

**THIRD AMENDMENT TO  
MEMORANDUM OF UNDERSTANDING  
BETWEEN THE COUNTY OF SAN MATEO;  
THE JUDICIAL COUNCIL OF CALIFORNIA; AND  
THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO,  
REGARDING AN EXCHANGE OF FACILITIES FOR  
THE CONSTRUCTION OF COUNTY OFFICE BUILDING NO. 3**

This Third Amendment to Memorandum of Understanding (“**Third Amendment**”) is made and entered into as of \_\_\_\_\_, 20\_\_ (“**Effective Date**”), by and between the County of San Mateo (“**County**”); the Judicial Council of California (“**Judicial Council**”); and the Superior Court of California, County of San Mateo (“**Court**”). For purposes of this Third Amendment, the County, Judicial Council, and Court may be individually referred to as a “**Party**” and collectively referred to as the “**Parties**.”

**RECITALS**

A. The Parties entered into that certain Memorandum of Understanding Between the County of San Mateo, the Judicial Council of California, and the Superior Court of California, County of San Mateo, Regarding an Exchange of Facilities for the Construction of County Office Building No. 3, effective November 6, 2018, which was subsequently amended by the First Amendment to Memorandum of Understanding, dated April 1, 2019, and by the Second Amendment to Memorandum of Understanding, dated August 3, 2021 (collectively, as amended, the “**MOU**”).

B. In addition to governing the terms of the Judicial Council’s relinquishment to the County of the Judicial Council and Court’s rights to the Traffic Court and Courtroom O, the MOU provided for, among other things, the County’s conveyance to the Judicial Council of the County’s Equity interest in the HOJ Expansion Space, consisting of approximately 13,112 square feet of space within the Hall of Justice, in which the County was to first complete the HOJ Tenant Improvements prior to being so conveyed to the Judicial Council for the Court’s use, all as more fully set forth in the MOU.

C. Section 7.2.3 (*Value Engineering; Cost Overruns*) of the MOU provides that the Parties are to engage in a good-faith collaborative value-engineering process to address any projected cost overruns including appropriating each Parties’ share of such cost overruns, respectively, which shall be memorialized by a written amendment to the MOU.

D. The Parties reasonably determined that the HOJ Project Costs are insufficient to cover the HOJ Tenant Improvements due to cost overruns that are not the fault of any Party and, pursuant to section 7.2.3 of the MOU, the Parties met and conferred on

modifying the terms of the HOJ Tenant Improvements accordingly as a consequence of such cost overruns.

E. The Parties now desire to amend the MOU to revise the scope of the HOJ Tenant Improvements, the HOJ Project Costs and the Parties' responsibilities therefor, the Scheduled Completion Date, and the payment of the Court Contribution as well as to make other changes deemed helpful and necessary by the Parties, as more fully set forth and described herein this Third Amendment.

**NOW, THEREFORE**, in consideration of the foregoing Recitals and the covenants set forth herein, the Parties hereto mutually agree to amend the MOU as follows:

**1. Incorporation of Recitals; Defined Terms.** The Parties agree the foregoing Recitals are true, correct, and incorporated into this Third Amendment by this reference. Unless otherwise defined in this Third Amendment, any capitalized term shall have the meaning prescribed to it in the MOU.

**2. Revised HOJ Tenant Improvements.**

**2.1. Revised Scope Description.** Section 7.1 (*HOJ Tenant Improvements*) of the MOU is hereby deleted in its entirety and replaced with the following:

7.1. HOJ Tenant Improvements. Prior to the Court's occupancy of the HOJ Expansion Space, the County shall provide certain tenant improvements and alterations to the HOJ Expansion Space, as more fully described and set forth in **Exhibit "C"** attached to the Third Amendment and incorporated into the MOU ("**HOJ Tenant Improvements**"). The HOJ Tenant Improvements will consist generally of the construction needed for (i) the new build out of two courtrooms, two judge's chambers with attached restrooms, an electrical room, an AV/IT room, a jury suite, and three attorney-client conference rooms; (ii) the alteration of the existing clerk's windows and the existing self-help area; (iii) the installation of a new one-hour-rated fire wall in the exit corridor; (iv) the removal of one existing exterior door and infill to match the existing exterior condition; and (v) the replacement of the existing exterior glazing with ballistic glazing along the secured corridor adjacent to the new courtrooms and judge's chambers.

**2.2. Revised Scope Depiction.** Exhibit "C" (*HOJ Tenant Improvements*) to the MOU is hereby deleted in its entirety and replaced with the revised description set forth in **Attachment "1"** to this Third Amendment ("**Revised HOJ Tenant Improvements**") and incorporated herein.

### **3. Revised Project Costs; Court Contribution; Subsequent Overruns.**

**3.1. Revised Project Costs of HOJ Tenant Improvements.** Section 7.2 (*Project Costs of HOJ Tenant Improvements*) of the MOU is hereby deleted in its entirety and replaced with the following:

7.2. Project Costs of HOJ Tenant Improvements. Except as otherwise provided herein this MOU, the hard and soft costs for the full performance and completion of the HOJ Tenant Improvements shall not exceed Fifteen Million Six Hundred Eighty-Nine Thousand Five Hundred Twenty-Seven Dollars (\$15,689,527) (“**HOJ Project Costs**”), an estimated breakdown of which is set forth for informational purposes only in **Exhibit “D”** attached to the Third Amendment and incorporated into the MOU. The HOJ Project Costs do not include the cost of any governmental permits, inspections, or approvals that may be necessary for the performance of the HOJ Tenant Improvements or that may be necessary for the Court’s subsequent occupancy of the HOJ Expansion Space, which shall be borne by the County as set forth herein. If the County incurs costs for the HOJ Tenant Improvements in excess of the HOJ Project Costs without first obtaining the Judicial Council and Court’s written approval, then those costs shall be the sole responsibility of the County.

Notwithstanding the foregoing modification of section 7.2, except as specifically provided for in this Third Amendment (i.e., the below amendments to sections 7.2.1 and 7.2.3), the other subsections of section 7.2 (i.e., sections 7.2.2 and 7.2.4) remain unmodified and in full force.

**3.2. Revised Estimated Breakdown.** Exhibit “D” (*HOJ Project Costs*) to the MOU is hereby deleted in its entirety and replaced with the revised estimated breakdown set forth for information purposes in **Attachment “2”** to this Third Amendment (“**Revised HOJ Project Costs**”) and incorporated herein.

**3.3. Revised Court Contribution.** Section 7.2.1 (*Court Contribution; Remaining Balance*) of the MOU is hereby deleted in its entirety and replaced with the following:

#### **7.2.1. Court Contribution & Payment; Remaining Balance.**

7.2.1.1. Court Contribution. The Court agrees to pay Five Million Dollars (\$5,000,000) to the County toward the HOJ Project Costs (“**Court Contribution**”).

7.2.1.2. Payment of Court Contribution. The Court Contribution shall be paid to the County as follows:

7.2.1.2.1. Upfront Court Contribution. The Judicial Council will make payment to the County in the amount of Four Million Two Hundred Thousand Dollars (\$4,200,000), on behalf and at the expense of the Court per a separate agreement between the Judicial Council and Court, within sixty (60) days of the Parties' full execution of the Third Amendment or the Effective Date of the Third Amendment, whichever is later ("**Upfront Court Contribution**"); and

7.2.1.2.2. Court Installment Contribution(s). Following the Upfront Court Contribution, the Judicial Council will make four (4) equal installment payments to the County, on behalf and at the expense of the Court per a separate agreement between the Judicial Council and Court, in the amount of Two Hundred Thousand Dollars (\$200,000) each ("**Court Installment Contribution(s)**"), for a total of Eight Hundred Thousand Dollars (\$800,000), with the first Court Installment Contribution due by or before June 30 of the first full fiscal year following the Third Amendment's Effective Date (e.g., if the Third Amendment is executed in Fiscal Year 2024–25 with an Effective Date of August 15, 2024, then the first Court Installment Contribution's deadline will be June 30, 2026) and with each subsequent Court Installment Contribution due by or before June 30 of the following three years until paid in full.

7.2.1.3. Additional Funds to Be Applied. In addition to and notwithstanding the Court Contribution, the Parties acknowledge and agree that the County additionally will apply towards the balance of the HOJ Project Costs: (i) the sum of not to exceed Two Hundred Ninety Thousand Dollars (\$290,000) in surplus County firearms relinquishment program funds from a One Million Dollar (\$1,000,000) grant previously allocated to the Court; and (ii) the sum of the interest the County accrues on the Court Upfront Contribution and Court Installment Contributions that is earned by the County in placing said funds in an interest-bearing account through the course of the HOJ Tenant Improvements' completion in the County's discretion.

7.2.1.4. Remaining Balance. The County shall be responsible for the balance of the HOJ Project Costs less the Court Contribution. The County fiscal obligation shall not exceed the amount of the HOJ Project Costs less the Court Contribution as specified in section 7.2 (*Project Costs of HOJ Tenant Improvements*) of this MOU.

7.2.1.5. Limited Obligation. Subject to all other provisions of this MOU including, without limitation, the section entitled *Value Engineering; Cost Overruns*, the Parties acknowledge and agree that (i) in no event shall the Judicial Council have any responsibility or obligation to make payment for any portion of the HOJ Project Costs unless otherwise expressly agreed to in writing by the Judicial Council; (ii) in no event shall the Court have any responsibility or obligation to make payment for any portion of the HOJ Project Costs beyond the Court Contribution; and (iii) in no event shall the County have any responsibility or obligation to contribute more than the balance of the HOJ Project Costs less the Court Contribution, except as specifically set forth in this MOU or otherwise agreed to in writing by the Parties.

**3.4. Revised Handling of Overruns.** Section 7.2.3 (*Value Engineering; Cost Overruns*) of the MOU is hereby deleted in its entirety and replaced with the following:

7.2.3. Value Engineering; Cost Overruns. In the event it is reasonably determined that the HOJ Project Costs are insufficient to cover the HOJ Tenant Improvements (notwithstanding any County, Court, or Force Majeure Delay(s)), the Parties agree to engage in good faith in a collaborative value-engineering process to address any such projected cost overruns to, without limitation, ensure that the actual cost of the HOJ Tenant Improvements does not exceed the HOJ Project Costs and/or to apportion any such cost overruns to the Court. The Parties shall memorialize any agreement reached in the value-engineering process described in this section in writing by an amendment to this MOU executed by all Parties. In the event that the Parties are unable to reach an amicable resolution with respect to any projected cost overruns for the HOJ Tenant Improvements, the Parties agree to engage in good faith in the dispute resolution process set forth in this MOU below.

**4. Revised HOJ Tenant Improvements' Scheduled Completion Date.** The Parties agree that the Scheduled Completion Date of the HOJ Tenant Improvements set forth in section 7.7 (*Completion*) of the MOU is hereby amended and revised to be July 1, 2026, which date for all purposes under the MOU shall now be the Scheduled Completion Date.

## **5. Miscellaneous.**

**5.1. No Further Amendment.** All the terms and conditions of the MOU remain unmodified and in full force and effect except as expressly amended herein this Third Amendment. In the event of any conflict between the terms of the MOU and the

terms of this Third Amendment, the terms of this Third Amendment shall control.

**5.2. Governing Law.** This Third Amendment is exclusively governed by the laws of the State of California, without regard to its conflict of law principles.

**5.3. Binding Effect.** This Third Amendment shall apply to, bind, and inure to the benefit of the Parties, and their respective heirs, legal representatives, successors, and assigns.

**5.4. Further Assurances.** The Parties agree to execute such additional instruments and to perform such further acts as may be reasonably necessary to evidence and perform the amendments to the MOU provided for in this Third Amendment.

**5.5. Counterparts and Electronic Signatures.** This Third Amendment may be executed in counterparts (including PDF copies), each of which shall be deemed an original as against the Party signing such counterpart and which together shall constitute one and the same instrument. The Parties agree that the signature pages of this Third Amendment may be executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Third Amendment, with such scanned and electronic signatures having the same legal effect as original signatures.

**[SIGNATURES ON FOLLOWING PAGE(S)]**

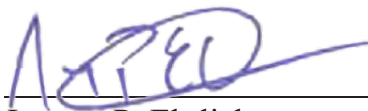
IN WITNESS WHEREOF, this Third Amendment has been executed as of the dates written below.

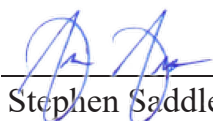
**COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
Name: Michael P. Callagy  
Title: County Executive  
Date: \_\_\_\_\_

APPROVED AS TO FORM:  
Judicial Council of California,  
Legal Services

**JUDICIAL COUNCIL OF CALIFORNIA**

By:  \_\_\_\_\_  
Name: Jeremy P. Ehrlich  
Title: Attorney  
Date: September 12, 2024

By:  \_\_\_\_\_  
Name: Stephen Saddler  
Title: Manager, Contracts  
Date: September 12, 2024

**SUPERIOR COURT OF CALIFORNIA,  
COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
Name: Hon. Elizabeth Lee  
Title: Presiding Judge  
Date: \_\_\_\_\_

**ATTACHMENT “1” TO THIRD AMENDMENT**

**EXHIBIT “C” TO MOU  
REVISED HOJ TENANT IMPROVEMENTS**

*Description and scope of the Revised HOJ Tenant Improvements on following page(s).*





7/21/2023  
APPENDIX A SCENARIO 1: 2 NEW COURTROOMS

LIMIT SCOPE OF WORK TO 2 NEW COURTROOMS  
AND ASSOCIATED SUPPORT SPACES AS  
DESIGNED IN 100% SD.

#### LEGEND

- N.I.C. (NOT IN CONTRACT)
- CIRCULATION
- EXISTING CONSTRUCTION TO REMAIN
- 1 HR FIRE RATED PARTITION
- NEW PARTITION
- 1 REMOVE FROM SCOPE OF CONSTRUCTION WORK OUTSIDE COURTROOM AREAS
- 2 EXISTING RESTROOMS TO REMAIN
- 3 APPROACH TO NEW SERVICE COUNTERS TO BE CONFIRMED



21 JULY 2023 - R1

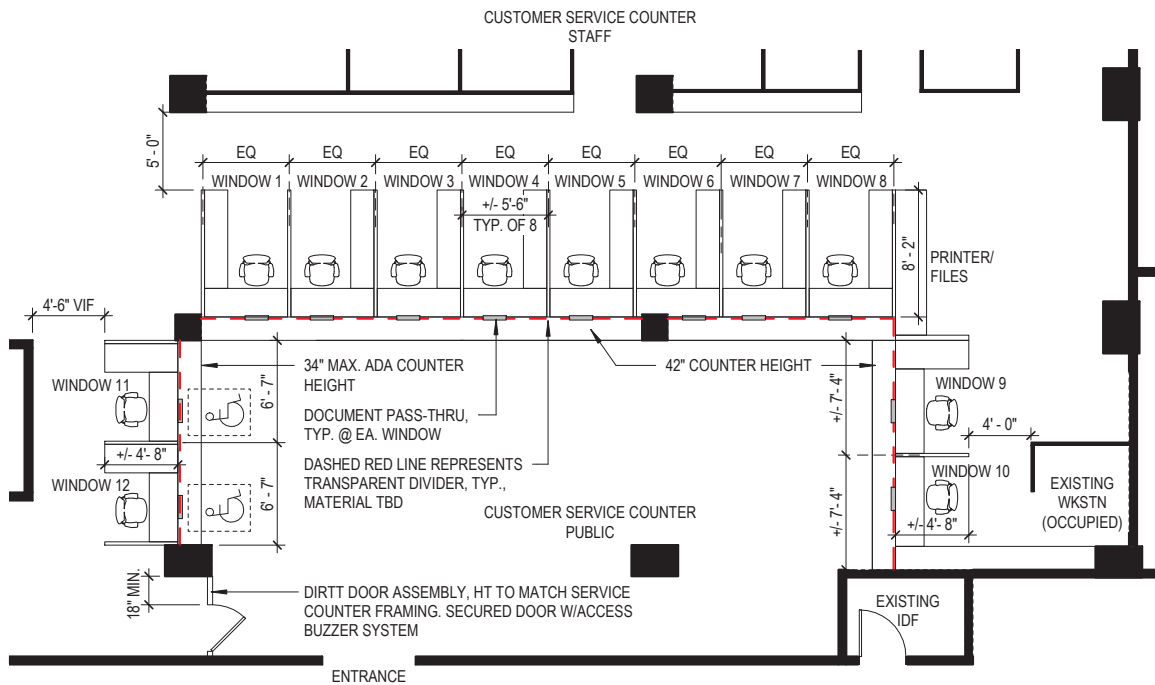
## SMC HOJ TENANT IMPROVEMENT

LEVEL 1 COURTROOMS & JUDGES CHAMBERS - WEST

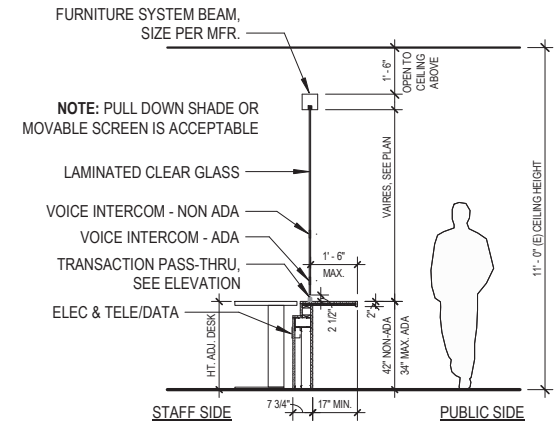
**CAVAGNERO**  
MARK CAVAGNERO ASSOCIATES ARCHITECTS

400 County Center, Redwood City, CA

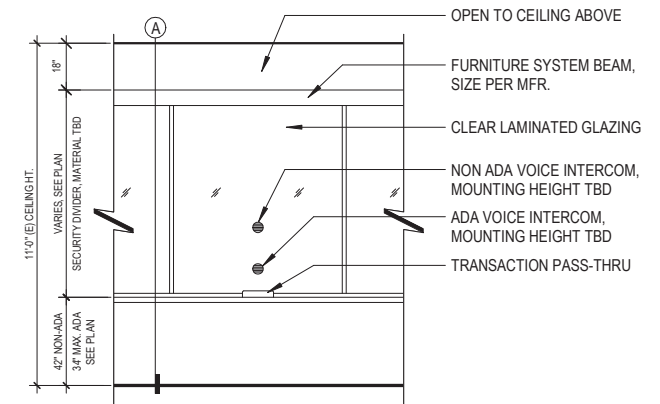
1/16" = 1'-0"



CUSTOMER SERVICE COUNTER  
1/8" = 1'-0"



SECTION THRU SERVICE COUNTER  
1/4" = 1'-0"



ELEVATION @ SERVICE COUNTER  
1/4" = 1'-0"

REVISED COURT CLERK ROOM A SERVICE COUNTER

Project: SAN MATEO COUNTY HALL OF JUSTICE TENANT IMPROVEMENT  
400 County Center, Redwood City, CA

Reference: HOJ CUSTOMER SERVICE COUNTER - FURNITURE SYSTEM

Date: 07/14/23

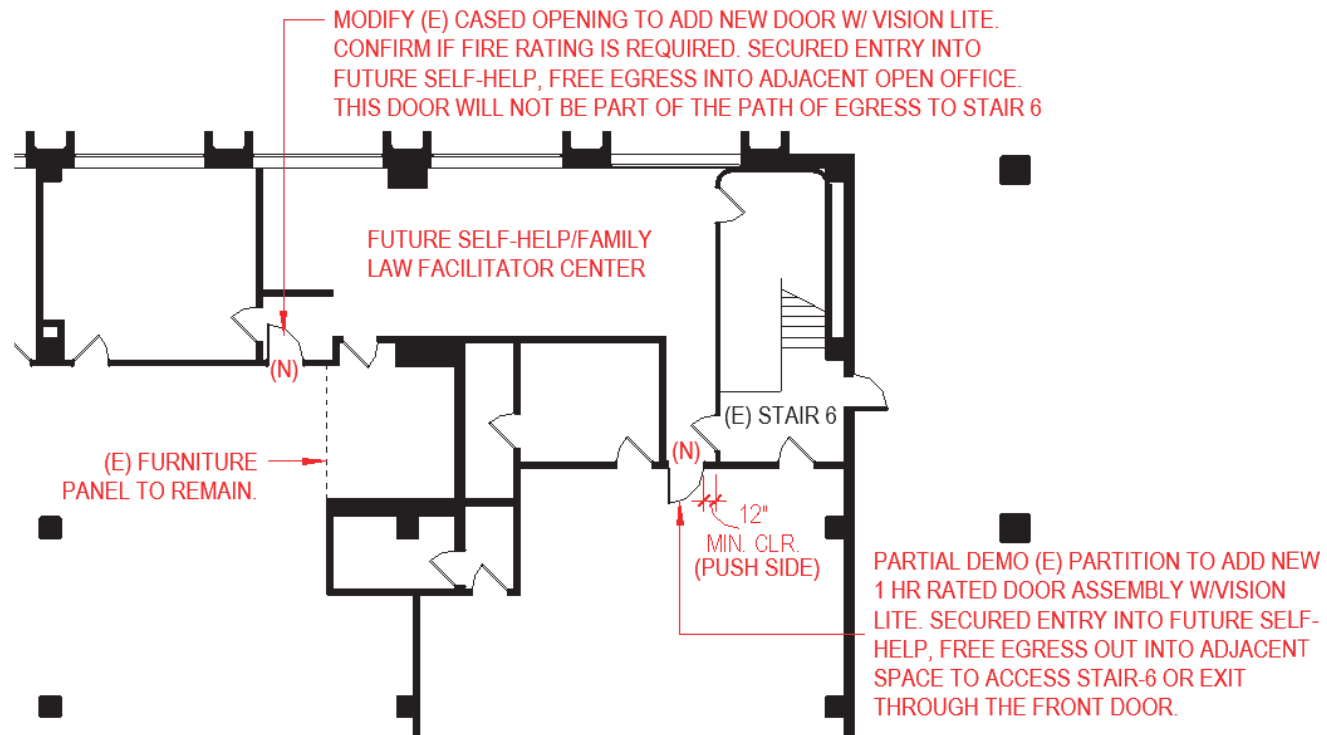
RFI:

Job No: 461

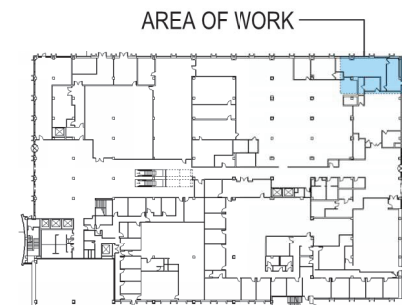
Bulletin:

Scale: As indicated

ASK-02



DOORS ADDED TO FUTURE SELF-HELP/FAMILY LAW FACILITATOR CENTER



KEY PLAN

**ATTACHMENT “2” TO THIRD AMENDMENT**

**EXHIBIT “D” TO MOU  
REVISED HOJ PROJECT COSTS**

*Revised HOJ Project Costs for the HOJ Tenant Improvements on following page(s).*

7/21/2023  
APPENDIX A: PROJECT BUDGET  
SUMMARY SCENARIO 1

San Mateo County - Hall of Justice Tennant Improvement  
MCA Project No: 461  
Date: 7/19/2023  
Rev. No.:

Prepared By: Mark Cavagnero and Associates

Project Budget Summary - Scenario 1

Project Description: 2 New Courtrooms

Project Area (SF):

11,570

Line #	Item/Description	Baseline Budget		Notes/Comments
		Total	\$/SF*	
1	<b>Construction - Base Contract</b>			
2	Construction Estimate	\$11,451,143	\$990	See "Estimate #2" in tbd consultants report dated 4/25/23
3	Design Contingency	Included Above		10% Allowance included in Construction Estimate above
4	Construction Contingency	Included Above		10% Allowance included in Construction Estimate above
5	Escalation	Included Above		8.4% Allowance included in Construction Estimate above
6	GC Fee	Included Above		Allowance included in Construction Estimate above
7	Sub-Total	\$11,451,143	\$990	
8				
9	<b>Design Team Fees - Base Contract</b>			
10	Design Team Base Fees - Cavagnero Team	\$1,741,302		Per Master agreement
11	Design Team Additional Services Allowance	\$261,195		Per Master agreement
12	Project Management Fees - San Mateo County	\$900,000		Per SMC
13	Sub-Total	\$2,902,497		
14				
15	<b>Service Counters</b>			
16	Vendor Estimate	\$350,000		\$330 - 350K 'Turnkey' ROM from Pivot Interiors to use a DIRT System. See Appednix C.
17	Sub-Total	\$350,000		
18				
19	<b>Permit &amp; Fees (By Owner)</b>			
20	Planning & Building Review, Building Permit & Inspections	\$90,000		Per MOU Section 7.3 County solely responsible for cost. Per 1/15/2021 published fee schedule, using SF = \$500 application + B1(\$7.50 * 11,570) = \$86,775
21	Sub-Total	\$90,000	\$8	
22				
23	<b>Testing, Inspections &amp; Misc (By Owner)</b>			
24	Third Party Commissioning	TBD		
25	Special Inspections & Testing	\$50,000		Per MOU Section 7.3 County solely responsible for cost. Provisional \$50K allowance may include: torque testing; concrete compressive strength testing; potable water quality testing by accredited laboratory; diesel fuel line pipe install/seismic bracing special inspection
26	Hazardous Abatement	Included Above		Allowance included in Construction Estimate above
27	Sub-Total	\$50,000	\$4	
28				
29	<b>Equipment, Furnishings, Services (By Owner)</b>			
30	Furniture & Equipment	Excluded		Per MOU Section 7.9 Court/JCC solely responsible for cost. Project Scope to be clarified and validated
31	Final Door Keying	\$10,000		By County + Court/JCC
32	Non code Signage	\$23,140		Eg Wayfinding across county campus - allowance based upon \$2/sf
33	Move-In/Relocation Costs	Excluded		Per MOU Section 7.2.4 Court/JCC solely responsible for cost.
34	Sub-Total	\$33,140	\$3	
35				
36	<b>Project Sub-Total</b>	\$14,876,780	\$1,286	Includes Sub-Totals (Line 7, 13, 29, 35, 42), Excludes Alternates (Line 15, 19, 23).
37				
38	<b>Overall Project Contingency</b>	\$743,839	\$64	5% of Project Sub-Total
39				
40	<b>PROJECT TOTAL</b>	<b>\$15,620,619</b>	<b>\$1,350</b>	

\*\$/sf rounded to whole numbers