

**FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT  
(SF Rehabilitation Program – AmeriNational Community Services, LLC dba AmeriNat)**

This **FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (SF Rehabilitation 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 an original Professional Services Agreement (SF Rehabilitation 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 for City’s Single-Family Rehabilitation Deferred Payment Loan Program (“Original Agreement”).

**B.** City, Authority, Consultant and Bank entered into a First Amendment to Professional Services Agreement (SF Rehabilitation 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 (SF Rehabilitation 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 (SF Rehabilitation 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 by this Fourth Amendment 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 the Program Guidelines portion of the Scope of Services, Exhibit A to 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 Scope of Services. Pages A-7 to A-9, inclusive, of Exhibit A, as renumbered by the Third Amendment, are hereby deleted in their entirety by this Fourth Amendment and replaced with pages A-7 to A-13, inclusive, attached hereto as Exhibit A and fully incorporated herein by this reference. Pages A-1 to A-6, as modified by the Third Amendment, and Exhibit B remain in full force and effect.

3. 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  
Thomas R. Hatch  
City Manager

Date: 7/3/18

**COSTA MESA HOUSING AUTHORITY**

Thomas R. Hatch  
Thomas R. Hatch  
Executive Director

Date: 7/3/18

**AMERINATIONAL COMMUNITY SERVICES, LLC DBA AMERINAT**

Adrienne Thorson  
Adrienne Thorson  
CEO

Date: 6-28-18

**FARMERS STATE BANK OF HARTLAND**

Mark Heinemann  
Mark Heinemann  
President/CFO

Date: 6-27-18

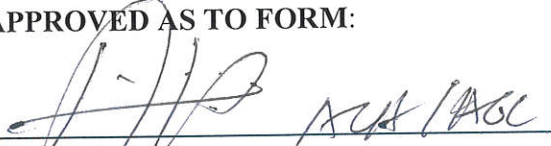
**ATTEST:**

Brenda Green  
Brenda Green  
City Clerk/Housing Authority Secretary




Date: 7-5-18

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Thomas P. Duarte  
City Attorney/Housing Authority General Counsel

Date: 7/2/18

**APPROVED AS TO INSURANCE:**

  
\_\_\_\_\_  
Ruth Wang  
Risk Management

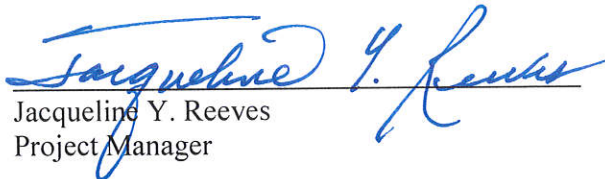
Date: 6/29/18

**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**

AmeriNat  
800-943-1988

Date: 7/1/2018

**Program Guidelines / Loan Servicing**

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

Amortized Loans Only     Deferred Loans Only     Both Amortized and Deferred Loans

Project #                                      Project Name: All HOME Loans serviced for the City of Costa Mesa  
 Project #                                      Project Name:  
 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 type="checkbox"/>
Funds Disbursement (Performed by Bank)	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Escrows	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance Monitoring	<input type="checkbox"/>	<input checked="" 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 91<sup>st</sup> 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><b>Primary Contact</b></p> <p>Name: <u>Jacqueline Reeves</u> Title: <u>Mangement Analyst</u>                  Phone: <u>714-754-4870</u> Fax: <u>714-754-4913</u>                  Email Address: <u>jacquie.reeves@costamesaca.gov</u></p>	<p><b>Contact for:</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> New Loan Set Up</li> <li><input checked="" type="checkbox"/> Payoff Demands</li> <li><input checked="" type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance</li> <li><input checked="" type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications</li> <li><input checked="" type="checkbox"/> Taxes &amp; Insurance</li> <li><input checked="" type="checkbox"/> Loan Terms &amp; Balances</li> </ul>
<p><b>Second Contact</b></p> <p>Name: _____ Title: _____                  Phone: _____ Fax: _____                  Email Address: _____</p>	<p><b>Contact for:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> New Loan Set Up</li> <li><input type="checkbox"/> Payoff Demands</li> <li><input type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance</li> <li><input type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications</li> <li><input type="checkbox"/> Taxes &amp; Insurance</li> <li><input type="checkbox"/> Loan Terms &amp; Balances</li> </ul>
<p><b>Additional Contact</b></p> <p>Name: _____ Title: _____                  Phone: _____ Fax: _____                  Email Address: _____</p>	<p><b>Contact for:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> New Loan Set Up</li> <li><input type="checkbox"/> Payoff Demands</li> <li><input type="checkbox"/> Substitution of Trustee/ Deed of Reconveyance</li> <li><input type="checkbox"/> Forbearance / Foreclosure / Loss Mitigation / Modifications</li> <li><input type="checkbox"/> Taxes &amp; Insurance</li> <li><input type="checkbox"/> Loan Terms &amp; Balances</li> </ul>

<b>Additional Contact</b>  Name: _____ Title: _____ Phone: _____ Fax: _____ Email Address: _____	<b>Contact for:</b> <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
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**H. Client Authorizations**

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

Signature: <u>Jacqueline Y. Reeves</u> Name: <u>Jacqueline Y. Reeves</u> Title: <u>Management Analyst</u>	<b>Authorized to Sign:</b> <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>Thomas R. Hatch</u> Name: <u>Thomas R. Hatch</u> Title: <u>City Manager</u>	<b>Authorized to Sign:</b> <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>Barry Curtis</u> Name: <u>Barry Curtis</u> Title: <u>Economic and Development Services Director</u>	<b>Authorized to Sign:</b> <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: \_\_\_\_\_



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**PROGRAM GUIDELINES / LOAN DOCUMENT PREPARATION**

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Date: 7/1/2018

Client Name: City of Costa Mesa

Program: Single-Family Rehabilitation Program

Project#: 470

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**A. Document Preparation**

1. AmeriNat Community Services will prepare the loan documents for:

- Client Amortized loans
- Deferred loans
- Other Client loans
- Other (specify) \_\_\_\_\_

2. AmeriNat Community Services to order:

- PIRTS (Chicago)
- Fleet Policy (Gateway)
- Preliminary Title Reports
- PIRT Updates
- Full Title Policy – CLTA
- Credit Report
- Appraisal (Drive-by only) – Chicago Title (On a case by case basis)
- Fire Insurance
- Other (specify) \_\_\_\_\_

3. Which, if any, of the following fees should be taken from escrow (loan proceeds) or billed to client?

	Escrow	Billed to Client
Title Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PIRT & PIRT Update	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Credit Report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Grantee Performance Report	<input type="checkbox"/>	<input type="checkbox"/>
Record Notice of Completion	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Preparation of Loan Documents	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Record Loan Documents	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PIRT Appraisal	<input type="checkbox"/>	<input type="checkbox"/>
Tax Service	<input type="checkbox"/>	<input type="checkbox"/>
Loan Set Up Fee	<input type="checkbox"/>	<input type="checkbox"/>
Disbursement Fee	<input type="checkbox"/>	<input type="checkbox"/>

4. Any fee charges for these outside services are standard vendor rates and are subject to marketplace increases.
5. If escrow is cancelled or loan documents not used, a cancellation fee, along with fees not yet paid for outside services (i.e. title, credit, etc.) shall be:

- Billed to Client  
 Billed to Other (explain) \_\_\_\_\_

Escrow will be considered cancelled if a Loan Document Request is not received within 60 days of ordering title report, credit report, or any other outside services.

6. Standard documents to be completed: (NOTE: Original documents to be held by Client; duplicates to be held by AmeriNat)

	Client	AmeriNat
Notice of Right to Cancel	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Truth In Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UCC-1	<input type="checkbox"/>	<input type="checkbox"/>
Promissory Note	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Deed of Trust	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Addendum to Deed (Rider)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Request for Notice	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Control Instructions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Loan Agreement	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

**C. Client Authorizations**

**Person(s) Authorized to Order Loan Documents**

Signature:  Title: Management Analysis  
 Printed Name: Jacqueline Y. Reeves

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

Printed Name: \_\_\_\_\_

**Person(s) authorized to alter these guidelines policies**

Signature: *Jacqueline Y. Reeves* Title: Management Analyst  
Printed Name: Jacqueline Y. Reeves

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

**Official Client Address:**

City of Costa Mesa/Costa Mesa Housing Authority  
ATTN: HCD  
P. O. Box 1200,  
77 Fair Drive  
Costa Mesa, CA 92628

**D. Guideline Acknowledgment**

Guidelines Approved By:

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

Guidelines Accepted by AmeriNat:

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Department & Title: \_\_\_\_\_