

## Card Services Agreement - Service Fees Addendum

Merchant Legal Name	Processing Account Application #
<a href="#">City of Redondo Beach</a>	PA-010185563

The Addendum amends and supplements the terms of the Card Services Agreement with respect to the processing application indicated above, relating to the election of Service Fees services by Merchant, as further described herein below. Capitalized terms herein have the same meaning as used in the Agreement unless otherwise noted.

Merchant requests that Global Direct collect transactional processing fees and charges associated with processing card payments (the "Primary Transaction") under the Agreement directly from the cardholder through the imposition of an accompanying transaction ("Service Fee") to cover such amounts, rather than withholding such amounts from transaction proceeds. Merchant hereby consents to the imposition of Service Fee transactions by Global Direct as described herein below:

- Merchant requests registration under the Visa Government and Education Payments Program to utilize service fees. Service Fees may not be assessed until registration is completed.
- At every point of sale, prior to transaction processing, Merchant must clearly and unambiguously notify the cardholder that two transactions will be processed:
  - The Primary Transaction, in the amount of the payment agreed upon between Cardholder and Merchant; and
  - A Service Fee transaction, processed in favor of Global Direct, with the entry referencing Merchant's business.
- Merchant must present clearly the amount or calculation of each, and Cardholder must have the ability to not proceed with the transaction if the Cardholder prefers to use a different form of payment
- The Primary Transaction will be deposited into Merchant's account directly, without deduction for transactional fees. Merchant remains liable for chargebacks, returns, credits and other non-transaction processing-based fees as described in the Agreement applicable to the Primary Transaction.
- For each Primary Transaction, Global Direct will initiate a Service Fee transaction to such Cardholder as calculated below. Proceeds from the Service Fee transaction will be the sole property of Global Direct in satisfaction of per-transaction costs related to providing payment processing services for Primary Transactions under the Agreement.
- The Service Fee will be calculated as indicated below:

<input type="checkbox"/> <b>Flat Fee</b>	<input checked="" type="checkbox"/> <b>Percentage Fee</b>
\$ _____ per Primary Transaction	3% of the Primary Transaction Amount

- Global Direct reserves the right to adjust Service Fee pricing upon 15-day written notice to Merchant. Merchant shall be solely responsible for updating notice to cardholders of the new Service Fee amount.
- Merchant affirms that the application accompanying the Agreement and this Addendum accurately represents Merchant's business and that it meets all of the qualifications necessary to be registered for the Visa Government and Education Payments Program. Merchant further acknowledges that if Visa determines that Merchant's business is not compliant, Visa may impose noncompliance assessments and fines for which Merchant will be responsible. Visa reserves the right to modify or discontinue Merchant participation as deemed necessary.
- In the event Merchant's participation in the Visa Government and Education Payments Program is discontinued, the imposition of Service Fees will cease and Global Direct will notify Merchant of pricing terms applicable to future transactions.