

renewed Lease and the proposed amount of the rent in the extended or renewed Lease, which consent the AOC shall not unreasonably withhold, delay, or condition. Notwithstanding the AOC's consent to the length of the extended or renewed term of the Lease and the amount of the rent for the extended or renewed Lease, the County shall remain responsible for the Lease unless and until the Transfer of Responsibility has been completed for the Court Facility in the Existing Building in accordance with section 4.3 of this Agreement.

4.3 Failure to Construct New Clerk's Building. If, and only if, Construction Agreements for the New Clerk's Building have not been entered into and fully executed by December 31, 2009, the County and the AOC will promptly amend the terms of this Agreement to provide for completion of Transfer of Responsibility under the terms of the Act for the Court Facility in the Existing Building. To this end, the Parties will enter into an amendment to this Agreement, which amendment shall include: (i) assignment of the Lease for the Court Facility in the Existing Building from the County to the AOC; and (ii) the commencement of the County's obligation to pay the County Facilities Payment in the amounts set forth in section 5.2.1 of this Agreement, as adjusted under section 70359 of the Act, on the Responsibility Transfer Date; and (iii) the AOC's assumption of responsibility for funding and operation of the Court Facility on and after the Responsibility Transfer Date.

5. COMPLETION OF NEW COURTHOUSE FACILITY

5.1. Replacement of Existing Building. Upon completion of all of the following:

- (i) the County has provided the AOC with the Project Completion Notice; and
- (ii) the Occupancy Date has occurred;

then, the New Clerk's Building will be deemed to have fully replaced the Court Facility in the Existing Building, and the following shall immediately apply:

- (a) The County will be relieved of any responsibility under section 70311 of the Act for providing to the Court those necessary and suitable court facilities currently located in the Existing Building, except as otherwise provided in the Act, in accordance with section 70312 of the Act, except that relieving the County of its obligations under section 70311 of the Act does not relieve the County of its ongoing obligation to pay the County Facilities Payment, as provided in the Act and section 5.2.2 of this Agreement; and

(b) The AOC will have relinquished any and all right, title, and interest it has or may have under the Act, including any Equity rights or interest, in or to the Court Facility located in the Existing Building as provided in section 5.3 of this Agreement.

5.2. County Facilities Payment.

5.2.1. County Facilities Payment Upon Failure to Construct New Clerk's Building. If, and only if, County has not entered into and fully executed the Construction Agreements for the New Clerk's Building by **December 31, 2009** and the Transfer of Responsibility for the Court Facility in the Existing Building is completed, the County shall promptly submit to the AOC a Form CFP reflecting the annual amount of the County Facilities Payment for the Court Facility in the Existing Building, subject to approval by the State Department of Finance and adjustment as required by the Act. In such event, the County will make its first quarterly installment payment of the County Facilities Payment within five business days after the Responsibility Transfer Date, and such first payment will be prorated on the basis of a 365-day year if the Responsibility Transfer Date occurs on any date other than July 1, October 1, January 1, or April 1. Thereafter, the County will make payments of the County Facilities Payment to the State Controller each and every fiscal quarter, as provided in the Act.

5.2.2. County Facilities Payments When New Clerk's Building is Constructed. In the event that the County proceeds with the development and construction of the New Clerk's Building by entering into the Construction Agreements on or before **December 31, 2009**, the annual amount of the County Facilities Payment is projected to be approximately \$16,045, subject to adjustment as provided in this section 5.2.2 and under section 70362 of the Act. The Parties have agreed that the County Facilities Payment for the Court's space in the New Clerk's Building will be based on the actual per square foot amount of the County Facilities Payment for the Court exclusive-use area at the Santa Maria Courts Complex (AOC # 42-F-01, 02, 03, 04, 05, and 06) in effect for the month of July 2009 or for such other calendar month in which the "transfer of responsibility" for the court facilities located on the Santa Maria Courts Complex is actually completed. As such, approximately 30 days prior to the anticipated Occupancy Date, the AOC will notify the County of the updated, initial, preliminary annual amount of the County Facilities Payment. The amount will be based on the actual Occupancy Date based on the Project Completion Notice and the then forecasted inflation indices for the calendar month in which the actual Occupancy Date will occur. Subsequent to the Occupancy Date, the Parties will recalculate the County Facilities Payment as set forth in the Act. The County will make its first installment payment of the County Facilities Payment within five business days after the Occupancy Date, and such first payment will be prorated on the basis of a 365-day year if the Occupancy Date occurs on any date other than July 1, October 1, January 1, or April 1. Thereafter, the County will make