

**AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT
WITH PA-AN INC.**

This Amendment No. 1 to the Professional Services Agreement dated March 6, 2024 ("Agreement") is made and entered into as of this 20th day of November 2024, by and between the City of San Bernardino, a charter city and municipal corporation ("City"), and Pa-An Inc. (Studio 6 Suites) ("Owner"). City and Owner are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. WHEREAS, City and Owner entered into the Agreement on March 6, 2024, to provide motel rooms for the Emergency Shelter Program.

B. WHEREAS, on December 7, 2022, City Council allocated \$12.5 million in American Rescue Plan Act (ARPA) funding for homeless services with \$4.5 million specifically designated for operating a low-barrier Navigation Center.

C. WHEREAS, on February 1, 2023, the City declared a Homelessness State of Emergency, followed by the approval of an Implementation Plan on May 17, 2023. This plan highlighted the urgent need for emergency and interim shelters due to the near-full capacity of existing shelters.

D. WHEREAS, on July 19, 2023, the City Council amended Permanent Local Housing Allocation Funds and, on August 16, 2023, approved a Substantial Amendment to the FY 2020-2021 Annual Action Plan, reallocating CDBG-CV funds to support interim shelter activities.

E. WHEREAS, on December 6, 2023, the City Council formally approved the Motel Voucher Program, authorizing Professional Service Agreements with motel operators to provide interim shelter. In addition, staff were directed to seek local motel operators due to concerns about facilities outside city limits.

F. WHEREAS, on March 6, 2024, the City entered into agreements with three motels—Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC—for \$2,751,840.

G. WHEREAS, on April 19, 2024, the City canceled the Professional Services Agreement (PSA) with Century RSVP, LLC via email. The decision followed multiple requests and reminders for proper documentation to complete the agreement and concerns over the program's lack of ADA compliance.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants, conditions, and promises contained in this Amendment No. 1 and the original Agreement, the Parties mutually agree as follows:

AGREEMENT

1. Incorporation of Recitals. The recitals listed above are true and correct and are hereby incorporated herein by this reference.

2. Amendment to Term of Agreement. Section 1.7 of Exhibit 1 of the original Agreement is hereby amended in its entirety to read as follows:

“1.7 Term. The term of this Agreement (“Term”) shall commence on the date on which the City Clerk of San Bernardino attests this Agreement and shall expire on December 31, 2026, unless the Term is extended or terminated earlier pursuant to provisions of this Agreement. City shall have one (1) option to extend the Term for a period of six (6) months, commencing on the first day following the expiration of the Term. In order to exercise the option, City must give written notice to Owner of such exercise no later than thirty (30) days before the expiration of the Term. Notwithstanding any other provision herein, City shall have the unilateral right to terminate this Agreement at any time for any or no reason upon thirty (30) days’ written notice to Owner. City shall have no obligation to pay for any charges incurred after this Agreement’s expiration or termination. Expiration or termination of this Agreement shall have no effect on City’s obligation to pay for charges properly incurred during the Term hereof.”

3. Amendment of Rates Schedule. Exhibit B of the original Agreement is hereby amended in its entirety to reflect the new allocation of rooms and budget for this motel as follows:

“Exhibit B
Rates Schedule

Studio 6 Suites (Updated Rate Schedule)								
Month	Number of Single Rooms	RATE 1	Number of Double Rooms	RATE 2	Nights	Cost of Single Rooms Per Month	Cost of Double Rooms Per Month	Program Cost Per Month
1	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
2	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
3	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
4	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
5	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
6	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
7	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
8	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
9	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
10	20	70	10	80	30	\$ 42,000.00	\$ 24,000.00	\$ 66,000.00
11	20	70	10	80	4	\$ 5,600.00	\$ 3,200.00	\$ 8,800.00
12	20	70	10	80	0	\$ -	\$ -	\$ -
								\$ 668,800.00
NOT TO EXCEED TOTAL ANNUAL AMOUNT:								\$668,640

- a. Permanent Local Housing Fund Allocation: \$229,939
- b. Community Development Block Grant Coronavirus: \$438,701

Total Number of Single Rooms: 20

Total Number of Double Rooms: 10

Total Number of Beds: 40”

4. Full Force. Except as amended by this Amendment No. 1, all provisions of the original Agreement shall remain in full force and effect.

5. Electronic Transmission. A manually signed copy of this Amendment No. 1, which is transmitted by facsimile, email, or other means of electronic transmission, shall be deemed to have the same legal effect as delivery of an original executed copy for all purposes. This Amendment No. 1 may be signed using an electronic signature.

6. Counterparts. This Amendment No. 1 may be signed in counterparts, each of which shall constitute an original and together which shall constitute one and the same Amendment No. 1.

**SIGNATURE PAGE FOR
AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH
PA-AN INC.**

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 on the Effective Date first herein above written.

CITY OF SAN BERNARDINO

OWNER

APPROVED BY:

PA-AN INC.

Rochelle Clayton
Acting City Manager

APPROVED BY:

Andy Patel
Owner

APPROVED AS TO FORM:

Best Best & Krieger LLP