property by the Minority Occupant set forth in section 4.3 below**].

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

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

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

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

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

4. CLOSING THE EQUITY PURCHASE TRANSACTION

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

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

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

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

5. MISCELLANEOUS

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

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

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

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

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

5.6 Construction. The headings used in this Agreement are for convenience only and will not affect the meaning or interpretation of this Agreement. This Agreement will not be construed against any Party as the principal draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively.

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

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

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

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

5.11 Notices. Any notices or other communications to be sent by one Party to the other under this Agreement will be sent and deemed received in accordance with the "Notices" provision of section 12 of the Transfer Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

I agree to the terms of this Agreement.

APPROVED AS TO FORM:

ADMINISTRATIVE OFFICE OF THE
COURTS, OFFICE OF THE GENERAL
COUNSEL

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

By: _____
Name: _____
Date: _____

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

ATTEST:
_____, Clerk of the Board

**COUNTY OF EL DORADO, a political
subdivision of the State of California**

By: _____
Deputy

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

EXHIBIT “A”

Copy of Floor Plan

[see attached]

ATTACHMENT "4" TO JOA

FORM OF TERMINATION OF JOINT OCCUPANCY AGREEMENT

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

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

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

APN No. 325-280-24-100

TERMINATION OF JOINT OCCUPANCY AGREEMENT

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

RECITALS

A. On _____, 2008, the County and the AOC entered into a Transfer Agreement For The Transfer of Responsibility For Court Facility (the "**Transfer Agreement**"). Under the Transfer Agreement, the County transferred to the AOC responsibility for funding and operation of the Building "C," which is located in a building on certain real property in the City of Placerville, County of El Dorado, State of California and having a street address of 2850 Fairlane Court (as more completely described in the Transfer Agreement, the "**Real Property**"). The legal description of the Real Property is attached to this Termination as **Attachment 1**

B. Under the Transfer Agreement, the AOC and the County also entered into a Joint Occupancy Agreement dated [REDACTED], 2008 ("**JOA**"), setting forth the parties'

respective rights and obligations with respect to the shared occupancy and use of the Real Property.

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

D. The JOA has now been terminated by the County and the AOC, and is no longer of any force or effect, except for the terms of the JOA that expressly survive the termination of the JOA.

E. The County and the AOC now wish to record this Termination to memorialize the termination of the JOA and the Memorandum.

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

1. The JOA and the Memorandum are terminated, and are no longer of any force or effect, except for those terms of the JOA that the parties have expressly agreed in writing will survive the termination of the JOA.

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

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

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS

ADMINISTRATIVE OFFICE OF THE COURTS, OFFICE OF THE GENERAL COUNSEL

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

By: _____
Name: _____
Date: _____

ATTEST:

COUNTY OF EL DORADO, a political subdivision of the State of California

_____, Clerk of the Board

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Deputy

STATE OF CALIFORNIA)
) SS.

COUNTY OF _____)

On _____, 2008, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

NOTARY PUBLIC

Seal

STATE OF CALIFORNIA)
) SS.

COUNTY OF _____)

On _____, 2008, before me, _____,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they

executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

NOTARY PUBLIC

Seal

EXHIBIT "1"

LEGAL DESCRIPTION OF THE REAL PROPERTY

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

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 10 NORTH, RANGE 10 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE TRACT OF LAND HEREIN DESCRIBED, A 1 1/2 INCH CAPPED IRON PIPE, BEING A CORNER OF THE EL DORADO COUNTY FAIR GROUNDS, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 13, BEARS NORTH 53° 32' 30" WEST, 1236.60 FEET; THENCE FROM SAID POINT OF BEGINNING, ALONG AN EXISTING FENCE LINE, SOUTH 84° 46' EAST, 644.56 FEET, TO AN 18 INCH OAK; THENCE CONTINUING ON FENCE, ALONG WESTERLY SIDE OF A LANE SOUTH 12° 47 WEST, 167.59 FEET, A 16 INCH OAK; THENCE SOUTH 18° 31' WEST 307.51 FEET, A 24 INCH OAK; THENCE SOUTH 0° 30' WEST 341.94 FEET, A 3/4 INCH IRON PIPE AT AN ANGLE IN FENCE; THENCE SOUTH 31° 11' EAST, 104.93 FEET, A CORNER FENCE POST; THENCE LEAVING LAST DESCRIBED FENCE AND ALONG A FENCE ON THE SOUTHERLY SIDE OF A PEAR ORCHARD SOUTH 62° 46' WEST, 126.36 FEET, A FENCE POST; THENCE LEAVING SAID FENCE NORTH 81° 22' WEST 450.78 FEET TO A POINT IN THE EAST FENCE LINE OF EL DORADO COUNTY FAIR GROUNDS, THENCE ALONG SAID FENCE NORTH 0° 01' WEST, 935.63 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 10 NORTH, RANGE 10 EAST, MDB&M, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER THEREOF A 1 1/2 INCH CAPPED IRON PIPE, A CORNER OF THE EL DORADO COUNTY FAIR GROUNDS AND FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 13' BEARS NORTH 53° 32' 30" WEST 1236.60 FEET DISTANT; THENCE ALONG A FENCE LINE SOUTH 84° 46' EAST 10.05 FEET TO THE NORTHEAST CORNER, A 1 INCH CAPPED IRON PIPE STAMPED L.S. 2403 1970; THENCE SOUTH 0° 01' EAST 936.22 FEET TO THE SOUTHEAST CORNER, A 1 INCH CAPPED IRON PIPE STAMPED LS 2403 1970, SET IN A FENCE LINE; THENCE NORTH 81° 22' WEST 10.14 FEET TO A 8 INCH ROUND CORNER FENCE POST; THENCE ALONG THE EXISTING FENCE MARKING THE EL

DORADO COUNTY FAIR GROUNDS NORTH 0° 01' WEST 935.63 FEET TO THE
POINT OF COMMENCEMENT.

APN: 325-280-24-100

ATTACHMENT "5" TO JOA

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

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

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

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

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

APPENDIX 1 TO ATTACHMENT “5”

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

1. Property Crimes. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).
2. Assaultive Crimes. Assault by force likely to produce grievous bodily injury; assault with deadly weapon; assault with intent to murder; assault with intent to rape; battery of non-inmate by inmate; battery on peace officer; corporal injury to child; discharge a firearm; false imprisonment; robbery; shooting at inhabited dwelling; and spousal battery.
3. Homicide. Murder; second degree murder; and voluntary manslaughter.
4. Sex Crimes. Assault with intent to rape; indecent exposure; lewd act on child; pimping and pandering; rape; statutory rape; and sexual battery.
5. Escape. Escape with or without violence; and evading a peace officer.
6. Drug Crimes. Maintaining a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.
7. Weapons. Felon in possession of firearm; possession or conspiracy to possess illegal firearm; and possession of deadly weapon with intent to assault.
8. Other. Felony drunk driving; felony false imprisonment; felony hit and run; kidnapping; terrorist threat; bribery; extortion; and perjury.