

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN
THE CITY OF DESERT HOT SPRINGS AND THE PUN GROUP INCORPORATED**

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT B AND BETWEEN THE CITY OF DESERT HOT SPRINGS AND THE PUN GROUP INCORPORATED ("First Amendment"), is made and entered into as of April 18, 2017 by and between the City of Desert Hot Springs ("City"), and The Pun Group Incorporated ("Consultant"), with the City and Consultant sometimes together referred to herein as "parties".

WHEREAS, the Parties previously entered into that certain Professional Services Agreement between with City of Desert Hot Springs and The Pun Group Incorporated dated June 19, 2014 ("Agreement"), for the Consultant to provide the City with various professional auditing services; and

WHEREAS, the Parties desire to again continue the services, increase the compensation paid to the Consultant, and extend the Agreement Term; and

WHEREAS, the City did prepare and send out a Request for Proposal for Auditing Services for the City and the Desert Hot Springs Health and Wellness Foundation to several auditing firms, as well as post the Request for Proposal on the City's webpage; and

WHEREAS, the City did receive a total of three responses for Request for Proposal for Auditing Services for the City and the Desert Hot Springs Health and Wellness Foundation, reviewed each proposal; interviewed each Consultant, and based on that review selected The Pun Group Incorporated to be the Audit Consultant for the fiscal years ending 2017, 2018, 2019 with a one year extension through fiscal year ending 2020; and

WHEREAS, in consideration of the forgoing recitals and other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

Section 1. RECTIALS

The Recitals set forth above are hereby incorporated into this First Amendment by this reference, as though fully set forth herein.

Section 2. SECTION 1.1 TERMS OF SERVICES

Section 1.1 of the Agreement is hereby revised so that the term of the Agreement shall expire on June 30, 2020.

Section 3. SECTION 2 COMPENSATION

Section 2 of the Agreement hereby sites that the total dollar amount for the First Amendment to the Professional Services Agreement shall not exceed a grand total of \$282,081 over the next four audit years consisting of fiscal year ending 2017, 2018, 2019 and 2020.

Section 4. EXHIBIT "A"

Exhibit "A" of the Agreement is hereby modified so that the scope of services, as set forth in the Consultant's Technical Proposal to provide Professional Services dated April 18, 2017, attached hereto and incorporated herein by this reference as Exhibit "A", are added thereto.

Section 5. ATTORNEY'S FEES

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this First Amendment or as a result of any alleged breach of any provision of this First Amendment, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, and any judgment or decree rendered in such a proceeding shall include an award thereof.

Section 6. COUNTERPARTS

The First Amendment may be executed in several counterparts, each of which shall be deemed to be an original and shall constitute one and the same instrument and shall become binding upon the Parties when at least a copy hereof shall have been signed by the Parties hereto.

Section 7. CONFLICTS

In the event there exists any conflict between the terms of this First Amendment and the Agreement, the terms of this First Amendment shall be superseding.

Section 8. REMAINING PROVISIONS

All other remaining terms and conditions of the Agreement and First Amendment shall remain unchanged.

IN WHITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed as of the date first written above.

CITY OF DESERT HOT SPRINGS

THE PUN GROUP, LLP

Charles Maynard, City Manager

Kenneth Pun, Consultant

ATTEST

Jerryl Soriano, City Clerk

APPROVED AS TO FORM

Jennifer Mizrahi, City Attorney

EXHIBIT A

**SCOPE OF SERVICES
AS LISTED IN THE TECHNICAL PROPOSAL SUBMITTED**

EXHIBIT B

COMPENSATION

The Auditing Services costs as proposed by The Pun Group Incorporated will be:

June 30, 2017 - \$68,440 – additional costs for Single Audit more than one program

June 30, 2018 - \$69,809 – additional costs for Single Audit more than one program

June 30, 2019 – \$71,204 - additional costs for Singe Audit more than one program

June 30, 2020 - \$72,628 – additional costs for Single Audit more than one program