



April 30, 2020

Pradeep Khatri
6 Spring Lane
Belmont, CA 94002

SENT VIA EMAIL TO: kapoorpeter76@gmail.com

RE: TERMINATION OF CONTRACT

Mr. Khatri,

Regarding the April 28, 2020 Emergency Occupancy Agreement (“the Agreement”) for the County of Alameda (“County”) to occupy the hotel property you own at 920 University Avenue, Berkeley (“the Hotel”), the County hereby serves notice of termination based upon your breach of the contract terms that has made unreasonable the County’s mobilization on site.

You responded to the County’s request for proposal by submitting a bid to provide hotel rooms for the County to provide quarantine and self-isolation space for people who are COVID-19 positive, suspected of being COVID-19 positive, medically fragile, or healthcare workers and first responders. On April 8, 2020, the County’s General Services Agency (“GSA”) staff began good faith negotiations with you regarding the terms of the County’s template agreement provided by the State of California as part of its “Project Room Key.” As part of those good faith negotiations the County agreed to various of your requested changes, such as increasing the room charge to reflect the cost of laundry services, and rejected others, including a minimum 90 day length of term and payment for all of the Hotel’s 113 rooms after termination in the event a guest refused to leave.

On April 21, 2020, you signed a copy of the Agreement and returned it to the County. The Agreement was placed on the Board of Supervisor’s agenda for its April 28, 2020 meeting for award and execution. But on April 27, 2020 you sent an email to GSA staff that: “I am sorry to say I will NOT have the facility ready for you or your staff call me immediately” because you were “not clear on a few points.” You expressed concern with guests not leaving the Hotel at the end of the term. When GSA staff responded to your questions, you replied by email: “Please don’t email me anymore, I am done for now.”

The County’s Board of Supervisors approved the Agreement on April 28, 2020 and the President of the Board executed it that same day. GSA staff sent you an email at 9:22 pm that evening asking that you: “Please confirm you are attempting to back out of the now fully executed Occupancy Agreement, dated April 28, 2020, for County to occupy La Quinta, Berkeley between the months of May and July, 2020.” You replied: “I do not wish to engage with you anymore please have your legal department contact me thanking you.”

The County responded later that evening with a letter of clarification explaining the County’s understanding of the contract terms, its intentions for implementation of the contract and assuring you that the County was responsible for the removal of any holdover guests. You

responded by email the next day, April 29, 2020, demanding various changes to the Agreement, including changes to a minimum 90-day term and the County paying for the entire Hotel in the event of any holdover guests despite the County having rejected those terms during good faith negotiations. You followed up with an email later that:

I have not heard back with the comments i submitted today at 10:30 AM, so does it mean we turn on our hotel reservations back ON for booking or is the county going to move forward? with minor clarification, let me know by 6PM today or i will instruct my staff to start hotel reservation booking again.

On April 29, 2020, County staff along with representatives from the City of Berkeley attempted to access the property in accordance with the County's rights under paragraph 21 of the Agreement. County and City of Berkeley staff were refused access to various areas of the Hotel. Five female County and City of Berkeley staff attempted to visit the Hotel again on April 30, 2020. They were told you would not permit use of the breakfast/food prep area despite that paragraph 1 of the Agreement provides the County with "unlimited use of the building's common facilities including any food preparation areas." You also said the County could not have use of the second floor ballroom.

During the meeting you took one of the staff present into a separate room, allegedly to "negotiate." When the other staff became uncomfortable with the situation you barred them access. At that point all five County and City of Berkeley staff left the Hotel out of concern for their safety. In a follow up call to Rachel Johnson at GSA, you said you did not want to speak with any female staff, and did not want to speak with Ms. Johnson because she is a woman. You told Ms. Johnson you would only speak with male employees of the County.

As indicated in the Preamble to the Agreement, the County entered into the Agreement as part of the County's response to the COVID-19 pandemic and pursuant to authority from the Governor's March 4, 2020 State of Emergency Proclamation, Executive Order N-25-20, the State of California's "Project Room Key" and the Federal Emergency Management Agency's authorization FEMA-4482-DR-CA (COVID-19) to house individuals to prevent the spread of COVID-19. This COVID-19 response requires the massive deployment of County resources at substantial cost. The County cannot reasonably incur those costs when you repeatedly threaten breach of the terms of the Agreement by barring access to the Hotel or demanding further changes to the terms after execution of the Agreement as a condition of access and occupancy. Paragraph 17 makes clear that time is of the essence, and your actions are delaying the County's mobilization. In addition, by denying access to County staff, you are in breach of the Agreement.

Furthermore, the County will not permit the gross mistreatment of its employees and partners. The County has no tolerance for sexism, as indicated in paragraph 14 of the Agreement. The County will also not tolerate its staff or partners being placed in situations where they feel unsafe or intimidated. Your behavior is unnecessary, unprofessional and unacceptable.

For all of these reasons you are in breach of the Agreement and the County cannot reasonably incur costs to mobilize its limited resources that are desperately needed to protect our community from the spread of COVID-19. By this notice the County immediately terminates the Agreement. As the County has not yet taken occupancy, it is not responsible for payment of rent or any other costs under the Agreement. It is unfortunate that the County is unable to use your Hotel as part of its COVID-19 response, but it cannot waste time, money and precious resources dealing with your behavior and repeated breaches of the Agreement during this time of emergency.

Sincerely,

DocuSigned by:

Willie A. Hopkins, Jr.

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Willie A. Hopkins, Jr.
Director, General Services Agency

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CC: Members, Board of Supervisors
GSA Chief Deputy, Administration
GSA Manager, Strategic Facilities Capital Planning
HCSA Countywide Initiative Program Coordinator
GSA Real Property Program Manager
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