

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS  
 DATE: 4/22/15  
 Department of Public Social Services

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

920



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

May 7, 2015

**SUBJECT:** Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs – Two Year Lease, CEQA Exempt, District 4, [\$198,536]; Federal 91.52%, State 8.48%

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities and Section 15061(b)(3);
2. Ratify the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) days of approval by the Board.

**BACKGROUND:**

**Summary**

(Commences on Page 2)

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: Esteban Hernandez

*Robert Field*

Robert Field  
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 53,961	\$ 91,310	\$ 198,536	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** Federal 91.52%, State 8.48%

Budget Adjustment: No  
 For Fiscal Year: 2014/15-2016/17

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Rohini Dasika*  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Washington and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Benoit and Ashley  
 Nays: None  
 Absent: Tavaglione  
 Date: May 19, 2015  
 xc: EDA, DPSS, Recorder

Kecia Harper-Ihem  
 Clerk of the Board  
 BY: *Kecia Harper-Ihem*  
 Deputy

By: Susan von Zabern  
 Susan von Zabern, Director  
 Department of Public Social Services

A-30  
 Positions Added  
 4/5 Vote  
 Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs – Two Year Lease, CEQA Exempt, District 4, [\$198,536]; Federal 91.52%, State 8.48%

**DATE:** May 7, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

The County and DIBA Real Estate Investments, LLC, desire to extend the lease agreement for the facility located at 14-201 Palm Drive, #109a - 112, Desert Hot Springs, California. The Department of Public Social Services (DPSS) has utilized this office since May 11, 1999, for its CalWORKS Greater Avenue to Independence (GAIN) program. This facility continues to meet the needs and requirements of the department and a lease extension has been negotiated by the Economic Development Agency's (EDA) Real Estate Division.

Pursuant to the California Environmental Quality Act (CEQA), the Lease Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1-existing facilities and Section 15061(b)(3). The proposed project is the extension of the term period for the letting of property involving existing facilities with minor tenant improvement alterations for the continuation of an existing use to occur.

Lessor: DIBA Real Estate Investments, LLC  
28008 Harrison Parkway  
Valencia, California 91355

Premises Location: 14-201 Palm Drive, #109a, 110 - 112, Desert Hot Springs, California

Term: Two years commencing February 1, 2015, ending January 31, 2017

Size: 3,546 square feet

Rent:	Former	New
	\$ 1.78 per sq. ft.	\$ 1.95 per sq. ft.
	\$ 6,311.88 per month	\$ 6,914.70 per month
	\$75,742.56 per year	\$82,976.40 per year

Rental Adjustment: N/A (Flat Rate Entire Term)

Utilities: County pays electric, gas and telephone, Landlord pays all others.

Maintenance: Provided by Landlord

Custodial: Provided by Landlord

Improvements: Lessor to complete HVAC improvements. County will reimburse upon completion and acceptance costs in the amount of not to exceed \$15,915.

**Impact on Citizens and Businesses**

The public benefit continues with this location serving clients in the community and region.

(Continued)

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs – Two Year Lease, CEQA Exempt, District 4, [\$198,536]; Federal 91.52%, State 8.48%

**DATE:** May 7, 2015

**PAGE:** 3 of 3

**SUPPLEMENTAL:**

**Additional Fiscal Information**

See attached Exhibits A, B & C

DPSS will budget these costs in FY 2014/15 thru FY 2016/17 and will reimburse EDA for all lease costs on a monthly basis.

**Contract History and Price Reasonableness**

This is a 2-year lease extension. The lease rate is competitive based on the current real estate market.

**Attachments:**

Exhibits A, B & C

Third Amendment to Lease

Notice of Exemption

# Exhibit A

## DPSS Lease Cost Analysis FY 2014/15

14201 Palm Drive, Suites 109(A), 110 - 112, Desert Hot Springs, California

### ESTIMATED AMOUNTS

#### Total Square Footage to be Leased:

Current Office:	3,546	SQFT	
Approximate Cost per SQFT (July - Jan) - 2nd Amendment	\$	1.78	
Approximate Cost per SQFT (Feb - Jun) - 3rd Amendment	\$	1.95	
Lease Cost per Month (July - Jan) - 2nd Amendment		\$	6,311.88
Lease Cost per Month (Feb - June) - 3rd Amendment		\$	6,914.70
Total Lease Cost (July - Jan) - 2nd Amendment		\$	44,183.16
Total Lease Cost (Feb - June) - 3rd Amendment		\$	34,573.50
<b>Total Estimated Lease Cost for FY 2014/15</b>		<b>\$</b>	<b>78,756.66</b>

#### Estimated Additional Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - Jan) - 2nd Amendment	\$	2,978.64	
Estimated Utility Costs per Month (Feb - June) - 3rd Amendment	\$	2,127.60	
Total Estimated Utility Cost			\$ 5,106.24
Tenant Improvements Costs Paid			\$ 15,915.00
EDA Lease Management Fee - 3.89% - 2nd Amendment	\$	1,718.72	
EDA Lease Management Fee - 3.89% - 3rd Amendment	\$	1,344.91	
Total EDA Lease Management Fee			\$ 3,063.63
<b>TOTAL ESTIMATED COST FOR FY 2014/15</b>			<b>\$ 102,841.53</b>
Amount Previously approved in 2nd Amendment			\$ 48,880.52
Amount of FY14/15 for 3rd Amendment			\$ 53,961.01

# Exhibit B

## DPSS Lease Cost Analysis FY 2015/16

14201 Palm Drive, Suites 109(A), 110 - 112, Desert Hot Springs, California

### **ESTIMATED AMOUNTS**

#### **Total Square Footage to be Leased:**

Current Office:		3,546 SQFT	
Approximate Cost per SQFT (July - Jun)	\$	1.95	
Lease Cost per Month (July - Jun)		\$	6,914.70
Total Lease Cost (July - Jun)			\$ 82,976.40
<b>Total Estimated Lease Cost for FY 2015/16</b>			<b>\$ 82,976.40</b>

#### **Estimated Additional Costs:**

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs per Month (July - June)		\$	<u>425.52</u>
Total Estimated Utility Cost			\$ 5,106.24
EDA Lease Management Fee (Based @ 3.89%)			\$ <u>3,227.78</u>
<b>TOTAL ESTIMATED COST FOR FY 2015/16</b>			<b>\$ <u>91,310.42</u></b>

# Exhibit C

DPSS Lease Cost Analysis FY 2016/17  
14201 Palm Drive, Suites 109(A), 110 - 112, Desert Hot Springs, California

**ESTIMATED AMOUNTS**

**Total Square Footage to be Leased:**

Current Office: 3,546 SQFT

	FY 2016/17
Approximate Cost per SQFT (July - Jan)	\$ 1.95
Lease Cost per Month (July - Jan)	\$ 6,914.70
Total Lease Cost (July - Jan)	\$ 48,402.90
<b>Total Estimated Lease Cost for FY 2015/16</b>	<b>\$ 48,402.90</b>

**Estimated Additional Costs:**

Utility Cost per Square Foot	\$ 0.12
Estimated Utility Costs per Month (July - Jan)	\$ 425.52
Total Estimated Utility Cost	\$ 2,978.64
EDA Lease Management Fee (Based @ 3.89%)	\$ 1,882.87
<b>TOTAL ESTIMATED COST FOR FY 2016/17</b>	<b>\$ 53,264.41</b>
Total Cost	\$ 198,535.84



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

5/19/15  
Date

kb  
Initial

### NOTICE OF EXEMPTION

April 10, 2015

**Project Name:** County of Riverside, Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs

**Project Number:** FM042191000300

**Project Location:** 14-201 Palm Drive, Suites 109a, 110 - 112, Desert Hot Springs, California; Assessor Parcel Number: 656-020-029 (see attached exhibits)

**Description of Project:** County of Riverside (County) on behalf of the Department Public Social Services (DPSS), proposes to amend and extend the term of the lease with Diba Real Estate Investments, LLC (Lessor), as successor in interest to Eun Hee Lee, Wilshire State Bank, and First Western Land Management, from February 1, 2015 through January 31, 2017. The premises consists of an existing building located at 14-201 Palm Drive, Suites 109a, 110 - 112, Desert Hot Springs, California, providing a public benefit to the community and region through DPSS's CalWORKS Greater Avenue to Independence (GAIN) program. The original lease, dated May 11, 1999, has been amended by the First Amendment to Lease dated July 27, 2004 by and between First Western Land Management, LLC and County; and by the Second Amendment to Lease dated March 1, 2011, by and between Diba Real Estate, LLC, successor in interest to Eun Hee Lee, Wilshire State Bank. The lease dated May 11, 1999 together with its amendments, shall collectively be referred to as the "Lease." The parties now desire to amend the Lease to extend the term two years and include minor tenant improvements. Landlord will complete HVAC improvements and County will reimburse costs upon completion and acceptance in the amount of not to exceed \$15,915. The existing structure is located in a developed portion of Desert Hot Springs, and any future interior improvements would have no impacts on biological or cultural resources. Further, the size and scale of such interior improvements would not result in traffic, noise, or air quality impacts during construction. The proposed project is the letting of property involving existing facilities; no expansion of an existing use will occur. The leased premises consist of approximately 3,546 square feet for the purpose of providing services through DPSS's GAIN program and shall not be used for any other purpose.

**Name of Public Agency Approving Project:** County of Riverside, Economic Development Agency

**Name of Person or Agency Carrying Out Project:** County of Riverside, Economic Development Agency

**Exempt Status:** State California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

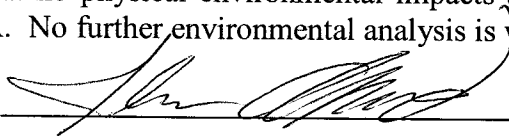
**Reasons Why Project is Exempt:** The Project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of

the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause any impacts to scenic resources, historic resources, or unique sensitive biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The extension of the term of the lease and minor tenant improvement alterations is not anticipated to result in any significant physical environmental impacts.

- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The Project as proposed is the extension to the term of an existing lease with minor tenant improvements. Any proposed or additional future improvement made would not involve any changes to land use, the existing building, or environment. The option to extend the lease will not increase or expand the use of the site, and merely allows for the continued use of the site in a similar capacity; therefore, the Project meets the scope and intent of the Class 1 Exemption.
- Section 15061 (b)(3) – “Common Sense” Exemption. In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b)(3). The use of this exemption is appropriate if “it can be seen with certainty that that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v Solano County Airport Land Use Comm'n* (2007) 41 Cal.4th 372.  
With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed extension to the term of the lease and minor tenant improvements will not have an effect on the environment. The use and operation of the facility will be substantially similar to the existing uses and will not create any new environmental impacts to the surrounding area. Additionally, any upgrades to the site would only entail minor tenant improvements which would not result in any direct or indirect physical environmental impacts. Therefore, in no way would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: \_\_\_\_\_



Date: \_\_\_\_\_

4/10/15

John Alfred, Acting Senior Environmental Planner  
County of Riverside, Economic Development Agency



**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs

Accounting String: 524830-47220-7200400000- FM042191000300

DATE: April 10, 2015

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature:  \_\_\_\_\_

PRESENTED BY: Tonja Acosta, Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 25, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM042191000300**  
Third Amendment to Lease, Department of Public Social Services, Desert Hot Springs

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

**After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10<sup>th</sup> Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.**

Attachment

cc: file

1 **THIRD AMENDMENT TO LEASE**

2 **14-201 Palm Drive, #109(A), 110, 111, and 112, Desert Hot Springs, California**

3  
4 This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of  
5 May 19, 2015 by and between the **COUNTY OF RIVERSIDE**, a  
6 political subdivision of the State of California ("County"), and **DIBA REAL ESTATE**  
7 **INVESTMENTS, LLC**, ("Lessor"), a California Limited Liability Company.

8 **RECITALS**

9 A. County and First Western Land Management, LLC, predecessor to  
10 DIBA Real Estate Investments, LLC, entered into that certain lease dated May 11,  
11 1999, ("Original Lease") pursuant to which County leased a portion of that certain  
12 building located at 14201 Palm Drive, Suites 109 (A), 110, 111, and 112, Desert Hot  
13 Springs, California (the "Building"), as more particularly shown on Exhibit "A," attached  
14 hereto and made a part hereof.

15 B. The Original Lease has been amended by:

16 i. That certain First Amendment to Lease dated July 27, 2004  
17 by and between First Western Land Management, LLC and the County ("First  
18 Amendment"), whereby the Parties amended the Lease to extend the term and rental  
19 amounts.

20 ii. That certain Second Amendment to Lease March 1, 2011,  
21 by and between Diba Real Estate Investments, LLC, successor in interest to Eun Hee  
22 Lee, Wilshire State Bank and First Western Land Management, LLC, whereby the  
23 Parties amended the Lease to extend the term, rental amounts, options to extend  
24 Lease, addresses of the Parties under notices and the County representative.

25 iii. On January 29, 2013, the County exercised its option to  
26 extend the term of the Lease to expire on January 31, 2015.

27 C. The Original Lease, as heretofore, currently, or hereafter  
28 amended, shall hereafter be referred to as the "Lease."

1           **NOW THEREFORE**, for good and valuable consideration the receipt and  
2 adequacy of which is hereby acknowledged, the parties agree as follows:

3           **1. Lease Term.** Section 3 of the Original Lease shall be amended as  
4 follows subject to the provisions contained in Paragraph 12 of the Lease:

5 The term of this Lease shall be extended twenty four (24) months commencing on  
6 February 1, 2015, and terminating on January 31, 2017.

7           **2. Rent.** Section 5 of the Original Lease shall be amended as follows:  
8 Monthly rent shall be paid as follows through the extended term:

9                         \$6,914.70 per month           February 1, 2015 through January 31, 2017

10           **3. Options.** Section 4 of the Original Lease shall be deleted in its entirety  
11 and replaced as follows:

12                         3. Options. Lessor grants the following rights to County:

13                                 (a) Lessor grants to County one (1) option to extend the  
14 Lease term ("Extension Option(s)"). The Extension Option shall be for a period of  
15 twelve (12) months ("Extended Term"), subject to the conditions described in this  
16 Section 4.

17   (i) Exercise of Option. The Extension Option  
18 shall be exercised by County delivering to Lessor written notice thereof no later than  
19 sixty-five (65) days prior to the eighteenth month subject to the provisions contained in  
20 Paragraph 3 of the Lease.

21   (ii) Option Rent. The rent payable by County  
22 during any Extended Term shall be at the annual increase rate of 4% during the term.

23           **4. Improvements by Lessor.** Section 9 of the Lease shall be amended by  
24 adding subsections (j) and (k) as follows:

25                                 (j) Lessor shall complete, or cause to be completed, at Lessor's  
26 expense, HVAC Repairs pursuant to Desert Tech proposal on Exhibit "B," attached  
27 hereto and by this reference made a part of this Third Amendment to Lease. Lessor  
28 shall complete the improvements in compliance with all applicable governmental laws.

1 Lessor shall commence HVAC work upon full execution of this Third Amendment to  
2 Lease. After completion and acceptance of the improvements by County, County shall  
3 reimburse Lessor for HVAC improvements costs in an amount of not to exceed  
4 \$15,915.00. Within thirty (30) days of completion and acceptance of HVAC  
5 improvements, Lessor shall provide an itemized invoice to the County. Payment for  
6 the HVAC improvements shall be made by County within forty-five (45) days of  
7 County's receipt of the itemized invoice.

8 (k) HVAC improvements reimbursed by the County shall remain  
9 County property and may be removed by County upon the expiration or termination of  
10 the Lease at the County's expense.

11 **5. Option to Terminate.** Section 12 of the Lease shall be amended by  
12 adding subsection (e) as follows:

13 (e) The Parties' Rights to Early Termination Option. The parties  
14 hereto agree to the mutual Right to Early Termination after the eighteenth (18) month  
15 of the Lease term contained in Paragraph 3 of the Lease by serving upon the other 60  
16 days' written notice of the parties' intention.

17 **6. Capitalized Terms.** Third Amendment to Prevail. Unless defined herein  
18 or the context requires otherwise, all capitalized terms herein shall have the meaning  
19 defined in the Lease, as heretofore amended. The provisions of this Third Amendment  
20 shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore  
21 amended, and shall supplement the remaining provisions thereof.

22 **7. Miscellaneous.** Except as amended or modified herein, all the terms of  
23 the Original Lease shall remain in full force and effect and shall apply with the same  
24 force and effect. Time is of the essence in this Third Amendment and the Lease and  
25 each and all of their respective provisions. Subject to the provisions of the Lease as to  
26 assignment, the agreements, conditions and provisions herein contained shall apply to  
27 and bind the heirs, executors, administrators, successors and assigns of the parties  
28 hereto. If any provisions of this Third Amendment or the Lease shall be determined to

1 be illegal or unenforceable, such determination shall not affect any other provision of  
2 the Lease and all such other provisions shall remain in full force and effect. The  
3 language in all parts of the Lease shall be construed according to its normal and usual  
4 meaning and not strictly for or against either Lessor or Lessee. Neither this  
5 Amendment, nor the Original Lease, nor any notice nor memorandum regarding the  
6 terms hereof, shall be recorded by Lessee.

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1           8.     This Third Amendment to Lease shall not be binding or consummated  
2 until its approval by the Board of Supervisors of Riverside County.

3 Dated:     MAY 19 2015    

4 COUNTY OF RIVERSIDE

DIBA REAL ESTATE INVESTMENTS, LLC

5  
6 By: *Marion Ashley*  
7 Marion Ashley, Chairman  
Board of Supervisors

By: *Mehrdad Daniel Safavieh*  
Mehrdad Daniel Safavieh (Partner)

8  
9 By: *Mehran Michael Banayan*  
Mehran Michael Banayan (Partner)

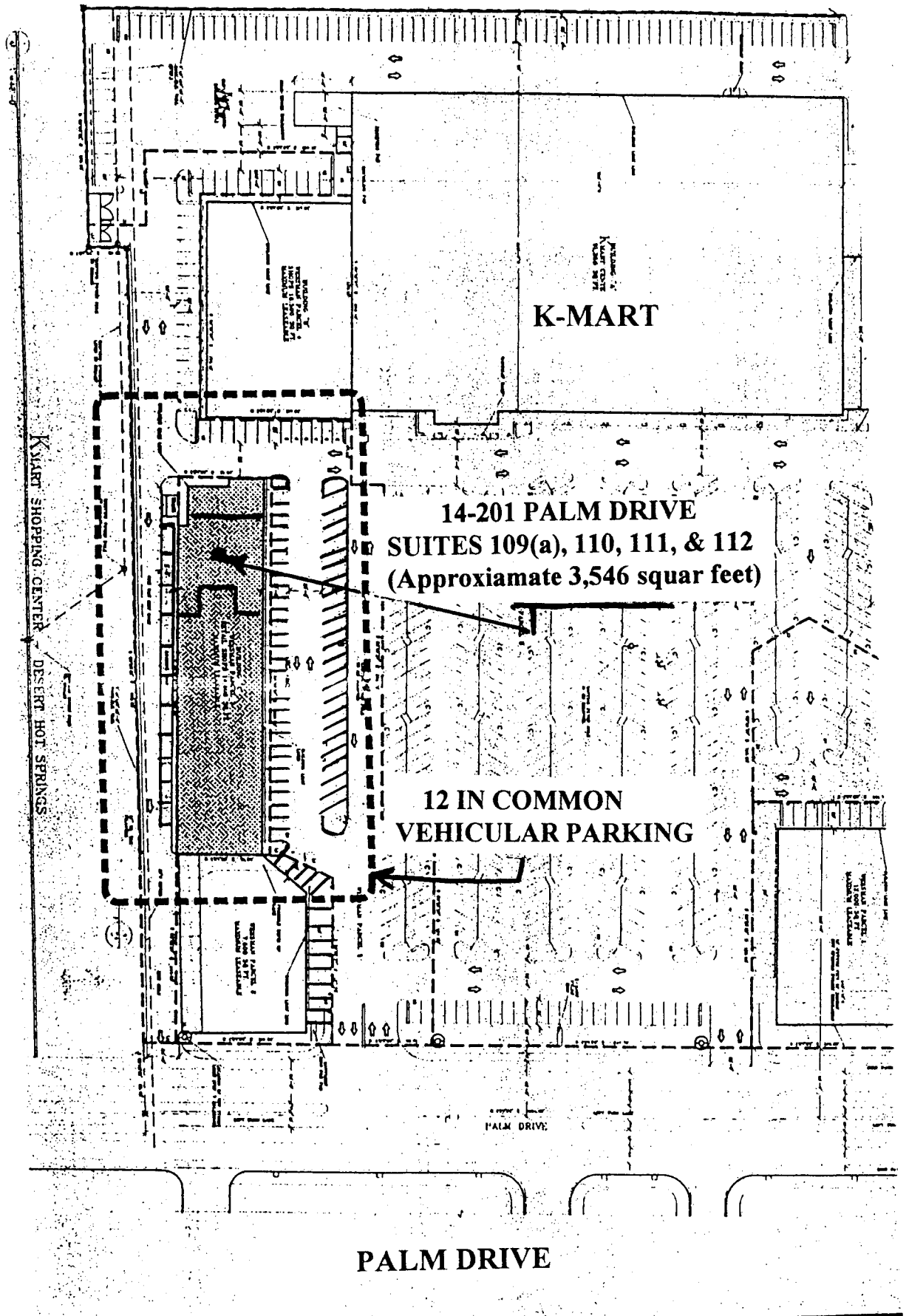
10  
11 **ATTEST:**  
12 Kecia Harper-Ihem  
Clerk of the Board

13  
14 By: *Kecia Harper-Ihem*  
Deputy

15  
16  
17  
18  
19 **APPROVED AS TO FORM:**  
20 Gregory P. Priamos  
County Counsel

21  
22 By: *Synthia M. Gunzel*  
23 **SYNTHIA M. GUNZEL**  
Deputy County Counsel

24  
25  
26 TA:tg/021815/DH003/17.413 S:\Real Property\TYPING\Docs-17.000 to 17.499\17.413.doc



PALM DRIVE

EXHIBIT "A"





Proposal (County Offices)

PROPOSAL SUBMITTED TO:

Diba Real Estate Investments, LLC14-201
28008 Harrison Parkway
Valencia, CA 91355-4162
dan@mountainwoods.com

JOB LOCATION AND PHONE

201 Palm Drive
Desert Hot Springs, CA 92243
951-358-6845
County Offices

Desert Tech, hereby proposes to (item #6A) Supply and Install one (5) Ton. American Standard 14 S.E.E.R gas heating, 3 phase electric cooling package unit. (item #6B) New ducting system for 1 unit that services a classroom. (item #6C) Emergency ducting and damper system to Communications room. (item #6D) One (2) Ton 15 S.E.E.R. Samsung Mini-split heat pump system in Communications room. To be installed at: The County Offices, 201 Palm Drive, Desert Hot Springs, CA 92243.

Item #1] Definitions - Desert Tech, hereafter referred to as "Contractor", will furnish all labor, services, installation and equipment only that is stated by this PROPOSAL and perform said work Diba Investments hereinafter referred to as "OWNER".

Item #2] Completion Time - As time is of the essence of the proposal, if the CONTRACTOR is delayed in the performance of the work by an unusual delay in common carriers, or by unavoidable casualties, or by strikes, or lockouts, or labor disputes, he shall immediately take such actions as necessary to avoid delay. If no actions can be taken to avoid delay, then an extension shall be given provided that the CONTRACTOR gives 48 (forty-eight) hours notice prior to commencement of delay.

Item #3] Fees - Owner agrees to pay all permits, if any, air balance and duct pressure tests, H.E.R.S. CF-6R and fees, if any, directly associated to the installation of the unit and associated equipment in said work will be billed separately and cost is not part of this proposal.

Item #4] Workmanship - Every part of the work herein described shall be executed in accordance with this PROPOSAL in the most sound, workmanlike and substantial manner. All workmanship shall be of its several kinds; all materials used in the work herein described shall be furnished in ample quantity to facilitate the proper and expeditious execution of the work, and shall be on their respective kind, except such materials as many be expressly provided to be otherwise.

Item #5] Codes - All work to conform to 2014 Uniform Mechanical Code, Local Building Codes and applicable laws.

Item #6A] Scope of work (County Offices classroom) - Supply and Install one (5) Ton. American Standard 14 S.E.E.R gas heating, 3 phase electric cooling package unit. Installation shall be complete with curb transition from existing curb to new unit, apply special sealant/vibration eliminating compound between existing curb and new curb. All seams and edges shall be sealed to prevent delimitation of duct liner insulation do to the exposure to high velocity air flow, clean and seal all (accessible) duct liner, seams, edges and ducting connections in supply and return air plenums, seal exterior ducting on all existing connections to plenums then coat all sealants with an elastomeric coating to protect said sealants and preserve the sealant's elasticity and longevity, 410-A refrigerant, crane charges, miscellaneous hardware products, miscellaneous plumbing and electrical products, miscellaneous welding materials, new gas flex, install new Venstar thermostat, and all parts and labor necessary to complete job.

As per Item #6A: Ten Thousand, Four Hundred Twenty Dollars ..... \$10,420.00
- \$4500 due at start of job and balance due at completion

**Item #6B]** Scope of work (County Offices classroom) – Supply and install new ducting system for unit 1 unit servicing the classroom at the County Offices. Installation of new supply and return ducting from unit 1 to classroom, hallway areas. The existing ducting was diverted from the system to computer equipment room. The new type of duct is not compatible with the existing duct. Additionally the existing duct has been cut into unusable sections which are now contaminated with dirt from the attic. The unusable duct will be removed. The aforementioned work will fully reinstate the proper airflow required by the air conditioning unit and shall be resized in order to balance the system. New premium R6 Ducting with Mylar jacketing in assorted sizes, assorted transition fittings and all necessary, duct connectors and all parts and labor necessary to complete the job.

As per item #6B: Four Thousand, One Hundred & Eight Dollars ..... \$4108.00  
- \$1500 due at start of job and balance due at completion

**Item #6C]** Scope of work (County Offices Communications room) – Supply and install emergency ducting and damper system to communications room in the event of a failure of the dedicated mini-split system. Installation shall be complete with new flex ducting, (2) zone dampers, Contractor shall utilize existing grills, zoning controls, misc. ducting products, emergency switch adjacent to thermostat and all parts and labor necessary to complete the job.

As per item #6C: Thirteen Hundred & Eighty Seven Dollars ..... \$1387.00  
- \$563.00 due at start of job and balance due at completion

**Item #6D]** Scope of work (County Offices Communications room) – *Supply and install one (2) Ton 15 S.E.E.R. Samsung Mini-split heat pump system in Communications room, 2 Ton Condenser and matching evaporator.* Installation shall be complete with blowing out existing condensate line, new liquid filter dryer. Exterior Armaflex insulation, **thoroughly chemically clean and flush refrigeration line set twice**, (1) new Samsung thermostat, hardware products, plumbing and electrical products, refrigerant, welding materials and all parts and labor necessary to complete the job. Note: this unit is designed for this particular type of installation.

As per item #6D: Four Thousand, Seven Hundred & Eighty Dollars ..... \$4780.00  
- \$2300.00 due at start of job and balance due at completion

**NOTE: This quote reflects work performed by contractor during normal business hours and shall allow for up to 6 hours after normal business hours.**

Item #7] Exclusions – All work not described in this PROPOSAL shall be extra and billed at \$82.00 (Eighty two dollars) per hour, plus parts.

Item #8] **Warranty** – CONTRACTOR shall warrant parts supplied by CONTRACTOR and labor for work as described by Item #6A for Two (2) years from and after installation date and a Ten (10) year limited warranty by manufacturer on compressor and all parts to original owner. EXCEPT, that OWNER acknowledges and agrees that CONTRACTOR shall not be required to discharge its warranty obligations to OWNER until such time that CONTRACTOR shall have first received the full amount of the balance of the contract price due CONTRACTOR from OWNER under this PROPOSAL. Note: See manufacturer specifications sheets for additional warranties. Samsung mini-split only, Item #6D: 3 years parts and 1 year on labor, 5 years on Compressor. Note: See manufacturer specifications sheets for additional warranties.

Item #9] This PROPOSAL includes Sales Tax

Item #10] all material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders.

Authorized Signature




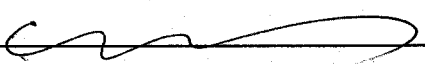
**Miguel Caballero**, Contractor  
November 12, 2014

Item #11] Notice to OWNER – Under the Mechanic's Lien Law (Section 7019 – Contractor's License Law), any contractor, sub-contractor, laborer, material man or other person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property.

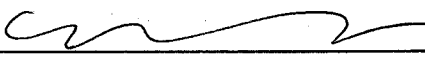
NOTE: This PROPOSAL may be withdrawn if not accepted with ninety (90) days. The above proposal, prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments to be made as outlined above.

Authorized Signatures:

As per item #6A:  , date 4/27/15

As per item #6B:  , date 4/27/15

As per item #6C:  , date 4/27/15

As per item #6D:  , date 4/27/15

Air Conditioning & Heating  
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(MasterCard and Visa accepted)

A processing fee of 2.5% will be charged for all credit card transactions