

**AMENDMENT NUMBER ONE
TO PROFESSIONAL SERVICES AGREEMENT
WITH
JPMORGAN CHASE BANK, N.A.**

THIS AMENDMENT NUMBER ONE ("Amendment") is entered into as of March 17, 2022 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and JPMORGAN CHASE BANK, N.A., a national banking association ("Consultant").

WHEREAS, City and Consultant entered into an agreement dated April 8, 2016 for Consultant to provide banking services (the "Agreement"); and

WHEREAS, Section 4.1 of the Agreement provides for a term of five (5) years, with the option to extend the term for two (2) additional one (1) year periods; and

WHEREAS, Consultant has continuously provided banking services to the City since the parties entered into the Agreement; and

WHEREAS, City and Consultant desire to memorialize their agreement to exercise the first extension option, extending the term through April 7, 2022; and

WHEREAS, City and Consultant further desire to extend the term for one (1) additional year, through April 7, 2023.

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

1. City and Consultant acknowledge and agree that they agreed to exercise the first extension option, extending the term through April 7, 2022.
2. The term of the Agreement shall be extended for one (1) additional year, through April 7, 2023.
3. Consultant's fees for its performance of Banking Services during the remainder of this Agreement shall be calculated based on the amount or volume of Banking Services used by City at the per-unit prices set forth on the fee schedule attached to this Amendment ("Amended Fee Schedule"), which schedule is incorporated into the Agreement as if fully set forth therein. The Amended Fee Schedule shall supersede any fees previously agreed to with respect to the services and features described therein.
4. Consultant's address for notices pursuant to Section 6.4 "Notices" shall be as follows:

JPMorgan Chase Bank, N.A.
3 Park Plaza, 9th Floor
Mail Code: CA2-4984
Irvine, CA 92614-8505
Attn.: John Lee or Gov't Banking Industry Executive

5. All terms not defined herein shall have the same meaning and use as set forth in

the Agreement.

6. All other terms, conditions, and provisions of the Agreement shall remain in full force and effect.
7. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

[Signatures appear on following page.]

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

CITY OF COSTA MESA

Don Amram
City Manager

Date: 6/30/22

CONSULTANT

John Lee
Signature

Date: 05/24/2022

John Lee, Vice President, Authorized Officer
Name and Title

ATTEST:

Brenda Green 6/30/2022
City Clerk



APPROVED AS TO FORM:

Kimberly Hill Barlow
City Attorney

Date: 6/29/22

APPROVED AS TO INSURANCE:

Rob
Risk Management


Date: 6/16/22

APPROVED AS TO CONTENT:

Abaco
Project Manager

Date: 06/02/22

APPROVED AS TO PURCHASING:



Finance Director

Date: June 2, 2002

AMENDED FEE SCHEDULE

[to be attached]



Schedule A to Merchant Agreement

Merchant: **City of Costa Mesa**

NAPFINSCHEDAICPT2 20150701 V3.15.4

| Assumptions | | | |
|----------------------------------|-------------|--|---------|
| Transaction related assumptions | | Other assumptions | |
| Payment Transaction Sales Volume | \$1,133,000 | Number of locations | 2 |
| Average Transaction Amount | \$293.00 | Authorization / Capture % | 105.0% |
| PIN Debit / EBT Transactions | 0 | Chargebacks as % of Sales Transactions | 0.0000% |
| Conveyed Transactions | 1 | Billing Frequency | Monthly |
| Safetech Encrypted Items | N/A | | |

Target Qualification Level:

| | | |
|-------------|---------------------------------|------|
| MasterCard: | Public Sector | MUPS |
| Visa: | CPS Retail 2 (Emerging Markets) | VCR2 |
| Discover: | PSL Public Services - Core | D161 |

1. Fees applied on every transaction

Payment Brand Interchange & any incremental discount rate % – MasterCard, Visa and Discover assess an Interchange Rate, Interchange Fee, Assessment Fee and Network Fee for each transaction. These rates and fees will be passed through at cost. Payment Brand interchange rates can be accessed by visiting the Learning & Resources section of Chase Paymentech's website, and selecting "Understanding Interchange".

| | |
|---|--|
| MasterCard, Visa & Discover Interchange Rates | as set by each Payment Brand |
| MasterCard, Visa & Discover Incremental Discount Rate | 0.1500% |
| PIN Debit and/or EBT Network Fees | All standard PIN Debit Network Fees will be assessed |
| PIN Debit – Incremental Discount Rate | N/A |
| JCB (Japanese Credit Bureau) | N/A |
| Voyager Discount Rate (if settled) | N/A |

| Payment Brand Assessments | | |
|---------------------------|---|--------|
| MasterCard | Credit transactions < \$1000 and all Debit transactions | 0.120% |
| | Credit transactions > \$1000 | 0.130% |
| Visa | Debit transactions | 0.110% |
| | Credit transactions | 0.130% |
| Discover | | 0.110% |

| Payment Brand Network Fees | Credit | Debit |
|--|----------|----------|
| MasterCard Network Access & Brand Usage Fee (NABU) | \$0.0195 | \$0.0195 |
| Visa Auth Processor Fee (APF) | \$0.0195 | \$0.0155 |
| Discover Data Usage Fee | \$0.0185 | \$0.0185 |

| Transaction Fees | |
|---|----------|
| MasterCard per transaction | N/A |
| Visa per transaction | N/A |
| Discover per transaction | N/A |
| JCB per transaction | N/A |
| American Express per transaction | N/A |
| PIN Debit per transaction | \$0.2000 |
| EBT per transaction | N/A |
| Check Verification – Scan per transaction | N/A |
| Voyager per transaction | N/A |
| Wright Express per transaction | N/A |
| Hosted Pay Page per transaction | N/A |

| Authorization Fees | |
|-------------------------------------|----------|
| MasterCard per authorization | \$0.1000 |
| Visa per authorization | \$0.1000 |
| Discover per authorization | \$0.1000 |
| JCB per authorization | N/A |
| American Express per authorization | \$0.1000 |
| Voyager per authorization | N/A |
| Wright Express per authorization | N/A |
| Private Label per authorization | N/A |
| Dial Backup authorization surcharge | \$0.0100 |

| Encryption Fees | |
|---------------------------------------|-----|
| Safetech Encryption per transaction | N/A |
| Safetech Tokenization per transaction | N/A |

| | | |
|--------------------------|---------|--|
| Customer Initials | x _____ | Please initial to acknowledge page 1 of the Schedule A pricing sheet |
|--------------------------|---------|--|

2. One Time and Periodic Fees

| One Time Fees | | Monthly Fees | | Monthly Fees – Pass Thru | |
|-------------------------------------|-----|----------------------------------|---------|--|--------|
| Account Setup Fee | N/A | Monthly Service Fee ¹ | \$5.00 | Visa Fixed Acquirer Network Fee ⁴ | Varies |
| Rush Fee | N/A | Monthly Minimum Fee ² | \$25.00 | | |
| Terminal Reprogram Fee | N/A | Monthly Helpdesk Fee | N/A | | |
| PIN Debit Setup Fee | N/A | Online Reporting Tool | N/A | | |
| PIN Pad Encryption Fee | N/A | Safetech Encryption ³ | N/A | | |
| Annual Fees | | | | | |
| | | | | Annual Fee | N/A |
| Internet Product: NetConnect | | | | | |
| Setup fee | N/A | Monthly fee | N/A | | |
| Third Party Setup fee | N/A | Third Party Monthly fee | N/A | | |

- 1 – Monthly service fees will be debited for the first time in the month after your account has been set up. These fees will be debited regardless of whether you are processing transactions through your account.
- 2 – We will apply the Monthly Minimum Fee only when the total amount of all processing fees (Sections 1, 3A, & 4) is less than \$25.00. If your processing fees do not reach \$25.00, we will charge the difference. For example, if processing fees total \$17.00 we would charge an additional \$8.00 to meet the \$25.00 minimum.
- 3 – If Merchant obtains point of sale device(s) from Chase Paymentech for use with Safetech Encryption, the following additional fees shall be assessed: (a) a one-time fee of \$10.90 per device; and (b) an encryption injection fee of \$34.95 per device per occurrence. These assessments are in addition to the above Safetech Encryption Fee(s). If Merchant obtains point of sale device(s) from a third party, additional fees may apply. Merchant acknowledges and understands that its use of any fraud mitigation or security enhancement solution (e.g. an encryption product or service), whether provided to merchant by Paymentech or a third party, in no way limits Merchant's obligation to comply with the Security Standards or Merchant's liabilities set forth in this Agreement.
- 4 – Visa Fixed Acquirer Network Fee is a monthly fee assessed by Visa based on Merchant Category Code (MCC), dollar volume, number of merchant locations, number of Tax IDs, and whether the physical Visa card is present or not present at the time of the transaction. This fee can vary monthly.

3. Per Incidence Fees

| 3A. Per Incidence Fees: Charged every time your account incurs one of the below items | | | | |
|---|-----------------|---|----------------------|-----|
| Chargeback Fee | \$5.00 | Charged when a cardholder or card-issuing bank formally protests a charge | | |
| Voice Authorization Fee | \$0.65 | Charged when you call the Voice Authorization phone number to authorize a credit card | | |
| AVS Fee – Electronic | N/A | Charge for each electronic address verification authorization | | |
| Batch Settlement Fee | N/A | Charged for each batch of transaction(s) you submit for settlement | | |
| ACH fee | N/A | Charged for each ACH (transmission of funds) sent to your account | | |
| ACH Return Fee | \$25.00 | Charged when Chase Paymentech is unable to debit fees from your account | | |
| 3B. Per Request Fees: Charged every time you request one of the below items | | | | |
| Statement Fee (Email / ROL) | N/A | No charge if statements are sent to a valid email address or accessed by Merchant through Resource Online, as elected by Merchant on the Application. | | |
| Statement Fee (Mail) | \$5.00 | Charged each month Chase Paymentech mails a statement (whether at the request of Merchant or because delivery to a valid email address has failed) | | |
| Statement Fee (Reprint) | N/A | Charged for each archived statement you request to have printed | | |
| Supplies: Billed Per Order | N/A | Charges for supply orders vary based on the items ordered | | |
| Dynamic Debit Surcharge Fee | N/A | Charged for each PIN Debit transaction routed with the Dynamic Routing product | | |
| PIN Debit Injection Fee | \$40.00 | Charged when merchant elects PIN Debit processing and applies to each device not purchased from Chase Paymentech. | | |
| Statement Type: | Resource Online | No Statement / No Recap | Statement Frequency: | N/A |

| | | |
|--------------------------|---------|--|
| Customer Initials | x _____ | Please initial to acknowledge page 2 of the Schedule A pricing sheet |
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| 4. Payment Brand Fees – Per Incidence | | |
|--|----------|---|
| MC Acquiring License Fee * | 0.0040% | Charged on MasterCard Gross Sales volume. See additional information under Payment Brand Charges section on page 4. |
| MC Digital Enablement / Card Not Present Fee | 0.010% | Charged on MasterCard Card Not Present Gross Sales volume. |
| DI Network Authorization Fee | \$0.0025 | Charged by Discover on all authorizations for card transactions that are settled through the Discover Network |
| MC Auth Access Fee – AVS Card Present | \$0.010 | Charged by MasterCard when a merchant uses the address verification service to validate a cardholder address |
| MC Auth Access Fee – AVS Card Not Present | \$0.010 | |
| MC Auth Access Fee | \$0.005 | Charged by MasterCard when an authorization is reversed or the authorization is provided by MasterCard if the card Issuer is not available. |
| MC Card Validation Code 2 Fee | \$0.0025 | Charged by MasterCard when a merchant submits the Card Validation Code 2 (CVC2) in an authorization request |
| MC Account Status Fee (Intra-regional) | \$0.025 | Charged by MasterCard or Visa when a merchant uses this service to do an inquiry that a card number is valid |
| MC Account Status Fee (Inter-regional) | \$0.03 | |
| Visa Zero \$ Account Verification Fee | \$0.025 | |
| MC Processing Integrity Fee | \$0.055 | Charged when a card is authorized but not deposited and the authorization is not reversed in a timely manner |
| Visa Misuse of Authorization Fee | \$0.048 | |
| Visa Zero Floor Limit Fee | \$0.10 | Charged when a transaction is deposited but never authorized |
| Visa Transaction Integrity Fee | \$0.10 | Applies to Visa Debit & Prepaid transactions that do not meet qualification criteria for Custom Payment Service (CPS) categories |
| MC Cross Border Assessment Fee | 0.60% | Charged by MasterCard, Visa and Discover on foreign bank issued cards. |
| Visa International Service Assessment Fee | 0.80% | |
| Discover International Service Fee | 0.55% | |
| MC International Support Fee | 0.85% | Additional fee charged by MasterCard, Visa and Discover on foreign bank issued cards. |
| Visa Interregional Acquiring Fee | 0.45% | |
| Discover International Processing Fee | 0.40% | |
| Visa Partial Auth Non-Participation Fee | \$0.01 | Applies to Petroleum merchants using automated fuel pumps that do not support Partial Authorization |
| MC Global Wholesale Travel Transaction Program B2B Fee | 1.57% | Applies to Travel merchants for transactions qualifying at the MasterCard Commercial Business-to-Business interchange category. |

| 5. Other Fees | | | |
|-----------------|--------|-----------------|--------|
| Fee Description | Amount | Fee Description | Amount |
| | | | |
| | | | |
| | | | |

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| Customer Initials | x _____ | Please initial to acknowledge page 3 of the Schedule A pricing sheet |
|--------------------------|---------|--|

Equipment Swap Fees

| Type | Description | Fee |
|------------------------|--|---------------|
| Replacement Fee (swap) | In warranty - Terminals, Printers, & Pinpads ¹ | \$50.00 |
| Replacement Fee (swap) | Out of warranty - Terminals, Printers, & Pinpads: Replacement (swap) fees vary based on Manufacturer and Model and will fall within the specified range to the right | \$100 - \$500 |
| Injection Fee (swap) | Safetech Encryption Injection | \$34.95 |
| Restocking Fee | Return equipment for any reason other than repair | \$150.00 |
| Late Fee | For all equipment returned late, or not returned | \$500.00 |

1) New Equipment Warranty timeframes

5 years – Verifone Vx520, Vx820 PIN Pad, 1000SE PIN Pad; Ingenico iCT250

1 year – all other new equipment

In warranty coverage applies only to new equipment purchased or leased from Chase Paymentech

Amount payable upon Termination

In addition to the other amounts due under this Agreement (including without limitation, the fees and charges described in this Schedule A), you may owe an amount in the event you terminate this Agreement. Whether you will owe that amount, and how much you will owe, will be determined in accordance with Section 10 of the Merchant Agreement.

Payment Brand Charges

Part of the fees that we charge you for processing your transactions consist of fees we pay to the Payment Brands. These charges, called "Payment Brand Charges", include, but are not limited to, interchange rates, assessments, file transmission fees, access fees, and international and cross border fees. Therefore, in addition to the rates set forth above, you also will be charged Payment Brand Charges. Payment Brand interchange rates can be accessed online by visiting the Learning & Resources section of Chase Paymentech's website, and selecting "Understanding Interchange".

Please note that Chase Paymentech may, from time to time, elect not to charge you for certain existing, new or increased Payment Brand Charges. If we elect not to charge you, we still reserve the right to begin charging you for existing, new or increased Payment Brand Charges at any time in the future, upon notice to you. No such Payment Brand Charges will be imposed retroactively.

* MasterCard assesses the MasterCard Acquiring License Fee annually to each Acquirer based on the total annual volume of MasterCard-branded sales (excluding Maestro PIN debit volume) of its U.S. domiciled merchants. To fairly distribute the fee across all Chase Paymentech MasterCard-accepting merchants, a rate of 0.004% will be applied to all of your MasterCard gross sales transactions.

6. Authorized Signature

Authorized Representative Signature: Must appear on Merchant Application section 11

Printed Name

Title

X _____

Signature

Date

Please ensure you have initialed pages 1, 2 and 3