CITY OF COSTA MESA
FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(First Time Homebuyer (FTHB) Program – AmeriNational Community Services, Inc.)

This **FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (FTHB Program - AmeriNational Community Services, Inc.)** ("First Amendment") is entered into and dated as of August 14, 2015 by and among the **CITY OF COSTA MESA**, a municipal corporation ("City"), **COSTA MESA HOUSING AUTHORITY**, a public body corporate and politic ("Authority"), **AMERINATIONAL COMMUNITY SERVICES, INC.**, a Minnesota Corporation ("Consultant") and **FARMERS STATE BANK OF HARTLAND**, a Minnesota corporation (hereinafter the "Bank").

RECITALS

A. City, Authority and Consultant entered into that certain PROFESSIONAL SERVICES AGREEMENT (FTHB Program - AmeriNational Community Services, Inc.) dated as of July 1, 2015 ("Original Agreement"). The Original Agreement and this First Amendment are referred to together as the "Agreement".

B. The City, Authority and Consultant, desire to authorize the Consultant to assign to the Bank, as an additional party hereunder, all performance tasks under the Original Agreement relating to the funds disbursement services to be provided by the Consultant.

C. All provisions of the Original Agreement shall remain in full force and effect, except as provided for in this First Amendment.

TERMS AND CONDITIONS

1. Consultant hereby assigns to the Bank the duty to perform all of the tasks related to the Funds Disbursement services, including but not limited to Exhibit A of the Original Agreement (as modified by Exhibit A to this First Amendment), and assigns to the Bank all right of compensation and payment for said tasks due from the City and Authority, as applicable for the FTHB Program.

2. The Bank hereby accepts said assignment from Consultant and hereby promises to perform all of the Funds Disbursement services as described in the Original Agreement and as further described and modified by Exhibit A to this First Amendment, which is attached hereto and fully incorporated by this reference.

3. The City and Authority hereby assent to the above-described assignment by Consultant to Bank, and, as applicable as between City and Authority, each promise to pay to the Bank any and all sums due under the Agreement, relative to the Funds Disbursement tasks performed by Bank as described in Exhibits A hereto and to the Original Agreement.

4. Bank agrees to and shall prepare and submit, and comply with the insurance and indemnity provisions set forth in the Original Agreement.

IN WITNESS WHEREOF, the City, Authority, Consultant, and Bank have executed this *First Amendment to Professional Services Agreement (FTHB Program - AmeriNational Community Services, Inc.)* as executed by and through their respective authorized officers, as of the Effective Date.

CITY:
CITY OF COSTA MESA, a California municipal corporation

REDACTED

BY: Gary Armstrong, AICP
Economic Development and Development
Services Director/Deputy Chief Executive Officer

Date: 8-20-15

REDACTED

BY: Stephen Dunivent
Interim Finance Director

Date: 8.20.15

REDACTED

BY: Thomas R. Hatch, Chief Executive Officer
or Authorized Designee

Date: 8/25/15

for Acting CEO

AUTHORITY:
COSTA MESA HOUSING AUTHORITY,
a public body corporate and politic

REDACTED

for Thomas R. Hatch, Executive Director

Date: 8/25/15

Acting CEO

ATTEST:

REDACTED

City Clerk/Housing Authority Secretary

Date: 8/25/15

APPROVED AS TO FORM:

REDACTED

City Attorney/Housing Authority General Counsel

Date: 08/24/15

APPROVED AS TO INSURANCE:

REDACTED

Risk Management

Date: 8/20/15

APPROVED AS TO CONTENT:

REDACTED

Project Manager

Date: 8/20/15

[Signature continued from next page]

AMERINATIONAL COMMUNITY SERVICES, INC.

BY: [redacted] DATE: 8-14-15

Adrienne Thorson, CEO/CFO

FARMERS STATE BANK OF HARTLAND

BY: [redacted] DATE: 8-14-15

Mark Heinemann, President/CFO

EXHIBIT A
SCOPE OF WORK
Fund Disbursement Services

Total project/loan/grant proceeds are forwarded to Bank and held in trust for disbursement of funds according to the City/Authority's requirements. Bank shall deposit the funds into a custodial trust account and is a FDIC insured bank.

A fast turnaround of stage payments ensures delivery of checks back to the City/Authority or directly to payees is made within 48 hours of request. When requests are made by 12:00 p.m. noon Central Time (CT), the check will be cut the same day.

The funds disbursement services will be based on the following detailed steps:

1. Opening Account: Upon project/loan/grant approval, Bank will open a disbursement account that includes respective project/loan/grant information. The City/Authority will then forward project/loan/grant proceeds and completed Control Instructions to Bank. The Control Instructions should include the following information:

    a. Project/Owner(s) name
    b. Contractor(s)
    c. Project/Job site address
    d. Amount of funds being held
    e. Instructions on how funds are to be disbursed
    f. Original signatures of Project/owner and City/Authority representative.

2. Disbursement Process: When requested by the City/Authority, Bank will provide check disbursements to parties designated by the City/Authority in connection with the project/loan/grant. Such disbursements are outlined in an Authorization for Payment, which includes information regarding the amount of the disbursement, the parties to be paid, signatures of City/Authority representatives authorized to make disbursements, and the Project/Owner's authorizing signatures. Bank will verify proper authorization to disburse funds and that amounts are correct and in agreement with original Control Instructions and Authorized Signatures. All checks shall be sent to the City/Authority, unless otherwise directed by the City/Authority. Checks will be issued payable to the contractor, or other payees as directed by the Client. Funds will be disbursed from the Client's account the same day when the request is received by 12:00 p.m. noon CT. Requests received after 12:00 p.m. noon CT are processed the next business day.

3. Contingency: Additional funds may be added to a project in anticipation of unforeseen construction costs. Bank will hold contingency at the City/Authority's request and release funds upon receipt of an Authorization for Payment. This process is subject to the City/Authority's financial policies and procedures.

4. Recording the Notice of Completion: As applicable, after the City/Authority's final inspection on a project, a Notice of Completion is executed by the borrower and

forwarded to Bank for recording with the appropriate County Recorder. Bank shall mail the Notice of Completion by certified mail within two (2) business days after receipt.

5. Account Close Out: After payout of all funds in the account, excess funds will be disbursed according to the City/Authority's instructions. Bank will forward a Final Closing Statement to the City/Authority, comprising a complete record of all transactions in one report. Bank will also forward a copy of the report to the borrower for their records, if requested by the City/Authority.