

**FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(First Time Homebuyer (FTHB) Program – AmeriNational Community Services, LLC
dba AmeriNat)**

This **FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (FTHB Program – AmeriNational Community Services, LLC dba AmeriNat)** (“Fourth Amendment”) is entered into as of this 1st day of July, 2018 by and among the **CITY OF COSTA MESA**, a municipal corporation (“City”), the **COSTA MESA HOUSING AUTHORITY**, a public body corporate and politic (“Authority”), **AMERINATIONAL COMMUNITY SERVICES, LLC**, a Minnesota limited liability company **dba AMERINAT** (“Consultant”) and **FARMERS STATE BANK OF HARTLAND**, a Minnesota corporation (the “Bank”). City, Authority, Consultant, and the Bank are collectively referred to herein as “Parties.”

RECITALS

A. City, Authority and Consultant entered into a Professional Services Agreement (FTHB Program – AmeriNational Community Services, Inc.) dated as of July 1, 2015 for Consultant to provide financial services, including but not limited to loan processing and underwriting and funds disbursement services, in connection with City’s First Time Homebuyer (FTHB) Program (“Original Agreement”).

B. City, Authority, Consultant and Bank entered into a First Amendment to Professional Services Agreement (FTHB Program – AmeriNational Community Services, Inc.) dated as of August 14, 2015, wherein Consultant assigned to Bank the duty to perform all tasks relating to funds disbursement services under the Original Agreement and all rights of compensation and payment for said tasks due from City and Authority.

C. In 2016, Consultant provided notice to City and Authority of its registration as a limited liability company and name change to AmeriNational Community Services, LLC dba AmeriNat.

D. The Original Agreement provides for a one-year term and up to three (3) additional one (1) year extensions.

E. City, Authority, Consultant and Bank entered into a Second Amendment to Professional Services Agreement (FTHB Program – AmeriNational Community Services, LLC.) dated as of July 1, 2016 under which the term of the Original Agreement was extended for one year.

F. City, Authority, Consultant and Bank entered into a Third Amendment to Professional Services Agreement (FTHB Program – AmeriNational Community Services, LLC dba AmeriNat) dated as of July 1, 2017 under which the term of the Original Agreement was extended for one year and the Scope of Services was modified.

G. The Parties desire to exercise the third option to extend the Original Agreement for one year through June 30, 2019.

H. The Parties further desire by this Fourth Amendment to modify Exhibit B of the Original Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Extension of Term. The term of the Original Agreement, as amended by this Fourth Amendment, shall be extended through June 30, 2019.

2. Modification of Exhibit B. Pages B-1 to B-3, inclusive, of Exhibit B of the Original Agreement are hereby deleted in their entirety by this Fourth Amendment and replaced with pages B-1 to B-4, inclusive, attached hereto as Exhibit A and fully incorporated herein by this reference. Exhibit A, as modified by the Third Amendment, and Exhibit C remain in full force and effect.

3. Modification of Exhibit C. Page C-1 of Exhibit C of the Original Agreement is hereby deleted in its entirety by this Fourth amendment and replaced with page C-1, inclusive, attached hereto as Exhibit B and fully incorporated herein by this reference.

4. No Other Changes. All other terms and provisions of the Original Agreement, as amended, not in conflict with this Fourth Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Fourth Amendment to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA

Thomas R. Hatch

Date: 7/3/18

Thomas R. Hatch
City Manager

COSTA MESA HOUSING AUTHORITY

Thomas R. Hatch

Date: 7/3/18

Thomas R. Hatch
Executive Director

AMERINATIONAL COMMUNITY SERVICES, LLC DBA AMERINAT

Adrienne Thorson

Date: 6-28-18

Adrienne Thorson
CEO

FARMERS STATE BANK OF HARTLAND

Mark Heinemann

Date: 6-27-18

Mark Heinemann
President/CFO

ATTEST:

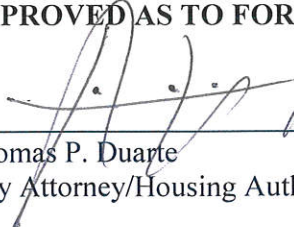
Brenda Green

Date: 7-5-18

Brenda Green
City Clerk/Housing Authority Secretary



APPROVED AS TO FORM:




Thomas P. Duarte
City Attorney/Housing Authority General Counsel

ACA/AGC

Date: 7/27/18

APPROVED AS TO INSURANCE:



Ruth Wang
Risk Management

Date: 6/29/18


DEPARTMENTAL APPROVAL



Barry Curtis
Economic and Development Services Director

Date: 6.29.18

APPROVED AS TO CONTENT:



Jacqueline Y. Reeves
Project Manager

Date: 6/29/18

APPROVED AS TO PURCHASING:



Kelly Telford
Finance Director

Date: 7/2/18

EXHIBIT A

Program Guidelines / Loan Servicing

Client Name: City of Costa Mesa Client #: 470 Group #: 470
 Department:
 Address: PO Box 1200
 City, State Zip: Costa Mesa, CA 92628-1200

Amortized Loans Only Deferred Loans Only Both Amortized and Deferred Loans

Project # 470 Project Name: First Time Homebuyer Program
 Project # 471 Project Name: Police Dept. FTHB Program
 Project # Project Name:
 Project # Project Name:

A. Services Provided

	Yes	No
Loan Processing and Underwriting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Loan Document Preparation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Funds Disbursement (Performed by Bank)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Subordination Processing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
AmeriNat to Provide Modification Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Escrows	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Insurance Escrows	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Delinquency Follow Up / Loss Mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Credit Reporting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bankruptcy Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AmeriNat to prepare Forbearance Agreements	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AmeriNat to prepare Foreclosure Agreements	<input type="checkbox"/>	<input checked="" type="checkbox"/>
AmeriNat to prepare Payoff Demands	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Client Approval required for Payoff Demands	<input checked="" type="checkbox"/>	<input type="checkbox"/>
AmeriNat to prepare Substitution of Trustee / Deed of Reconveyance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Borrower Affidavits	<input type="checkbox"/>	<input type="checkbox"/>
Property Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B. Billing Selection

	Deduct From Month End Remittance (Client Fee)	Deduct From Loan Proceed (Paid through Escrow)	Other: See Special Instructions
1) New Loan Set Up	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Tax Service	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3) Monthly Servicing Fees	<input checked="" type="checkbox"/>		<input type="checkbox"/>
4) Deferred Loan Occasional Payment Fee	<input checked="" type="checkbox"/>		<input type="checkbox"/>
5) Retains Late Charges: ACS	Borrowers are responsible for paying late charges as designated in their loan documents. This section documents who retains the late charges based on the contract.		
6) Escrow Deficit N.A.	<input type="checkbox"/>		<input type="checkbox"/>

C. Servicing Parameters

General Information

In addition to required loan file particulars, flow loans sent to AmeriNat for servicing/warehousing must be accompanied by an ACS Loan Servicing Set-Up Sheet.

If escrow/impound accounts exist, AmeriNat will also establish a Client Escrow Deficit account. This account is used to track and reconcile borrower accounts with escrow deficits as a result of payments made on the borrower's behalf in excess of their escrow balance. The escrow deficit account will be reconciled monthly and the net change will be included or deducted from the Client's monthly remittance; a net shortage/negative will be deducted and a net overage/positive will be remitted.

Client Specified Requirements

1. For insurance monitoring and/or escrows, coverage designations apply as indicated below:

Type of insurance required:

- Hazard/Homeowners Insurance
- Wind Insurance (included in hazard policy)
- Flood Insurance
- Other Insurance: _____

Coverage and deductible standard requirements (FNMA Guidelines):

- Replacement Cost Provision required
- Coverage equal to the lesser of the following:
 - 100% of the insurable value improvements, as established by the property insurer, or
 - The unpaid principal balance of the mortgage, as long as it equals the min amount – 80% of the insurable value of the improvements – required to compensate for damage or loss on a replacement cost basis. If it does not, then coverage that does provide the min required amount must be obtained.
- Extended coverage endorsement
- A.M Best rating of either:
 - a "B" or better Financial Strength in *Best's Insurance Reports* or
 - An "A" or better Financial Strength and a Financial Size Cat of "VIII" or greater in *Best's Insurance Reports Non-US Edition*.
- Deductible less than or equal to \$2500 (max amount allowed), or 5% of the face value.
- Notify Client if deductible is greater than _____
- See Section D: Special Instructions

2. If AmeriNat is to order Lender Placed Insurance, the cost of the Lender Placed Insurance will be deducted from borrower's escrow. If there isn't an escrow account one will be established. If an escrow shortage occurs, it will be reported on the monthly Escrow Deficit Report.

- Order Lender Placed Insurance automatically when coverage lapses or is not provided.
- Order Lender Placed Insurance on an "as requested" basis if coverage lapses or is not provided.

*AmeriNat will automatically renew Lender Placed Insurance if borrowers have not provided proof of insurance.

3. Loss Payee Clause for Insurance Policies: City of Costa Mesa, C/O AmeriNat

4. If accounts are escrowed, AmeriNat will automatically pay tax and insurance disbursements across the board regardless of escrow balance and next payment due date.

5. If AmeriNat is preparing payoff demands and Client approval is required; a response either approval or denial must be returned to ACS within 2 business days of receipt.

6. If AmeriNat is preparing reconveyances/lien releases, the reconveyance form must be signed and returned within 5 business days. Delays may result in civil penalties as determined by federal and/or state regulations.

D. Loss Mitigation

1. Upon approval, Demand Letters will be sent after the 90th day of delinquency, unless the account is on a payment plan, in bankruptcy or a modification is in process.

- Yes- AmeriNat will send Demand Letters at the 91st day of delinquency.
- No- AmeriNat will not send Demand Letters. Approval is required prior to mailing letters.

2. Do you have a specific attorney that AmeriNat will work with for bankruptcies and foreclosures?

Name: _____ Email: _____
 Phone Number: _____ Fax: _____

E. Special Instructions (items not covered in above information/need additional explanation)

F. Remittance and Reporting

Check Check Payable to: City of Costa Mesa

ACH Bank Name: _____ Bank Address: _____
 Bank Phone: _____ Routing # _____ Account # _____

Checking Account Savings Account

Wire Bank Name: _____ Bank Address: _____
 Bank Phone: _____ Routing # _____ Account # _____

Reports sent via: email or mail

Report & Remittance Frequency: Weekly Monthly

Report Package to include:

- Portfolio Status Report
- Current Month Reconciliation Report
- Delinquent Aging Report
- Escrow Deficit Report
- Funding Source Break Down
- GPS
- Other: _____
- Other: _____

Report Contacts and Email Addresses

Contact Name: Jacqueline Y. Reeves Email Address: jacquie.reeves@costamesaca.gov
 Contact Name: _____ Email Address: _____
 Contact Name: _____ Email Address: _____

G. Client Contact Information

<p>Primary Contact</p> <p>Name: <u>Jacqueline Reeves</u> Title: <u>Mangement</u> <u>Analyst</u> Phone: <u>714-754-4870</u> Fax: <u>714-754-4913</u> Email Address: <u>jacquie.reeves@costamesaca.gov</u></p>	<p>Contact for:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> New Loan Set Up <input checked="" type="checkbox"/> Payoff Demands <input checked="" type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance <input checked="" type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications <input checked="" type="checkbox"/> Taxes & Insurance <input checked="" type="checkbox"/> Loan Terms & Balances
<p>Second Contact</p> <p>Name: _____ Title: _____ Phone: _____ Fax: _____ Email Address: _____</p>	<p>Contact for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> New Loan Set Up <input type="checkbox"/> Payoff Demands <input type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance <input type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications <input type="checkbox"/> Taxes & Insurance <input type="checkbox"/> Loan Terms & Balances
<p>Additional Contact</p> <p>Name: _____ Title: _____ Phone: _____ Fax: _____ Email Address: _____</p>	<p>Contact for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> New Loan Set Up <input type="checkbox"/> Payoff Demands <input type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance <input type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications <input type="checkbox"/> Taxes & Insurance <input type="checkbox"/> Loan Terms & Balances

Additional Contact Name: _____ Title: _____ Phone: _____ Fax: _____ Email Address: _____	Contact for: <input type="checkbox"/> New Loan Set Up <input type="checkbox"/> Payoff Demands <input type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance <input type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications <input type="checkbox"/> Taxes & Insurance <input type="checkbox"/> Loan Terms & Balances
--	--

H. Client Authorizations

The signatures below designate individuals authorized to request and approve services as indicated.

Signature: <u><i>Jacqueline Y. Reeves</i></u> Name: <u>Jacqueline Y. Reeves</u> Title: <u>Management Analyst</u>	Authorized to Sign: <input checked="" type="checkbox"/> Payoff Demands <input type="checkbox"/> Sign Substitution of Trustee/ Deed of Reconveyance <input type="checkbox"/> Approve Forbearance / Foreclosure Agreements <input type="checkbox"/> Approve Modification Agreements <input type="checkbox"/> Change Loan Terms & Balances <input checked="" type="checkbox"/> Change Remittance Bank Information
Signature: <u><i>Thomas R. Hatch</i></u> Name: <u>Thomas R. Hatch</u> Title: <u>City Manager</u>	Authorized to Sign: <input type="checkbox"/> Payoff Demands <input checked="" type="checkbox"/> Sign Substitution of Trustee/ Deed of Reconveyance <input type="checkbox"/> Approve Forbearance / Foreclosure Agreements <input type="checkbox"/> Approve Modification Agreements <input checked="" type="checkbox"/> Change Loan Terms & Balances <input type="checkbox"/> Change Remittance Bank Information
Signature: <u><i>Barry Curtis</i></u> Name: <u>Barry Curtis</u> Title: <u>Economic and Development Services Director</u>	Authorized to Sign: <input type="checkbox"/> Payoff Demands <input type="checkbox"/> Sign Substitution of Trustee/ Deed of Reconveyance <input checked="" type="checkbox"/> Approve Forbearance / Foreclosure Agreements <input checked="" type="checkbox"/> Approve Modification Agreements <input type="checkbox"/> Change Loan Terms & Balances <input type="checkbox"/> Change Remittance Bank Information

I. Guideline Acknowledgement

Guidelines Approved By:

Signature: *Thomas R. Hatch*
Printed Name: Thomas R. Hatch Date: 7/3/18
Department & Title: City Manager

Guidelines Accepted by AmeriNat:

Signature: _____
Printed Name: _____ Date: _____
Department & Title: _____

EXHIBIT B

**EXHIBIT C
FEE SCHEDULE**

Loan Portfolio Management

Amortized Loans:

- i. Monthly Service Fee: 1/24 of 1% per month of original principal amount with a minimum monthly fee of \$8.50 and a maximum monthly fee of \$25.00 for each loan in the portfolio. Escrowing and/or monitoring of taxes and insurance are included with the service at no additional cost (except for a potential one-time tax service fee). Please note: The establishment of a new tax service contract or the transfer of an existing contract from an acceptable service provider is required for the escrowing and/or monitoring of taxes. Tax service vendor fees are outside costs passed through from outside vendors and are subject to marketplace increases. Such costs shall be reasonable and competitive with other similar services provided in the general vicinity of the projects.

Deferred Loans:

- i. Warehouse: \$2.15 per loan per month
- ii. Warehouse and monitor of taxes and/or insurance: \$5.85 per loan per month plus a one-time tax service vendor fee.
- iii. Warehouse and escrow of taxes and/or insurance: \$9.67 per loan per month plus a one-time tax service vendor fee.
- iv. Flat fee for receiving occasional payments on deferred loans: \$9.67 per payment

Loans serviced by Consultant prior to July 1, 2015. (Fee already paid under a prior contract.)

- i. Flat fee for receiving occasional payments on deferred loans: \$9.00 per payment

Loss Mitigation

As and if requested by Costa Mesa, an additional servicing fee of \$4.35 per loan per month shall be charged for all amortized loans in the portfolio.

Per-Event Fees

Tickler Notifications:	\$12.50 per notification
Loan Transfer Fee:	\$50.00 per loan one-time fee if transferred from Consultant
Property Conditions Profile:	\$50.00 per occurrence
Affidavit of Owner:	\$12.00 per loan (entire portfolio done at one time) with a \$500 minimum fee.