

**AGENDA
ITEM**

2



**CITY COUNCIL
AGENDA STAFF REPORT**

DATE: August 21, 2024
TO: Mayor and City Council
APPROVED BY: Juan A. Contreras, Acting City Manager *JAC*
REVIEWED BY: Sandra L. Fonseca, Interim Finance Director *SF*
PREPARED BY: Juan A. Contreras, Acting City Manager *JAC*
SUBJECT: Approve and Authorize the Acting City Manager to Sign the Professional Services Agreement with AmeriNational Community Services

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Recommendation:

Consideration to approve and authorize the Acting City Manager to sign the Professional Services Agreement with AmeriNational Community Services.

Background:

AmeriNational Community Services felt it was appropriate to update the terms and conditions since the prior agreement dated back to 2016. This professional services agreement will provide additional services that will assist the City of Calexico with loss mitigations and assist homeowners with claims.

On May 17, 2016, the City of Calexico City Council approved a professional services agreement with AmeriNational Community Services to provide loan portfolio services for housing programs offered by the City of Calexico. Loan portfolio services provided by AmeriNational Community Services include but are not limited to, collection and remittance of payments, payment of property taxes, and insurance monitoring.

On February 5, 2020, the City of Calexico City Council approved the first amendment to the professional services agreement with AmeriNational Community Services.

On December 2, 2020, the City of Calexico City Council approved the second amendment to the professional services agreement with AmeriNational Community Services.

On October 20, 2021, the City of Calexico City Council approved the third amendment to the professional services agreement with AmeriNational Community Services

Discussion and Analysis:

The professional services agreement with AmeriNational Community Services expired on December 31, 2023. Staff from the City Manager's Office and the Finance Department assessed and determined the need to extend the professional services of AmeriNational Community Services considering their flawless service and attention to the city's housing loan portfolio.

Fiscal Impact:

Approximately \$17,000 is paid annually by housing program income funds. There is no impact to the General Fund.

Coordinated With:

The Finance Department
City Attorney

Attachment:

1. Professional Services Agreement between the City of Calexico and AmeriNational Community Services.
2. Third Amendment to the Professional Services Agreement between the City of Calexico and AmeriNational Community Services dated October 20, 2021
3. Second Amendment to the Professional Services Agreement between the City of Calexico and AmeriNational Community Services dated December 02, 2020.
4. First Amendment to the Professional Services Agreement between the City of Calexico and AmeriNational Community Services dated February 05, 2020.
5. Professional Services Agreement between the City of Calexico and AmeriNational Community Services dated May 17, 2016.

Attachment No. 1

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement is dated January 1, 2024 and is between the City of Calexico, a municipal corporation (the “**Client**”) and AmeriNational Community Services, LLC d/b/a AmeriNat, a Minnesota limited liability company (the “**Servicer**”).

RECITALS

The Client desires to engage the Servicer to render certain services in connection with loans owned by the Client (the “**Loans**”) and the Servicer is willing to deliver such services pursuant to the terms of this Agreement. The **Client** and **Servicer** therefore agree as follows:

AGREEMENT

Section 1. DEFINITIONS

- 1.1 Client: City of Calexico, a municipal corporation whose principal business address 608 Herber Avenue, Calexico, CA 92231.
- 1.2 Client Data Security Administrator: The point person who is responsible for administering and troubleshooting the Client’s security solutions.
- 1.3 Client Indemnitees: The Client and its respective employees, representatives, agents, successors and assigns.
- 1.4 Confidential Information: Information which is proprietary to the Servicer and which relates to its existing or reasonably foreseeable business (see section 10.1).
- 1.5 Data Security Administrator: The point person who is responsible for administering and troubleshooting the Servicer’s security solutions.
- 1.6 FCRA: Fair Credit Reporting Act.
- 1.7 FDCPA: Fair Debt Collection Practices Act.
- 1.8 Fee Schedule: Servicer’s list fees.
- 1.9 FHA: Federal Housing Administration
- 1.10 FHLMC: Federal Home Loan Mortgage Corporation
- 1.11 FNMA: Fannie Mae
- 1.12 Gramm-Leach-Bliley Act: The Gramm-Leach-Bliley Act requires financial institutions or companies that offer consumers financial products or services like loans, financial or investment advice, or

Fees and costs may be subject to a reasonable annual increase based on current market rates.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE SERVICER

The Servicer makes the following representations and warranties to the Client:

4.1 Organization and Standing. The Servicer is, and will continue to be, a duly organized and validly existing limited liability company in good standing under the laws of the State of Minnesota with the requisite power and authority to conduct the business in which it is engaged.

4.2 Power and Authority. The Servicer has requisite power and authority to execute, deliver and carry out the terms and provisions of this Agreement, and the Servicer has duly and properly taken necessary action to permit and authorize the execution, delivery, and performance of this Agreement. This Agreement has been duly authorized, executed and delivered by the Servicer and constitutes a legal, valid, and binding obligation of the Servicer, enforceable against it in accordance with its terms, subject to the effect, if any, of general principles of equity.

4.3 Compliance with Laws and Other Instruments. The Servicer is not in violation of, or in default under, terms of its articles of incorporation, bylaws, or agreements or instruments to which it is a party or by which it is bound, or judgments, decrees, orders, statutes, rules or governmental regulations applicable to it, which violation or default would have a material adverse effect on the Servicer or its ability to perform its duties under this Agreement. The execution, delivery and performance of this Agreement, the consummation of the transactions contemplated herein and the compliance with the terms and provisions hereof, will not contravene material provisions of law, statute, rule or regulation to which the Servicer is subject.

4.4 Litigation. There are no actions, suits, proceedings or investigations pending, or to the knowledge of the Servicer, threatened against or affecting the Servicer, nor is there an outstanding judgment, order, writ, injunction, decree or award affecting the Servicer before a court or before a federal, state, municipal or other governmental department, commission, board, bureau or agency, which, either separately or in the aggregate, could have a material adverse effect on the Servicer or its ability to perform its duties under this Agreement.

4.5 Consents. The Servicer has, and is in good standing with respect to, necessary governmental licenses, consents, approvals, authorizations, permits, certificates, inspections, and franchises necessary to conduct its business.

4.6 Insurance. The Servicer shall have and maintain in full force and effect for the duration of this Agreement insurance insuring against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work by the Servicer, its agents, representatives, employees and subcontractors, including an adequate errors and omissions policy satisfying applicable servicing requirements and a standard Mortgage Banker's Blanket Bond.

4.7 Non-Standard Portfolios. For loans with unique servicing characteristics that are not shown and priced in Exhibit B, the Parties acknowledge that additional and/or different servicing requirements may be appropriate. The Parties shall work together in good faith to establish written terms for the servicing

or other directives that may relate to the appropriate verification of borrower identity to ensure the prohibition of transactions with certain foreign countries and/or their nationals. The Client agrees to promptly notify Servicer if it becomes aware of its borrowers being added to the Specially Designated Nationals List during the term of this agreement.

5.7 Privacy. The Client acknowledges its obligation under the Gramm-Leach-Bliley Act 15 USC 6801 and confirms that it adheres to the provisions of this regulation and related guidance, including issuance of the proper privacy notices to its customers if required, as with the FCRA and FDCPA.

SECTION 6. OWNERSHIP OF WORK

6.1 Ownership of Reports and Systems. Reports, designs, drawings, plans, specifications, schedules, and other deliverables provided to the Client in accordance with the terms of this Agreement are the property of the Client. Business methods, processes, programs and systems and procedural documentation and operating instructions of such, shall be and are the property of the Servicer. The Client rights with respect to use of systems, including the AmeriNat Portal, are provided in a limited fashion as expressly granted pursuant to this Agreement.

6.2 AmeriNat Portal access. The Client agrees to access and use the AmeriNat Portal solely for its own internal use, in compliance with operating instructions provided by the Servicer and the terms of this Agreement, and to designate an authorized individual to serve as the Client Data Security Administrator. The Client further agrees to treat the AmeriNat Portal and all associated documentation and processes as Confidential Information.

SECTION 7. INDEMNIFICATION

7.1 Servicer indemnification. The Servicer agrees to indemnify, defend and hold harmless the Client and its respective employees, representatives, agents, successors and assigns (the "**Client Indemnitees**") from and against losses, damages, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred by the Client Indemnitees in connection with a breach by the Servicer of the covenants, agreements, representations or warranties contained herein, or the negligence or willful misconduct of the Servicer, or its employees or agents.

7.2 Client indemnification. The Client agrees to indemnify, defend and hold harmless the Servicer and its respective employees, representatives, agents, successors and assigns (the "**Servicer Indemnitees**") from and against losses, damages, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred by the Servicer in connection with a breach by the Client of the covenants, agreements, representations or warranties contained herein, or the negligence or willful misconduct of the Client, or its employees or agents.

SECTION 8. INDEPENDENCE

8.1 Independent Parties. Nothing contained in this Agreement shall be deemed or construed to create a co-partnership or joint venture relationship between the Servicer and the Client. The duties and responsibilities of the Servicer shall be rendered as an independent party and not as an agent, representative, or employee of the Client, and the Servicer shall have full control of its acts, doings, and

is entitled to equitable relief as a remedy for any such breach. The Client agrees to refrain from acts and omissions that would reduce the value of Confidential Information to the Servicer.

10.3 Required disclosures. The Client agrees to provide to Servicer notice of disclosures required by a governmental agency, judicial body or law prior to such disclosure being made, or in the event that prior notice cannot practicably be given, simultaneously with the disclosure. The Client will cooperate in a reasonable effort to obtain a protective order (at the requesting party's sole cost and expense) relating to the disclosure of such information. In addition, upon request for the Client to mark such information as privileged or confidential when disclosed, the Client will cooperate with such request to the extent permitted by law.

SECTION 11. TERM AND TERMINATION

11.1 Term. The term of this Agreement shall commence upon execution of this Agreement by both parties and shall continue for one year thereafter. This Agreement shall automatically renew for successive one-year terms under the same terms and conditions unless either party gives thirty (30) days written notice of its intention to not renew the contract under the same terms and conditions. Revisions to the contract must be mutually agreed upon in writing and signed by both parties.

11.2 Termination. Irrespective of a default hereunder, either party may also, at their discretion, terminate this Agreement, in whole or in part, by giving the other party ninety (90) days written notice thereof and in such event, the Servicer shall be entitled to receive compensation specified herein for work completed prior to such ninety (90) days' notice of termination or cancellation, delivered or not yet delivered to the Client. The Servicer shall also be entitled to compensation for subsequent work requested by the Client and delivered by the Servicer, after notice of termination. For work partially completed at the date of termination, such work will be compensated on a prorated basis, as mutually agreed upon. Upon notice of termination, the Client will be converted to a deduct from remittance payment method if applicable. The parties agree that a controversy or claim arising out of or relating to this Agreement shall be settled by arbitration pursuant to the Federal Arbitration Act.

11.3 Licensing. The Servicer operates under the regulation and jurisdiction of various licensing authorities including those states from which the Client intends to originate and/or purchase loans. The requirements of which may vary from time to time. If the Servicer's authority to service loans in a particular state were revoked or otherwise made unreasonable to continue in the then-current processes and in accordance with the terms of this Agreement due to changes in circumstances or regulation, the Servicer will provide prompt notice of its requirement to modify or terminate services and will modify or terminate services before the latest available date as allowed by regulatory authority. Termination under this provision will not be deemed to be a default by the Servicer, and no liability will exist to reimburse the Client for losses incurred as a result of the termination. If services are terminated under this provision the Client will not be liable to the Servicer for transfer fees specified in the fee section of this Agreement.

11.4 Failure to Pay. At the Servicer's option, the Agreement shall be terminated immediately if Client fails to make payment in excess of five thousand US dollars (\$5,000.00) then due to Servicer under this agreement.

Attn: Amber Loverink Marketing & Contracts Manager	Attn: Esperanza Colio Warren, City Manager
Email: aloverink@amerinatis.com	Email: ecolio@calexico.ca.gov
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	FEID #:

12.7 Waiver. No waiver by either party of a covenant or condition of this Agreement shall be valid unless in writing and signed by the party so waiving. Neither the failure by either party in one or more instances to insist upon the complete and total observance or performance of a term or provision herein, nor the failure by either party to exercise a right, privilege, or remedy conferred herein or afforded by law, shall be construed as waiving a breach of such term, provision or a right to exercise such right, privilege or remedy thereafter. In addition, no delay on the part of either party in exercising a right or remedy herein shall operate as a waiver thereof, nor shall a single or partial exercise of a right or remedy preclude other or further exercise thereof, or the exercise of another right or remedy.

12.8 Force Majeure. Delays in or failure of performance by either party, except in respect of the obligation of payments under this Agreement, shall not constitute default of this Agreement, if and to the extent such delays or failures are caused by occurrence(s) beyond the reasonable control of the party affected, and which by the exercise of due diligence such party is unable to prevent, such occurrence(s) including but not limited to: acts of God, sabotage, war, acts of terrorism, riots, insurrections, civil unrest, riots, embargoes, pandemics, strikes, lockouts, fires, floods, tornados, hurricanes or other natural disaster or governmental actions. In such an event, the party claiming Force Majeure shall promptly notify the other party of the nature of the event in writing, and, if reasonably possible, such notice shall set forth the extent and duration thereof, and shall resume performance at the earliest possible date.

12.9 Compliance With Late Fees. In order to ensure compliance with respective state statute, the Client's Loans will be boarded and serviced in accordance with the late fee provision in the Loan documents, and where appropriate, said late fee will be reduced to not exceed the maximum amount allowed by law. Loans boarded for servicing that do not contain a late fee provision are subject to an additional monthly servicing fee surcharge.

12.10 IRS reporting. If the services to be provided under this agreement include the acceptance of loan payments and/or 1099 reporting (1099-Int, 1099-C, etc.), the Servicer shall submit the required 1098 and/or 1099 forms to the Internal Revenue Service as required. If the Loan data provided by the Client does not include a valid social security number for a borrower(s), the Servicer shall exercise reasonable means to obtain such valid social security number(s). If the lack of an available and/or valid social security number(s) results in a penalty or fine assessed by the Internal Revenue Service, the Client will be notified of the amount of the penalty or fine and will promptly reimburse The Servicer for such penalty or fine paid or to be paid.

12.11 Survival. Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

12.12 Entirety. The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises,

EXHIBIT A
SCOPE OF WORK

Loan Servicing for Amortized and Deferred Loans

1. **Loan Boarding:**
 - a. **Flow Loans:** The Client is responsible for completing an electronic loan setup form, available on the Servicer's portal, for flow loans being transferred to the Servicer for servicing. When fully complete, the Client uploads the form to the Servicer's portal.
2. **Introductory Package:** Upon boarding of a new loan, Servicer will send a welcome package to the borrower. This welcome package contains a Notice of Servicing Transfer, Fair Debt Notice, FACT Act Letter, and a variety of options to submit payments.
3. **Collection and Remittance of Payments:** Servicer will collect payments from the borrowers through monthly or other scheduled remittances of principal, interest, fees, escrow balances and other identified payments. Payments can be made via check to a secure lock-box, multiple payment options online, reoccurring ACH, and through "check-by-phone"¹, and via the Servicer app. These remittances will be posted to the loan and ancillary records in accordance with the loan documents and the Client's written instructions. Payments will be posted the same day as receipt. Funds will be maintained in an FDIC insured banking institution in a custodial account for the benefit of the Client and the borrowers as applicable. Servicer balances cash received and transmitted and loan portfolio totals on a daily and monthly basis. Remittances will be forwarded to the Client monthly net of fees and other authorized charges due to Servicer.
4. **Payment of Property Taxes:** At the Client's request, Servicer will order a tax service contract and monitor the timely payment of property taxes.
5. **Insurance Monitoring:** Servicer will notify the insurance agent in writing that Servicer is monitoring premium payments and is to be made aware of delinquencies, non-renewals or cancellations. Servicer will force place insurance in accordance with respective regulation (see Insurance section).
6. **Escrow/Impound Account:** If the Client chooses, Servicer will establish a borrower escrow/impound account for the payment of taxes and insurance. Servicer will collect the monthly escrow payment from the borrower and make the tax and insurance payments on the borrower's behalf. The borrower escrow accounts will be analyzed annually in accordance with the Real Estate Settlement Procedures Act (RESPA).

Please note: For single-family loans, unless respective state law requires otherwise, Servicer's escrow analysis utilizes a 2-month cushion in accordance with RESPA. This cushion is an industry standard and is intended to minimize the likelihood of escrow shortages / deficits when and if escrow disbursement items increase. If this cushion is not consistent with the Client's current escrow analysis process, borrowers' escrow analysis may result in a shortage and/or escrow payment increase at the time of Servicer's first analysis. This may impact borrowers' ability to make increased monthly payments to

¹ Additional fees apply.

4. If the borrower does not provide proof of coverage, Servicer's insurance provider will send an insurance policy and notification of premium to the borrower and bill Servicer for a one-year policy. If the borrower does not have an established impound account, Servicer will create one and disburse the premium from it. If the borrower fails to pay the premium before the end of the month, and the disbursed premium results in an escrow deficit balance, the balance will be accounted for in that month's reconciliation of the Client Escrow Deficit Account. If the aggregate portfolio remittance for the month is insufficient to cover the deficit amount, the Client will be billed and responsible for the cost until recouped from the borrower. Pay-off quotations or demands will reflect impound deficit amounts (caused by the cost of forced-place insurance or other advances) so that the borrower will still be held responsible for the cost even if they are unresponsive.

The Portfolio Status Report, delivered monthly to the Client, will also reflect such negative impound balances (i.e. the total amount of such premiums owed by borrower).

5. The one-year policy is cancelable by either Servicer or the Client.

Account Inquiries

Borrowers and the Client have 24-hour electronic access to their loan information via Servicer's website at www.amerinat.com. Continuous access to loan account information is also provided during normal working hours through toll-free customer service telephone lines. In addition, hard copy account payment histories or other information can be provided through facsimile transmission or email. When requested by a borrower, Servicer will provide, without charge, a detailed statement of transactions relating to the borrower's payments and/or escrow account.

Additional Portfolio Management Services

1. Loan Payoff Quotations, Satisfactions, Reconveyances: Servicer will provide Loan Payoff Quotations and will perform Satisfactions and Reconveyances of Mortgage at the borrower's expense at the Client's request.
2. Loan Amortization Schedules: Servicer will provide Loan Amortization Schedules upon request.
3. Tax Forms: Pursuant to IRS regulations and, on behalf of the Client, Servicer will submit required tax forms for borrowers paying interest on Client loans.
4. Year-End Account Summary: If required by regulation, Servicer will supply a year-end account summary statement to a borrower if there has been principal, interest or escrow activity on their account. The report will indicate principal, and interest paid, amount of payments Servicer made on the borrower's behalf for taxes and insurance, and remaining escrow balance.
5. Tickler Notifications: Servicer will provide an annual tickler notification at the Client's request.
6. Loan Confirmation Audits: Servicer will complete loan confirmation audit requests when requested by the Client, Borrower, or auditors of either. Information requested generally includes unpaid

4. Credit Reporting: Servicer will report borrower payment activity and status codes to the credit bureaus monthly.
5. Confirmation Letters: Contact with borrowers is used to solicit commitments to repay past due amounts. Borrowers are provided an opportunity to bring the loan current immediately, and within six months. Once a commitment is gained, Servicer will forward a confirmation letter to document both the call and the commitment. The revised payment plan of no greater than six month's duration is then implemented. Default under this plan may lead Servicer to recommend foreclosure.
6. Additional loss mitigation activities such as skip tracing and door knock services are available upon request. The scope and fees associated with these services will be determined and agreed upon by both the Client and Servicer.

Forbearance Plans:

Formal forbearance plans are typically used for defaults of 90+ days. A forbearance plan of less than six months duration is executed by the borrower and immediately implemented by Servicer, with notice immediately provided to the Client. Formal modifications to promissory note terms and forbearance plans of greater than six months duration are forwarded to the Client for pre-approval. Before the borrower executes the agreement, the Client is requested to approve the plan.

Once approved, Servicer will implement the new payment schedule. Should a borrower default from the new payment schedule without cause, Servicer will recommend foreclosure.

Forbearance Evaluation Process: A hardship is defined as a situation or set of events or circumstances beyond the normal control of the borrower that prohibits the borrower from adhering to a planned repayment schedule. If a borrower states, either verbally or in writing, that a hardship situation exists, Servicer will document the circumstances and provide the following:

- i. Letter from borrower requesting the Client's consideration of hardship
- ii. Nature of the hardship
- iii. Expected duration of the hardship
- iv. Evidence to substantiate hardship
- v. Forbearance Plan Proposal

If the Client approves the Forbearance Plan Proposal and executes the agreement with the borrower, Servicer will resume loan servicing under the new payment plan. The file will be tickled for follow-up at the expiration of the temporary plan.

Servicer's objective is to formulate a plan to bring the loan current as soon as possible. However, in light of the Client original purpose in making these loans (to assist the low/moderate income and disadvantaged citizens of its community), Servicer may recommend forbearance plans that defer all or part of the regular repayments for a specified period of time.

notice of intent to foreclose/demand letter, with a copy to the Client. If no response is received within 30 days, Servicer will advise the Client of the non-response and will proceed to foreclosure. Servicer will properly document the steps taken to affect a cure.

If the loan is not reinstated (brought current) or paid off, Servicer will continue foreclosure up to and including the sale of the property. If the Client desires Servicer to perform property management, a third-party property management vendor will be engaged. Servicer can identify, track and pay bills related to property preservation, the costs of which remain the responsibility of the Client. Upon sale of the property, Servicer will return the proceeds of the sale to the Client less foreclosure fees and previously un-reimbursed costs incurred.

In the event the borrower reinstates the loan, Servicer will remit to the Client payments received from the borrower. For those loans that are reinstated by the borrower, Servicer will resume normal servicing functions.

Bankruptcy Administration Services

1. Chapter 7 Bankruptcy:

- a. Upon receipt of notification from a court of law, debtor (borrower), or the Client, of a Chapter 7 bankruptcy for a debtor serviced by Servicer, Servicer will modify the account in preparation for monitoring of payments. Additionally, a Reaffirmation Agreement will be generated and forwarded to the borrower's attorney (debtor's counsel) for signature, and to the appropriate court upon receipt of the executed document. This fully enforceable agreement, if executed, will retain the lien as secured and will keep the lien from being discharged as part of the Chapter 7 discharge. If the borrower has no legal counsel and has filed their bankruptcy petition "pro se", (on their own behalf) or with the assistance of a licensed paralegal, Servicer can communicate directly with the borrower.
- b. Upon default of borrower's remittance of payments during the bankruptcy, Servicer will notify the borrower's (debtor's) counsel and Chapter 7 Trustee advising of the default, but if filed pro se, then the debtor would be notified directly.
- c. Should the Chapter 7 Trustee determine that assets are available for distribution to creditors, Servicer will file a Proof of Claim on behalf of the Client.

2. Chapter 13 Bankruptcy:

- a. Upon receipt of notification from a court of law, debtor (borrower), or the Client, of a Chapter 13 bankruptcy for a debtor serviced by Servicer, Servicer will notify the Client its intention to file a Proof of Claim as well as supporting bankruptcy documentation, and will file with the appropriate court. Upon receipt of a returned filed Proof of Claim from the court, Servicer will forward a copy of same to the Client and will begin monitoring post and pre-petition payments to borrower's loan account.

5. Approval: Upon the Client's approval of a request for subordination, the Client will forward to borrower's lender or Title Company:
 - a. Completed and executed Subordination Agreement between the Client and borrower
 - b. Closing instructions dictating terms / use of Subordination Agreement document
 - c. Request for Notice document for new senior loan

Income Re-verifications

1. Level One (Income Only):
 - a. In keeping with the provisions of the borrower's promissory note and/or loan agreement, AmeriNat will forward an income re-verification package to the borrower. The package will contain instructions and forms needed to complete the re-verification.
 - b. If the required information has not been received within two weeks, AmeriNat will send a reminder letter.
 - c. If the borrower fails to respond within the allotted time frame, AmeriNat will notify the Client of the borrower's non-compliance.
 - d. Upon receipt of a completed re-verification package, AmeriNat will perform the following tasks:
 - Verify that forms are complete and proof of income has been received.
 - Calculate the borrower's income to determine continued compliance with the Client's program requirements for income.
 - Forward re-verification report to the Client, with a recommendation for continued deferral or amortization.
 - If the recommendation is to amortize the loan, and the Client approves, AmeriNat will prepare necessary loan documents (additional charges will apply). The loan documents will be forwarded to the Client for borrower and the Client signatures. AmeriNat will record necessary documents and will begin collecting under the new payment schedule.
2. Level Two (Income, Debt, and other Program Requirements):

Includes level one services plus the following:

- a. AmeriNat will order credit reports on borrower and will calculate the borrower's debt to income ratio to determine if borrower has present capacity to make monthly loan repayments.
- b. AmeriNat will receive documentation (established by the Client) to determine that program requirements have been met, e.g. continued occupancy, insurance, etc.
- c. AmeriNat will forward a re-verification report that includes the status of the borrower's income, capacity for incurring additional monthly note repayments, and compliance with the

1. Portfolio Status Report: The report provides a comprehensive accounting per loan of the total portfolio on a monthly basis. The report identifies annual payments made, remaining balances, borrower's name and account number, original loan balance, interest rate, and loan term. For those deferred loans accruing interest, the report shows the ongoing accrued interest balance.
2. Current Month Reconciliation Report: This monthly report serves as reconciliation for the loan payments remitted by borrowers.
3. Delinquent Aging Report: This report reflects delinquent accounts at the 30, 60, 90, and over 90-day levels as of the end of the month. Borrower accounts moved into the forbearance or foreclosure process are designated.
4. Fee Detail Report: This monthly report details Servicer's fees assessed and overall remittances on a per loan basis.
5. Escrow Deficit Report: This monthly report details advances made by Servicer on borrower accounts with deficient escrow balances and tracks the amount to be included with or deducted from the Client's monthly remittance; a net shortage/negative will be deducted and a net overage/positive will be remitted.
6. Account Information Report: This report provides a borrower profile, loan term and current balance and status information for individual borrower accounts within a client's portfolio. It includes a vast amount of information on particular accounts within the Client's portfolio.
7. Payment History: This report details transactions on individual accounts for the current year's activity.
8. Payment History with Memos: Servicer uses a series of memo codes to help classify various borrower requests or processing activity. Activities subject to memo code classification include, for example, insurance request letters, payoff requests, and other miscellaneous borrower questions. This report summarizes the loan history with identification of these types of activities along with associated comments by Servicer personnel.
9. Additional Standard Reports:
 - Borrower with Balances
 - Closed Accounts
 - Account Memo Listing Report
 - Escrow Activity
 - Daily Transactions Summary
 - Borrower Loan Information
 - Open Accounts
 - Account Status Report
 - Borrower Property Information
 - Late Charge Activity
 - Manual Adjustments

Loan Modification Analysis

1. Preliminary screening and Application Review (each)	\$200.00
2. Analysis and Recommendation, plus outside costs *	\$195.00
3. Subsequent Analyses and Recommendations (each)	\$165.00
4. Loan Document Preparation, plus outside costs *	\$350.00
5. Document redraws (per occurrence)	\$165.00

Cancellation Fee: The fee due will be the sum of the fees for tasks (1-4 above) completed, plus one-half of the fee for the task in process at the time of cancellation.

* Outside costs include, but are not limited to, title, credit, and appraisal / valuation. These costs are passed through from outside vendors and are subject to marketplace increases.

Loan Foreclosure

If requested by the Client, Servicer will charge the following fees for Loan Foreclosure services:

1. Document Preparation: A one-time charge of \$455.00 to prepare documents to commence foreclosure proceedings and to manage the foreclosure process on behalf of the Client. In addition to the above foreclosure service fee, Servicer will deduct and pay from remittance or bill the Client for other costs incurred in the foreclosure process such as, but not limited to, conventional legal fees, sheriffs' deposits, bankruptcy closing costs, fees set by law, etc. These fees will be quoted on a case-by-case basis upon request by the Client and within applicable statutory limits.
2. Reinstatement Terms: The Client reimbursement for foreclosure services rendered, and its costs and other charges, will be made by the borrower upon reinstatement or full payment of the Deed of Trust or Mortgage under foreclosure.
3. Property Management: \$150.00 per property per month plus property management vendor fees. Property preservation expenses remain the responsibility of the Client.

Bankruptcy Administration Services

1. Account Modification Fee: \$70.00 per occurrence to modify account for respective Bankruptcy monitoring.
2. Proof of Claim Filing Fee (per occurrence):
 - a. \$475.00 for Chapter 7
 - b. \$1,350.00 for Chapter 13
3. Reaffirmation Agreement Filing Fee: \$350.00 per occurrence.

Property Conditions Profile: \$65.00 per occurrence.
Affidavit of Owner: \$18.00 per loan (entire portfolio done at one-time) with a \$500 minimum fee.

Pass-through (reimbursable) expenses

Pass-through (reimbursable) expenses, including but not limited to postage costs for statements, letters, and other notifications to borrowers, advances necessary for principal and interest payments, tax and insurance payments, legal and other professional fees for loss mitigation activities, costs of tax contracts, and other out of pocket costs necessary for performance of the scope of service tasks are to be reimbursed by Client monthly.

Pass-through (reimbursable) expenses not reimbursed monthly, will be considered servicer advances and will be subject to an interest charge at a rate of 1% per month compounded. A finance charge of 1% per month compounded will be applied to invoices outstanding and unpaid for more than 60 days.

Extraordinary Account Research and/or Loan Reconstruction

Servicer will conduct ongoing routine maintenance and general customer service activities on borrower information and balances as part of its servicing duties at no additional cost. Should the Client request additional research to be conducted, or if the Client engages Servicer to conduct a Loan Reconstruction Service on its portfolio, an extraordinary research fee of \$225.00 per hour will be charged, with a minimum of one hour per occurrence. Such fee will be approved by the Client before the research is conducted.

When research is conducted at the request of the Client because of a discrepancy between the Client's records and Servicer's records relating to the principal balance or other loan information, and the result of the research determines that the discrepancy was the result of activity being posted at the Client and not forwarded to Servicer for updating of its records, the extraordinary research fee will be charged for the time spent on the research.

For services or loans with unique servicing characteristics that are not shown above, the Client and Servicer acknowledge that additional and/or different servicing requirements may be appropriate. Servicer will work with the Client in good faith to establish written terms for the servicing of these types of loans or additional services requested. Any agreement on the servicing provisions for any non-standard portfolio or additional services, including pricing for said services, shall be memorialized in a Statement of Work ("SOW").

Fees are subject to annual increases beginning July 1, 2025 based on the change in the national consumer price index, but no less than 3%.

Attachment No. 2

**THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CALEXICO
AND
AMERINATIONAL COMMUNITY SERVICES**

ARTICLE 1. PARTIES AND DATE

This Third Amendment to the Professional Services Agreement (“Third Amendment”) dated as of the 20th day of October 2021 is entered into by and between the City of Calexico (“City”) and AmeriNational Community Services (“Consultant”).

ARTICLE 2. RECITALS

2.1 City and Consultant entered into that certain Professional Services Agreement dated May 17, 2016 (“Agreement”).

2.2 City and Consultant entered into the First Amendment to the Professional Services Agreement on February 5, 2020, that covers the period between May 17, 2016 through December 31, 2020.

2.3 City and Consultant entered into the Second Amendment to the Professional Services Agreement on December 2, 2020, that covers the period January 1, 2021 through December 31, 2021.

2.4 City and Consultant now desire to amend the Second Amendment to the Agreement and extend the Agreement until December 2023 on the same terms and conditions.

ARTICLE 3. TERMS

3.1 Section 2, Time of Performance, is hereby being revised in its entirety as follows:

“2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such works shall be completed no later than *December 31, 2023*. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City.”

3.2 **Continuing Effect of Agreement.** Except as amended by this Third Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect.

From and after the date of this Third Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Amendment.

3.3 Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

3.4 Counterparts. This Third Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

EXHIBIT B. FEES

The Deferred Loan servicing fees are hereby revised in its entirety as follows:

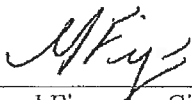
All deferred loans will be subject to the following applicable monthly service fee:

- i. Warehouse: \$2.15 per loan per month
- ii. Warehouse and monitor of taxes and/or insurance: \$2.75 per loan per month plus a one-time tax service vendor fee.
- iii. Warehouse and escrow of taxes and/or insurance: \$15.50 per loan per month plus a one-time tax service vendor fee.
- iv. Flat fee for receiving occasional payments on deferred loans: \$15.50 per payment

[SIGNATURES ON FOLLOWING PAGE]

CITY OF CALEXICO

AMERINATIONAL COMMUNITY SERVICES

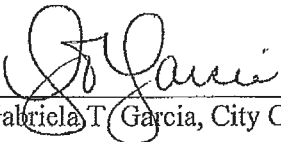
By: 
Miguel Figueroa, City Manager

By: Adrienne Thorson
Its:

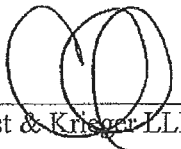
Date: 10/20/21

Date: 1/30/22

ATTEST:


Gabriela T. Garcia, City Clerk

APPROVED AS TO FORM:


Best Best & Krueger LLP
City Attorney

Attachment No. 3

ORIGINAL

SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CALEXICO
AND
AMERINATIONAL COMMUNITY SERVICES

ARTICLE 1. PARTIES AND DATE

This Second Amendment to the Professional Services Agreement ("Second Amendment") dated as of the 2nd day of December 2020 is entered into by and between the City of Calexico ("City") and AmeriNational Community Services ("Consultant").

ARTICLE 2. RECITALS

2.1 City and Consultant entered into that certain Professional Services Agreement dated May 17, 2016 ("Agreement").

2.2 City and Consultant entered into the First Amendment to the Professional Services Agreement on February 5, 2020, that covers the period between May 17, 2016 through December 31, 2020.

2.3 City and Consultant now desire to amend the First Amendment to the Agreement and extend the Agreement until December 2021 on the same terms and conditions.

ARTICLE 3. TERMS

3.1 Section 2, Time of Performance, is hereby being revised in its entirety as follows:

"2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such works shall be completed no later than *December 31, 2021*. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City."

3.2 **Continuing Effect of Agreement.** Except as amended by this Second Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Second Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Amendment.

3.3 **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

3.4 **Counterparts.** This Second Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

(SIGNATURES ON FOLLOWING PAGE]

CITY OF CALEXICO

AMERINATIONAL COMMUNITY SERVICES

By: Rosie Arreola-Fernandez
Rosie Arreola-Fernandez, Mayor

By: Danilee Thomson
Its: CAO

Date: 12/16/2020

Date: 12-22-2020

ATTEST:

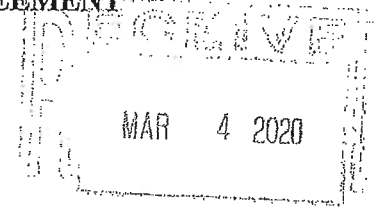
Gabriela T. Garcia
Gabriela T. Garcia, City Clerk

APPROVED AS TO FORM:

Carlos Campos
Best Best & Krieger LLP
Carlos Campos, City Attorney

Attachment No. 4

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF CALEXICO
AND
AMERINATIONAL COMMUNITY SERVICES**



ARTICLE 1. PARTIES AND DATE

This First Amendment to the Professional Services Agreement ("First Amendment") dated as of the 5th day of February 2020 is entered into by and between the City of Calexico ("City") and AmeriNational Community Services ("Consultant").

ARTICLE 2. RECITALS

2.1 City and Consultant entered into that certain Professional Services Agreement dated May 17, 2016 ("Agreement").

2.2 City and Consultant now desire to amend the Agreement and extend the Agreement until December 2020 on the same terms and conditions.

2.3 With this First Amendment, the Agreement now covers the period between May 17, 2016 through December 31, 2020.

ARTICLE 3. TERMS

3.1 Section 2, Time of Performance, is hereby being revised in its entirety as follows:

"2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such works shall be completed no later than *December 31, 2020*. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City."

3.2 **Continuing Effect of Agreement.** Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Amendment.

3.3 **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

3.4 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF CALEXICO

AMERICANATIONAL COMMUNITY SERVICES

By: Bill Hodge
Bill Hodge, Mayor

By: Danelli Thomas
Its: CEO

Date: 2-7-2020

Date: 2-25-2020

ATTEST:

Gabriela T. Garcia
Gabriela T. Garcia, City Clerk

APPROVED AS TO FORM:

Carlos Campos
Carlos Campos, City Attorney
Best Best & Krieger LLP

Attachment No. 5

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 17th day of May, 2016, by and between the City of Calexico ("City") and AmeriNational Community Services ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner. Consultant shall perform the services described on Exhibit A which is attached hereto and incorporated herein by reference. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A, subject to the direction of the City through its staff that it may provide from time to time.
2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such work shall be completed no later than *May 18, 2019*. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City.
3. Compensation. Compensation to be paid to Consultant shall be as set forth in Exhibit B, which is attached hereto and incorporated herein by reference. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.
4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.
5. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the

property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request.

6. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

7. Interest of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by and during this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and
- b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

8. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

9. Indemnity. Consultant agrees to indemnify, including the cost to defend, the City, and its officers, agents and employees from any and all claims, demands, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant and its agents in the performance of services under this contract. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence, willful misconduct or defects in design by

the City or its agents, servants, or independent contractors who are directly responsible to the City, or the active negligence of the City.

To the fullest extent permitted by law, the Consultant shall (1) immediately defend and (2) indemnify the City, and its councilmembers, officers, agents, and employees from and against all liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability.

(b) The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its councilmembers, officers, agents, and employees, immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Consultant are responsible for the claim does not relieve Consultant from its separate and distinct obligation to defend under this section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant may submit a claim to the City for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the indemnified party.

(c) The review, acceptance or approval of the City's work or work product by any indemnified party shall not affect, relieve or reduce the City's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

10. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her

employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

ii. General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

iv. Errors and Omissions Liability. Consultant shall maintain errors and omissions liability insurance for all work performed under this Agreement in an amount of not less than one million dollars (\$1,000,000).

b. Policy Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. The City of Calexico, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.

v. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificates of Insurance and Endorsements. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

11. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall obtain a City of Calexico Business License.

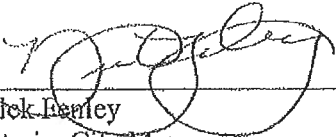
13. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial, California.

16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.
17. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.
18. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.
19. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.
21. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

SIGNATURES ON FOLLOWING PAGE

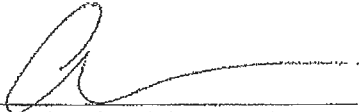
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF CALEXICO:



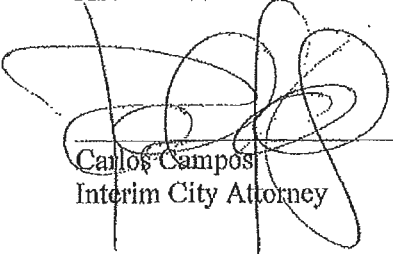
Nick Henley
Interim City Manager

CONSULTANT:




AmeriNational Community Services

APPROVED AS TO FORM:



Carlos Campos
Interim City Attorney

ATTEST:



Gabriela Garcia
Deputy City Clerk