

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this "Agreement") is made and entered into as of the date last signed (the "Effective Date") by and between NETSPEND CORPORATION, a Delaware corporation, ("NetSpend"), and City of Long Beach, a California Municipality ("Client") (each of NetSpend and Client, a "Party", collectively, the "Parties").

WHEREAS NetSpend desires to provide certain products and services (each, a "Service" and together, the "Services") to Client as set forth in one or more Statements of Work (each, a "SOW") to be attached hereto and incorporated herein, pursuant to the terms and conditions of this Agreement; and

WHEREAS Client desires to obtain such Services from NetSpend pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1.0 Format of Agreement.

NetSpend shall offer the Services to the Client and potential Users as set forth on each SOW to be attached hereto and incorporated herein, upon the commencement date of such SOW (as "Commencement Date" is defined in each such SOW). Each SOW shall be mutually agreed to in writing by the Parties and shall set forth the specific terms and conditions, including, without limitation, the financial terms, applicable to each Service covered thereby. Any amendments to any SOW shall be made in accordance with Section 13.9 (Entire Agreement and Amendments). Each SOW shall be governed by the terms and conditions set forth in this Agreement and shall be fully incorporated herein. However, in the event of any conflict between the terms of this Agreement and any SOW, the terms of the SOW shall govern to the extent of such conflict with regard to that SOW. Each Party shall perform those obligations set forth herein and in each SOW attached hereto. NetSpend shall be the exclusive provider of the Services and services provided hereunder for Client throughout the Term. Client acknowledges and agrees that NetSpend may make such modifications to any Service as NetSpend may deem necessary to comply with Applicable Law or the instructions of the Bank Partner. All capitalized terms used herein (and not otherwise defined herein) shall have the meaning set forth in Exhibit A.

2.0 Term.

The initial term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the termination or expiration of each and every SOW attached hereto and incorporated herein (the "Term"), unless sooner terminated in accordance with the terms hereof.

3.0 Due Diligence.

Client agrees to cooperate fully and otherwise promptly provide to NetSpend or the Bank Partner, as the case may be, any and all relevant information with respect to Client, or any Users or potential Users, as NetSpend or the Bank Partner may deem necessary to comply with Applicable Law, including, without limitation, the information needed to complete any client application for Client (each, a "Client Application"), as such has been provided to Client by NetSpend and hereby incorporated into this Agreement by reference. Client acknowledges and agrees that NetSpend may verify all information provided to NetSpend by Client and screen such information against government databases as required by Applicable Law and at such time or times as NetSpend determines. Client further acknowledges and agrees that in the event the results of any such verification activity are unsatisfactory to NetSpend or the Bank Partner, NetSpend may immediately terminate this Agreement upon written notice to Client, if Client does not cure the defect within 30 days; provided that NetSpend may terminate the Agreement before the end of such 30 day period if remaining in the Agreement for such time would cause NetSpend or the Bank Partner to be in violation of Applicable Law. Client represents, warrants and covenants that: (a) all information it has provided or will provide to NetSpend and the Bank Partner, as applicable, which may include, without limitation, information regarding Client is and shall be, as applicable, true, complete and accurate in all respects, and (b) all information it has provided or will provide to NetSpend and the Bank Partner, as applicable, which may include, without limitation, information regarding any of its Affiliates, any Users or potential Users, is and shall be, as applicable and to its knowledge, true, complete and accurate in all respects.

4.0 Compensation.

Client shall pay no fees to NetSpend for the Services set forth in Statement of Work 1 and Statement of Work 2 under this Agreement. If the Parties enter into another SOW pursuant to this Agreement, then such SOW will set forth the payment terms related thereto.

5.0 Materials.

As between the Parties, NetSpend shall be the sole and exclusive owner of all Materials. Unless otherwise expressly provided herein or agreed to in writing by NetSpend, no rights in or to the Materials are created, assigned or otherwise transferred from NetSpend to Client or any Users pursuant to the Agreement, and NetSpend shall retain all rights with respect to the Materials. Client agrees that it shall not challenge the title or any rights of NetSpend in and to the Materials and that during the Term and thereafter Client agrees to execute such documents as NetSpend may from time to time reasonably request to ensure that the right, title and interest in and to the Materials reside with NetSpend. NetSpend hereby grants to Client a non-exclusive, non-transferrable, non-sublicensable, revocable, royalty-free license to use the applicable Materials in accordance with the terms and conditions set forth herein, for the limited purpose of carrying out Client's obligations under this Agreement for the Term, and for no other purpose. Client may not grant any sublicenses in the Materials without the express written consent of NetSpend. No additional rights to the Materials shall be deemed granted by implication, estoppel, course of dealing or otherwise.

6.0 Representations and Warranties.

In addition to the representations and warranties contained elsewhere herein, each Party hereby represents and warrants to the other Party as follows:

6.1 This Agreement is valid, binding, and enforceable against such Party in accordance with its terms.

6.2 Such Party is duly organized, validly existing and in good standing pursuant to applicable state and/or federal laws under which it is organized, and is qualified to do business in all jurisdictions as may be required for the conduct of its business activities hereunder.

6.3 Such Party has full power and lawful authority to (a) own and operate its assets, properties and business; (b) carry on its business as presently conducted and (c) enter into and perform this Agreement. The person executing this Agreement has full authority to bind such Party to the terms and conditions hereof. The provisions of this Agreement and the performance by such Party of its obligations under this Agreement are not in conflict with such Party's organizational documents, bylaws or any other agreement, contract, lease or obligation to which such Party is a party or by which it is bound.

6.4 THIS IS A SERVICES AGREEMENT. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, NO PARTY, NOR THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATIONS OR WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, RELATING TO OR ARISING OUT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

7.0 Indemnification.

7.1 Indemnification Claims. Each Party (the "*Indemnifying Party*") covenants and agrees to indemnify and hold the other Party and its Affiliates, and its or their respective officers, directors, employees, agents and permitted assigns (individually or collectively, the "*Indemnified Party*") harmless against any and all liability, damages, costs, expenses, including reasonable legal fees and expenses, for any third party claim against the Indemnified Party (each, a "*Claim*") arising out of or related to the Indemnifying Party's breach of a representation, warranty, covenant or other obligation under this Agreement (and, for the avoidance of doubt, expressly including any SOW).

7.2 Indemnification Procedure. If any Claim is asserted against any Indemnified Party by any person who is not a party to this Agreement in respect of which the Indemnified Party may be entitled to indemnification under the provisions of subsection 7.1 (Indemnification Claims) above or pursuant to any indemnification provision in any SOW, written notice of such Claim shall promptly be given to the Indemnifying Party from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) Business Days of its receipt of the notice of the Claim, to assume the entire control (subject to the right of the Indemnified Party to participate with counsel of the Indemnified Party's choice all at the Indemnified Party's expense) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice. The Indemnifying Party shall not compromise or settle a Claim or consent to the entry of judgment with respect to such Claim against the Indemnified Party without the Indemnified Party's written consent, which shall not be unreasonably withheld or delayed, unless the settlement includes an unconditional release of the Indemnified Party hereunder from all liabilities arising out of such Claim, or such entry of judgment does not involve the admission of any wrongdoing on behalf of any Indemnified Party hereunder.

7.3 All indemnities set forth in any SOW attached hereto shall follow the provisions of this Section 7 (Indemnification).

8.0 Confidential Information.

8.1 Certain Definitions. For purposes of this Agreement, the following definitions apply:

8.1.1 "Trade Secret" means information, without regard to form, including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being

generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

8.1.2 "Confidential Information" means any data or information, other than Trade Secrets, that is of value to a Party and is not generally known to competitors of such Party. To the extent consistent with the foregoing, Confidential Information includes, but is not limited to the terms of this Agreement, any customer information, financial data and budgetary or proprietary business information, income or sales data or projections, customer lists, business operations, policies, procedures and techniques, advertising summary or tracking reports or other reports generated in accordance with this Agreement, schematics, ideas, techniques, know how, concepts, development tools and processes, computer printouts, computer programs, design drawings and manuals, and improvements, patents, copyrights, or other intellectual property of any kind or nature, plans for future development and new product concepts, contemplated products, research, development, strategies, marketing techniques, price lists or price policies, and/or contracts with customers or suppliers. In the case of NetSpend, Confidential Information shall include the Materials (other than the Marketing Materials) and any information produced by NetSpend relating to the Users, the Services or any NetSpend program. Confidential Information also includes any information described in this section which a Party obtains from another party and designates as Confidential Information, whether or not owned or developed by that Party.

8.1.3 "Disclosing Party" shall mean the Party who discloses such Trade Secrets and Confidential Information and the "Receiving Party" shall mean the Party who receives such Trade Secrets and Confidential Information.

8.1.4 The terms "Trade Secrets" and "Confidential Information" shall not include information which: (a) prior to disclosure by the Disclosing Party was already in the Receiving Party's possession; (b) is or becomes generally available to the public through lawful means, other than as the result of a disclosure by the Receiving Party or its representatives; (c) becomes available to the Receiving Party without confidential or proprietary restriction by a third party who rightfully possesses the information without confidential or proprietary restrictions; or (d) the Receiving Party can demonstrate it independently developed.

8.2 Use of Information. Each Party (the "Receiving Party") acknowledges that it may receive or have access to the Trade Secrets or Confidential Information of the other Party (the "Disclosing Party") pursuant to this Agreement. Each Receiving Party covenants and agrees that it will not use any Trade Secrets or Confidential Information of the Disclosing Party except as necessary to fulfill its obligations or exercise its rights under this Agreement, and only for the time and to the extent that it is necessary to do so. Except as expressly authorized in this Agreement or otherwise by the Disclosing Party in writing, the Receiving Party shall not use, disclose, or permit any unauthorized person access to, any Trade Secrets or Confidential Information of the Disclosing Party. Notwithstanding the foregoing, nothing herein shall prevent the Receiving Party from disclosing Trade Secrets or Confidential Information of the Disclosing Party to its officers, employees, sub-contractors, consultants, advisors, and the Bank Partner who have a need to know such Confidential Information and/or Trade Secrets in order to perform their duties and who have executed nondisclosure agreements obligating them to keep the Trade Secrets and Confidential Information of the Disclosing Party confidential, or are otherwise bound by similar confidentiality obligations. In fulfilling its obligations hereunder, each Receiving Party will take commercially reasonable security precautions, at least as great as the precautions it takes to protect its own Trade Secrets and/or Confidential Information and as may be required by Applicable Law, with respect to the Trade Secrets and/or Confidential Information of the Disclosing Party. Each Receiving Party shall promptly notify the Disclosing Party upon discovery of any loss or unauthorized disclosure of the Confidential Information or Trade Secrets of such Disclosing Party.

8.3 Remedies. Each Party acknowledges and agrees that the Disclosing Party, because of the unique nature of Trade Secrets and Confidential Information, would suffer irreparable harm in the event that the Receiving Party breaches any of its obligations under this section and that monetary damages would be inadequate to compensate the Disclosing Party for breach.

8.4 Required Disclosures. In the event that the Receiving Party is requested or becomes legally compelled to disclose any Confidential Information or Trade Secrets of the Disclosing Party, it is agreed that such the Receiving Party will provide the Disclosing Party with prompt written notice of such request(s) to enable the Disclosing Party to seek a protective order to protect and preserve the confidential nature of the Confidential Information and/or Trade Secrets. In such event, the Receiving Party agrees that it will furnish only that portion of the Confidential Information and/or Trade Secrets which is legally required and will exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information and/or Trade Secrets (and other information) which is being disclosed.

8.5 Return of Confidential Materials. Upon the termination or expiration of this Agreement, or at any time upon the reasonable request of the Disclosing Party, the Receiving Party shall return or destroy all Confidential Information and Trade Secrets in its possession or in the possession of any of its representatives; provided, however: (a) that a Receiving Party will not be required to erase or delete electronically stored Confidential Information or Trade Secrets that has been saved to a back-up file in accordance with the Receiving Party's ordinary back-up or document retention policies so long as the Receiving Party's representatives do not have general access to such back-up files and that such Confidential Information and Trade Secrets are maintained in accordance with the confidentiality requirements of this Agreement and Applicable Law; (b) that, if required by Applicable Law, a Receiving Party in possession of tangible property containing the Confidential Information or Trade Secrets of a Disclosing Party may retain one archived copy of such material, subject to the terms of this Agreement, which may be used solely to comply with Applicable Law and may not be used for any other purpose.

8.6 Cardholder Information. The information that Client provides to NetSpend relating to Cardholders (or potential Cardholders) pursuant to this Agreement, including, without limitation, any Cardholder's (or potential Cardholder's) name, address, date of birth and social security number (collectively, the "Cardholder Information") shall not be considered either Party's Confidential Information hereunder, and shall be deemed the confidential information of the Bank Partner and subject to the Bank Partner's privacy policy. Further, each Party covenants and agrees to protect all Cardholder Information as required by Applicable Law, which shall include, without limitation the Gramm-Leach-Bliley Act and any applicable state privacy laws. To the extent this provision conflicts with any other provision in the Agreement, this provision shall control.

8.7 Publicity. All media releases, public announcements and public disclosures by a Party relating to this Agreement or the subject matter of this Agreement (but not including announcements intended solely for internal distribution and excluding Client's city council agenda items) shall be coordinated with and approved by the other Party prior to release. If a Party determines that disclosure is required to meet legal or regulatory requirements it shall promptly inform the other Party and coordinate such disclosure with the other Party and provisions of Section 8.4 shall apply.

8.8 Survival of Obligations. Each Party's obligations under this section with regard to Confidential Information shall survive the termination of this Agreement for a period of three (3) years thereafter or as required by Applicable Law, whichever is longer. Each Party's obligations under this section with regard to Trade Secrets shall survive the termination of this Agreement to the greatest extent permitted by Applicable Law.

8.9 Relation to Other Agreements. This section supplements any separate written confidentiality agreement or non-disclosure agreement between the Parties, and in the event any such agreement conflicts with the terms hereof, this Agreement shall control.

9.0 Record Keeping.

9.1 General. Each Party will keep all usual and proper records, including financial records, relating to its obligations under this Agreement. If the entity conducting the audit is not a Party, then auditing entity must agree to be bound by the confidentiality provisions of this Agreement. The auditing Party shall bear the full cost and expense of any audits it conducts or otherwise requests.

9.2 Audit of Client. During the Term and for a period of one (1) year thereafter, NetSpend and each Bank Partner may audit and examine, or have a third party designated by NetSpend or such Bank Partner audit and examine, the books and records and operations of Client directly related to the performance of Client's obligations hereunder, provided that any such audit or examination shall occur upon no less than ten (10) Business Days prior written notice and at a mutually agreed upon date and time during Client's normal business hours, and no more frequently than once during any calendar year unless (i) otherwise required by Applicable Law or any Regulatory Authority, or (ii) NetSpend or such Bank Partner has a reasonable belief that Client is not acting in compliance with the terms of this Agreement or Applicable Law. During the Term and for a period of one (1) year thereafter, Client shall furnish to NetSpend and each Bank Partner or their respective designees all such information regarding Client's performance of its obligations hereunder as NetSpend or such Bank Partner may reasonably request.

9.3 Audit of NetSpend. During the Term and for a period of (1) year thereafter, Client may inspect the books and records of NetSpend that are directly related to the obligations of NetSpend hereunder, provided that any such inspection shall occur upon no less than ten (10) Business Days prior written notice and at a mutually agreed upon date and time during NetSpend normal business hours, and no more frequently than once during any calendar year unless (i) otherwise required by Applicable Law or any Regulatory Authority, or (ii) Client has a reasonable belief that NetSpend is not acting in compliance with the terms of this Agreement or Applicable Law. During the Term, NetSpend shall furnish to Client or its designee all such information concerning NetSpend's performance of its obligations hereunder as Client may reasonably request.

9.4 Regulatory Audit. Client shall: (a) submit to any examination which may be required by any Regulatory Authority with audit and examination authority over NetSpend, any of its Affiliates, or one of its Bank Partners; and (ii) provide to NetSpend and each applicable Bank Partner any information that may be required by any Regulatory Authority in connection with their audit or review of NetSpend, any of its Affiliates, or such Bank Partner or the subject matter hereof and reasonably cooperate with such Regulatory Authority in connection with such any audit or review.

10.0 Termination.

10.1 Termination of the Agreement. Each Party shall have the right to terminate this Agreement (including all SOWs), by written notice to the other Party upon the occurrence of one or more of the following events:

10.1.1 The other Party makes an assignment for the benefit of creditors, is subject to a bankruptcy proceeding, is subject to the appointment of a receiver, or is unable to pay its debts as they become due; or

10.1.2 Failure by the other Party to observe or perform, in any material respect, that Party's obligations to the other Party set forth in the body of the Agreement, or a breach of any representation or warranty set forth in the body of the Agreement, so long as the failure is not due to the actions or failure to act of the terminating Party, but only if the failure continues for a period of: (a) thirty (30) Business Days after the non-performing Party received written notice from the terminating Party specifying the failure in the case of a failure not involving the payment of money, or (b) ten (10) Business Days after the non-performing Party receives written notice for the terminating Party specifying the failure in the case of a failure to pay any amount then due hereunder. The Parties acknowledge that termination due to any breaches related to a SOW is set forth in Section 10.2.1 (Termination of any SOW).

10.1.3 For convenience, upon no less than ninety (90) days prior written notice to the other Party.

10.2 Termination of any SOW. Each Party shall have the right to terminate any SOW, by written notice to the other Party upon the occurrence of one or more of the following events, with respect to that SOW to be terminated:

10.2.1 Failure by the other Party to observe or perform, in any material respect, that Party's obligations to the other Party under the SOW to be terminated or a breach of any representation or warranty under the SOW to be terminated, so long as the failure is not due to the actions or failure to act of the terminating Party, but only if the failure continues for a period of: (a) thirty (30) Business Days after the non-performing Party received written notice from the terminating Party specifying the failure in the case of a failure not involving the payment of money, or (b) ten (10) Business Days after the non-performing Party receives written notice for the terminating Party specifying the failure in the case of a failure to pay any amount then due hereunder;

10.2.2 Upon any change to or enactment of any law or regulation which would have a material adverse effect upon the Services to be provided by either Party pursuant to the SOW to be terminated, provided that the Parties cannot find a legally workable solution to the change in law or regulation within a reasonable amount of time;

10.2.3 Violation of any federal or state law or regulation relating to the performance of the SOW to be terminated rendering either of the Parties unable to substantially perform this Agreement, provided that the Parties cannot find a legally workable solution to avoid violating the law or regulation within a reasonable amount of time;

10.2.4 Upon direction from any Regulatory Authority for any Party to cease or materially limit performance of such Party's obligations under the SOW to be terminated; or

10.2.5 If any performance under the SOW to be terminated is postponed or extended for longer than sixty (60) calendar days pursuant to the terms of Section 13.4 (Force Majeure).

10.3 NetSpend may immediately terminate this Agreement upon written notice to Client upon the occurrence of one or more of the following events:

10.3.1 If the results of any verification activity are unsatisfactory as described in Section 3.0 (Due Diligence); or

10.3.2 Upon the direction of Bank Partner.

10.4 The termination or expiration of this Agreement or any SOW shall not relieve either Party of any obligations due at or before the time of such termination or expiration pursuant to the Agreement or the individual SOW, as applicable. For clarification, upon the termination or expiration of this Agreement, neither Party shall be entitled to any payments from the other Party pursuant to any SOW other than any payments that have accrued, but are unpaid as of the date of such termination or expiration.

10.5 Each Party's right to terminate this Agreement or any SOW shall be in addition to, and not in lieu of, any other remedies that such Party may have by virtue of a breach or default with respect to this Agreement or any SOW and the termination or expiration of this Agreement or any SOW shall not prejudice any claim of either Party.

10.6 Any SOW shall terminate automatically upon the termination of the Agreement.

11.0 Relationship of Parties.

NetSpend and Client agree that they are independent contractors to each other in performing their respective obligations hereunder. Nothing in this Agreement or in the working relationship being established and developed hereunder shall be deemed or is intended to be deemed, nor shall it cause, NetSpend and Client to be treated as partners, joint ventures, or otherwise as joint associates for profit. Neither Party may act on behalf of the other Party except as expressly provided for in this Agreement. Neither Party may bind or execute a release on behalf of the other Party except as authorized in writing by the other Party or as set forth in Section 7.0 (Indemnification) hereunder. Nothing herein shall be construed to limit NetSpend's ability to provide the Services or other services contemplated hereunder to any other party.

12.0 Limitation of Liability.

12.1 Limitation on Types of Damages. NEITHER PARTY, NOR THEIR RESPECTIVE AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS RESPECTIVE AFFILIATES, WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF SUCH DAMAGES ARE FORESEEABLE, AND WHETHER OR NOT ANY PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), ARISING FROM OR RELATING TO THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT LIMIT A PARTY'S OBLIGATION TO INDEMNIFY THE OTHER PARTY PURSUANT TO SECTION 7 (INDEMNIFICATION) FOR ACTIONS BROUGHT BY THIRD PARTIES EVEN IF SUCH ACTIONS INCLUDE CLAIMS BY THIRD PARTIES FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES.

12.2 Limitation on Amount of Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, NETSPEND'S TOTAL AGGREGATE LIABILITY (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, BY STATUTE, OR OTHERWISE) TO CLIENT, CLIENT'S AFFILIATES, OR TO ANY THIRD PARTY RELATED TO THIS AGREEMENT (EXPRESSLY INCLUDING ALL STATEMENTS OF WORK) SHALL BE LIMITED TO AN AMOUNT EQUAL TO NETSPEND'S GROSS PROFIT ATTRIBUTABLE TO THIS AGREEMENT (EXPRESSLY INCLUDING ALL STATEMENTS OF WORK) FOR THE THREE (3) YEARS IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO SUCH ACTION; PROVIDED THAT IF SUCH EVENT OCCURS PRIOR TO THE THIRD YEAR ANNIVERSARY OF THE EFFECTIVE DATE, THEN THE PARTIES SHALL ESTIMATE THE LIMITATION BASED UPON NETSPEND'S GROSS PROFIT FOR THE MONTHS PRECEDING THE EVENT.

12.3 Exceptions to Limitations. THE LIMITATION CONTAINED IN SECTION 12.2 (LIMITATION ON AMOUNT OF DAMAGES) SHALL NOT APPLY TO ANY BREACH OF SECTION 8 (CONFIDENTIALITY).

13.0 Miscellaneous.

13.1 Dispute Resolution. The Parties shall first attempt in good faith to resolve any controversy or claim arising between the Parties out of or in connection with the provisions of this Agreement through amicable discussions between appropriate executives of each Party. Each Party's representative(s) shall be granted the authority of such Party to resolve the dispute, and commit and bind their respective organization to any agreement reached by the representatives of each Party. During the course of any such negotiation, each Party shall comply with all reasonable requests made by the other Party for information related to such dispute held by the non-requesting Party.

13.2 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California, without regard to that state's conflict of laws principles.

13.3 Subcontractors and Agents. NetSpend may engage any third party, including, without limitation, any of its Affiliates, to perform all or a portion of its obligations under this Agreement at any time without the consent of Client; provided however that (a) such action shall not affect NetSpend's obligations to Client hereunder and (b) NetSpend shall be solely liable for the acts and omissions of any such third party. As of the Effective Date, NetSpend's critical subcontractors for the provision of the Program (as defined in Statement of Work 1) for issuing bank, card production, statement production, and privacy disclosure production, and each as determined by NetSpend, are set forth in Exhibit B to this Agreement. Client shall not engage any third party to perform any of its obligations hereunder without providing notice to NetSpend, and will assist NetSpend in obtaining such due diligence materials from, or agreement with, any such proposed third party that NetSpend may deem reasonably necessary or that may otherwise be required by Applicable Law. NetSpend's approval of any such third party shall not in any way relieve Client of any of its duties or obligations under this Agreement, and Client shall be solely liable for the acts and omissions of any such third party.

13.4 Force Majeure. Neither Party shall be liable for any failure or delay on its part to perform, and shall be excused from performing any of its non-monetary obligations hereunder if such failure, delay or non-performance results in whole or in part from any cause beyond the absolute control of the party, including without limitation, any act of God, act of war, riot, actions of terrorists, earthquake, fire, explosion, natural disaster, flooding, embargo, sabotage, government law, ordinance, rule, regulation, order or actions. Any Party desiring to rely upon any of the foregoing as an excuse for failure, default or delay in performance shall, when the cause arises, give to the other Party prompt notice in writing of the facts which constitute such cause; and, when the cause ceases to exist, give prompt notice thereof to the other Party. This section shall in no way limit the right of either Party to this Agreement to make any claim against third parties for any damages suffered due to said cause. If any performance under this Agreement is postponed or extended for longer than sixty (60) calendar days either Party may, by written notice to the other Party, terminate this Agreement immediately.

13.5 Survival, Severability and Waiver. All provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including, without limitation, Sections 4 (Compensation), 5 (Materials), 7 (Indemnification), 8 (Confidential Information), 9 (Record Keeping), 10 (Termination), 12 (Limitation of Liability), and 13 (Miscellaneous) shall survive the conclusion or termination of this Agreement. If any provision of this Agreement (or any portion thereof) is determined to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and shall be binding upon the Parties and shall be enforceable, as though said invalid or unenforceable provision (or portion thereof) were not contained in this Agreement. The failure by any Party to insist upon strict performance of any of the provisions contained in this Agreement shall in no way constitute a waiver of its rights as set forth in this Agreement, at law or in equity, or a waiver of any other provisions or subsequent default by the other Party in the performance of or compliance with any of the terms and conditions set forth in this Agreement.

13.6 Successors and Third Parties. This Agreement shall not confer any rights or remedies upon any party other than the Parties and their permitted successors and assigns as set forth in Section 13.7 (Assignments). Without limiting the foregoing, in no case may any Affiliate of Client use any of Services or otherwise receive any benefit from this Agreement unless such use and/or benefit has been approved by NetSpend in writing.

13.7 Assignments. Neither Party may assign or otherwise transfer the Agreement, without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except that either Party may, without the consent of the other Party, but upon no less than ten (10) Business Days advance written notice to such other Party (which notice shall include the completed Client Application for such assignee, in the case of an assignment by Client), assign or otherwise transfer this Agreement: (a) to any Affiliate, or (b) pursuant to a Change of Control. Client hereby expressly acknowledges that as a result of any assignment or transfer (including without limitation one set forth in subsection (a) or (b) above), NetSpend may require diligence information from the proposed successor and Client hereby agrees to use its reasonable efforts to assist NetSpend with obtaining such information promptly. Further, nothing in this section shall in anyway diminish NetSpend's ability to terminate this Agreement pursuant to Section 3.0 (Due Diligence) if the results of such verification activity relating to such successor are unsatisfactory to NetSpend or Bank Partner. For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (x) any merger or consolidation of a Party in which such Party is not the continuing or surviving corporation or pursuant to which shares of such Party's outstanding stock would be converted into cash, securities or other property, other than a merger of such Party in which the holders of such Party's outstanding stock immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger, (y) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of such Party, or the liquidation or dissolution of Party, or (z) the purchase by any person, group, corporation or other entity, other than the Party itself, of shares of the outstanding stock of such Party for cash, securities or any other consideration provided that, after consummation of the transaction, such person, group, corporation or other entity is the beneficial owner, directly or indirectly, of at least fifty percent (50%) of the outstanding stock of such Party. In all cases of assignment of transfer, the successor shall agree in writing to be bound by the terms hereof, unless the successor and the remaining Party otherwise agree in writing.

13.8 Notices. All notices, requests and approvals required by this Agreement shall be in writing, addressed to a Party at the address set forth on the signature page hereto (or at such other address of which the notifying Party hereafter receives notice in conformity with this section), and delivered in person, by courier or overnight mail or sent by registered or certified mail. Notices will be effective and deemed duly given upon actual receipt.

13.9 Entire Agreement and Amendments. This Agreement and all Exhibits and SOWs attached hereto constitute the entire agreement between the Parties and supersedes all prior agreements, understandings, and arrangements, oral or written, between the Parties with respect to the subject matter hereof. Neither Party may modify or amend this Agreement without the written consent of the other Party. Notwithstanding anything to the contrary set forth herein, NetSpend may designate a new Bank Partner from time to time without an amendment to this Agreement, following notice to Client.

13.10 Headings. The headings, captions, headers, footers and version numbers contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

13.11 Counterparts. This Agreement (and any Statement of Work) may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same agreement. The signatures to this Agreement (or any Statement of Work) may be facsimiles or other electronic transmissions and shall be fully as effective as though all signatures were originals on the same copy.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the dates below set forth.

NetSpend Corporation



Signature

Jeffrey A. Johnson

Printed Name of Signatory

SVP

Title of Signatory

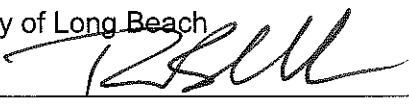
11/8/17

Date of Signature

Business Address for Notice:

NetSpend Corporation
1455 Lincoln Parkway, Suite 200
Atlanta, Georgia 30346
Attention: General Counsel

City of Long Beach



Signature

Patrick H. West Tom Modica

Printed Name of Signatory

Assistant City Manager

City Manager
Title of Signatory

11/1/17

Date of Signature

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

Business Address for Notice:

City of Long Beach, Department of Financial Management
333 West Ocean Boulevard, 6th Floor
Long Beach, California 90802
Attention: City Treasurer


APPROVED AS TO FORM
OCT. 27, 20 17
CHARLES PARKIN, City Attorney
By 
GARY J. ANDERSON
PRINCIPAL DEPUTY CITY ATTORNEY

Exhibit A

Definitions

“Account” means an individual sub-account maintained by NetSpend for which the underlying funds are held by the Bank Partner as part of a pooled FDIC-insured account established for the benefit of Cardholders.

“Affiliate” means, with respect to a Party, an entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party. For purposes of this definition, “control” shall mean (a) fifty percent (50%) or more ownership or beneficial interest of income and capital of such entity; (b) ownership of at least fifty percent (50%) of the voting power or voting equity; or (c) the ability to otherwise direct or share management policies of such entity by contract or otherwise.

“Applicable Law” means any and all laws, treaties, rules, regulations, regulatory guidance, determinations of (or agreements with) an arbitrator or governmental authority and mandatory written direction from (or agreements with) any arbitrator or governmental authority, that are applicable to the Agreement, the Services, any NetSpend program provided pursuant to this Agreement, either Party, the Bank Partner, any User (or potential User) (including any Cardholder). Applicable Laws include, without limitation, the Bank Secrecy Act, any and all sanctions or regulations enforced by the United States Department of Treasury’s Office of Foreign Assets Control, any laws or regulations specifically set forth in any Statement of Work to be included as Applicable Law, and any other state or federal statutes or regulations that are applicable to the Services, or otherwise applicable to any of the Parties, the Bank Partner or any User (or potential User) (including any Cardholder). Additionally, a Statement of Work may exclude certain laws and regulations from the definition of Applicable Law for purposes of such Statement of Work.

“Bank Partner” means a federally-insured financial institution designated by NetSpend from time to time.

“Business Day” means any day that the NetSpend corporate offices in Atlanta, Georgia are open for business.

“Card” means an access device issued by Bank Partner and tied to the Cardholder’s Account.

“Cardholder” means a User who has established an Account.

“Claim” has the meaning set forth in Section 7 (Indemnification).

“Confidential Information” has the meaning set forth in Section 8 (Confidential Information).

“Indemnified Party” has the meaning set forth in Section 7 (Indemnification).

“Indemnifying Party” has the meaning set forth in Section 7 (Indemnification).

“Marketing Materials” means those NetSpend standard marketing, support and/or enrollment materials developed by NetSpend to facilitate the promotion and offering of the any Service or any NetSpend program provided pursuant to this Agreement to potential Users as may be further defined in any Statement of Work.

“Materials” means any and all (a) intellectual property of NetSpend related to any Service, including but not limited to Marketing Materials, other written or electronic materials, technology, hardware, software, products, methods of providing products, services, patents, Trade Secrets, copyrights, trademarks, trade dress and service marks, and (b) any enhancements or additions to, or derivative works of, any of the foregoing, made by NetSpend, at its direction or under its authority.

“Regulatory Authority” means each System, NACHA (previously known as the National Automated Clearinghouse Association), the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and any other Federal or state agency having jurisdiction over NetSpend (or any of its Affiliates), Client, any User (or potential User), the Bank Partner or any Service.

“SOW” has the meaning set forth in Section 1 (Format of Agreement).

“System” means the electronic payment network operated by Visa, MasterCard, or any other card association selected by NetSpend and the Bank Partner.

“Term” has the meaning set forth in Section 2 (Term).

“User” means an individual who uses a Service pursuant to this Agreement and any Statement of Work and as may be further described and/or limited in any Statement of Work for purposes of that Statement of Work.

EXHIBIT B

CRITICAL SUBCONTRACTORS

Subcontractor	General Description of Work Subcontracted
CPI Card Group – Colorado Inc.	Card Production
Financial Statement Services Inc.	Card Statements
FiServ Solutions Inc.	Card Production
The John Roberts Company	Privacy Disclosure Production
BofI Federal Bank	Issuing Bank
Visa U.S.A., Inc.	Network

Skylight PayOptions™ Program for Employee Wage Disbursement Programs Statement of Work Number 1

This Statement of Work Number 1 ("SOW 1") is made and entered into as of the date last signed (the "Commencement Date"), by and between NETSPEND CORPORATION, a Delaware corporation ("NetSpend"), and City of Long Beach, a California Municipality ("Client") (each of NetSpend and Client, a "Party", collectively, the "Parties"). This SOW 1 is entered into pursuant to and subject to that certain Services Agreement (the "Agreement") dated by the Client on 11/1/2017, by and between the Parties.

1.0 Scope of Services and Program Setup.

1.1 NetSpend shall, together with the Bank Partner, establish, maintain and offer the Skylight® PayOptions™ Program (the "Program") to potential Cardholders through Client which shall include the following: (a) for each Cardholder: (i) an Account; (ii) a Card for each Cardholder; (iii) access to a supply of Skylight convenience checks; (iv) to the extent and in a form required by Applicable Law, access to periodic Account statements; and (v) access to a Cardholder support call center maintained by NetSpend or its designee which Cardholders may contact using a toll-free number to receive assistance relating to their Account or other aspects of the Program; and (b) for the Client: (i) web-based administrative tools which permit Client to manage the payment of wages and other compensation to Cardholders; and (ii) access to a corporate support call center maintained by NetSpend or its designee which Client may contact to receive assistance relating to the Program. Cardholders may receive notices, mailings and other communications from NetSpend from time to time. All Accounts and Cards shall be subject to the pricing schedule (the "Pricing Schedule") set forth in the Cardholder Agreement, which will not be modified by NetSpend earlier than the second anniversary of the Commencement Date, unless such modification is agreed to by the Client or such modification is required by Applicable Law. For informational purposes only, the Pricing Schedule in effect as of the Commencement Date is set forth in Section 8.2 (Pricing Schedule as of the Commencement Date).

1.2 NetSpend shall provide Client with (a) its standard Marketing Materials in English and Spanish and in pdf form only for use in promoting the Program to potential Cardholders, and (b) a sufficient supply of "Skylight Instant Issue Packs" for Client to distribute to potential Cardholders, which may be used by a potential Cardholder to establish an Account, and which shall include a non-personalized branded Card on a Card carrier, Cardholder instructions, Cardholder Agreement, Cardholder Privacy Policy, Skylight convenience check, and such other materials as determined by NetSpend from time to time. Client shall ensure that it provides each potential Cardholder with a complete Skylight Instant Issue Pack and such other materials or disclosures designated by NetSpend from time to time, with each Card distributed to a potential Cardholder. Additional or custom Marketing Materials, including translations of Marketing Material into languages other than English and Spanish, may be provided to Client by NetSpend for an additional fee mutually agreed upon by the Parties. Further, if Client requests that NetSpend print any of the Marketing Materials, then additional printing and shipping and handling charges will apply which are payable by Client. Client may not alter any of the documents or materials relating to the Program provided by NetSpend, including, without limitation, the Marketing Materials, the Cards, the Cardholder Agreement and any portions of the Skylight Instant Issue Packs, without NetSpend's prior written approval. In the event Client wishes to include a customized design on the Cards, NetSpend shall provide Client with a statement detailing the additional design, production and implementation charges associated with such customized Card, which must be paid by Client to NetSpend prior to NetSpend commencing any work related to such Cards. NetSpend shall provide Client with a reasonable amount of training related to the Program through conference calls and/or webinars at no additional cost to Client and at such times as mutually agreed upon by the Parties. Further, if requested by Client, NetSpend will provide on-site training and promotion for an additional fee, at times and locations as mutually agreed upon by the Parties.

1.3 Client: (a) shall not promote the Program to potential Cardholders in conflict with any procedures established by NetSpend and the Bank Partner, as applicable, (b) may offer each of its employees the opportunity to use the Program and/or establish Accounts for use in receiving all wages paid to such individual by Client to the extent permitted by Applicable Law, and (c) shall follow any guidelines regarding the Program provided by NetSpend, including, without limitation, providing any information requested by NetSpend regarding the state where any Cardholder is employed and any other information requested by NetSpend related to its or Client's obligations to comply with Applicable Law. Client will ensure that good and immediately available funds are transferred into the Accounts in the appropriate amounts and at the appropriate time pursuant to Client's payroll procedures. Client shall not use the Program for anything other than the payment of wages to employees, and if, at any time during the SOW 1 Term, Client desires to use the Program for another purpose, then NetSpend and Client may enter into a separate SOW related thereto. Throughout the SOW1 Term, NetSpend shall be the exclusive provider of any payroll card program for all employees of Client.

1.4 In the event NetSpend or the Bank Partner deems it necessary to modify all or a portion of a Skylight Instant Issue Pack, issue new materials to be distributed with current Skylight Instant Issue Packs, or issue new Marketing Materials, NetSpend shall notify Client and Client shall comply with all related instructions it may receive from NetSpend, including, without limitation, refraining from further distributing any Skylight Instant Issue Packs or utilizing any Marketing Materials it may have in its possession until NetSpend is able to provide Client with a new supply of Skylight Instant Issue Packs or Marketing Materials, as applicable, which incorporate the changes deemed necessary by NetSpend or the Bank Partner. Client acknowledges that all Cards issued to Cardholders are the property of the Bank Partner and are subject to cancellation by the Bank Partner in accordance with the terms of the applicable Cardholder Agreement.

1.5 NetSpend will not refund Client for any unissued Cards that Client has ordered and returned unless: (a) the Card was defective upon receipt by Client; or (b) the Card has been recalled by NetSpend due to a modification to the Program. Refunds will only be given if Client has paid in full for the unissued Cards and Client is current in all other accounts it has with NetSpend. Further, NetSpend may elect to replace the Cards in lieu of any refund.

2.0 Program Administration, Cardholder Verification.

2.1 In order to establish an Account for an individual, Client must obtain and deliver to NetSpend the information requested on the Card Carrier found inside the Skylight Instant Issue Pack for each such individual, which consists of such individual's name, date of birth, social security number and physical address and any other identification information or documentation from each prospective Cardholder as designated by NetSpend from time to time. Then, to ensure proper enrollment, Client shall tear off the portion of the Card Carrier containing the completed information and employee signature and retain it for Client's records and transmit the enrollment information to NetSpend through a method approved by NetSpend; provided, however, if Client's enrollment method does not include the use of the tear off portion of the Card Carrier, then Client shall ensure that its enrollment method: (a) captures the information required on the Card Carrier, (b) requires employee consent for the use of such information (electronically or otherwise), (c) provides for the retention of such information in Client's records, and (d) transmits such information to NetSpend via a method approved by NetSpend. Client shall take reasonable steps to determine whether the identification information or documentation provided by each prospective Cardholder is genuine, true and accurate in all respects, and shall notify NetSpend if it reasonably believes, based upon its inspection of the documentation or otherwise, that identity theft has occurred with respect to any such prospective Cardholder (including to the extent Client believes that any such identification documentation appears to be forged, inaccurate or incomplete). Client shall, during the SOW1 Term and for a period of no less than five (5) years immediately following the termination or expiration of this SOW1, or such longer period as may be required by Applicable Law, make and preserve at least one copy of all identification information and documentation obtained by Client from a prospective Cardholder. Client covenants, acknowledges and agrees that (w) it has the full power and authority to obtain the information referenced herein from Users (and potential Users); (x) it has obtained the consent from each User (and/or potential Users) to transmit such person's information to NetSpend for the purpose of opening an Account; (y) it shall properly safeguard all potential Cardholder Information and (z) it shall only transmit such information through the methods designated by NetSpend from time to time. Client acknowledges that any failure of a Cardholder to comply with the terms and conditions related to an Account or Card may result in the closing of such Account and/or the cancellation of such Card. Client further acknowledges that if either NetSpend and/or Bank Partner are not entirely satisfied with the results of the Cardholder verification process, then NetSpend and/or Bank Partner may close a Cardholder Account.

2.2 Client shall store all Skylight Instant Issue Packs in a secure manner until they are distributed to potential Cardholders.

2.3 Client shall promptly notify NetSpend in the event Client becomes aware (a) of any loss or theft of, or damage to, any Cards, Skylight Instant Issue Packs or portions thereof, or (b) that any Card, Skylight Instant Issue Pack or portion thereof is being used, or is likely to be used, in connection with any fraudulent or other illegal activity. Client acknowledges and agrees that it shall be liable for any loss, theft (including identity theft), destruction, fraudulent use, misuse or misappropriation of undistributed Cards prior to a valid and authorized issuance and/or distribution of such Card to a Cardholder.

3.0 Regulatory Compliance.

3.1 NetSpend's Obligations. NetSpend acknowledges and agrees that it or the Bank Partner shall be responsible for: (a) the escheatment of any unclaimed funds remaining in any Account beyond any applicable dormancy period; (b) fraud monitoring of Accounts; (c) suspicious activity monitoring of Accounts; (d) disputes related to transaction activity in any Account; (e) responding to and investigating the possible garnishment of any Account; (f) any charge-offs in an Account; (g) ensuring that each Account complies with Regulation E, to the extent Regulation E applies to each such Account; and (h) subject to Client's compliance with Section 3.2 (Client's Obligations), ensuring that the fees charged to Cardholders under the Program, the features of the Program and the functionality of the Program complies with Applicable Law in each jurisdiction where the Program is permitted.

3.2 Client's Obligations. Client acknowledges and agrees that it shall be responsible for ensuring that the process by which it offers the Program to its employees and operates the Program as part of its payroll complies with all Applicable Law, which shall include, without limitation, laws relating to: payroll, employee compensation, proper payment of wages and other compensation payable by Client to its employees, wage payment at termination, employee benefits, immigration, tax withholding, timely remittance of all applicable taxes, proper delivery of payment stubs and similar payroll information. Without limiting the foregoing, Client shall be responsible for: (a) ensuring that Client's payment of wages or other compensation through the use of the Accounts and Cards is permissible under Applicable Law, (b) making all required disclosures to pay wages or other compensation through the use of the Accounts and Cards as may be required under Applicable Law, including without limitation, those required to be made to a Cardholder, (c) obtaining all authorizations to pay wages or other compensation through the use of the Accounts and Cards as may be required under Applicable Law, including, without limitation, those required from a Cardholder or Regulatory Authority, (d) offering all of its employees all wage payment options required by applicable law, including, at a minimum, the option of direct deposit into an account of each such employee's own choice, and (e) the payment of wages to its employees. Further, if Client's failure to comply with this Section 3.2 (Client's Obligations) causes NetSpend's breach of Section 3.1 (NetSpend's Obligations), then NetSpend shall have no liability whatsoever to Client or any third party related thereto and Client shall indemnify NetSpend pursuant to Section 7 of the Agreement (Indemnification).

3.3 Each Party agrees that it shall comply with Applicable Law in the performance of its obligations hereunder.

3.4 Client agrees to immediately notify NetSpend of any failure, of which it obtains knowledge, by Client, its employees, subsidiaries, Affiliates, agents or representatives, to comply with Applicable Law related to the Services.

4.0 Services Agreement.

4.1 Upon execution by each Party, this SOW 1 shall become attached to and incorporated as a part of the Agreement and all of the terms and conditions set forth in the Agreement shall apply fully to this SOW 1 as though it is a part of the Agreement, except to the extent any such terms or conditions directly conflict with one another. To the extent of any conflict, the terms of this SOW 1 shall govern to this SOW 1.

5.0 Definitions.

Capitalized terms used but not defined in this SOW 1 will have the meanings given to them in the Agreement. Additionally, the following terms shall have the meanings attributable to them below:

5.1 For the avoidance of doubt, "Applicable Law" for purposes of this SOW 1 shall include any and all laws, treaties, rules, regulations, regulatory guidance, determinations of (or agreements with) an arbitrator or governmental authority and mandatory written direction from (or agreements with) any arbitrator or governmental authority, that are applicable to the payment of wages by payroll card, the administration and offering of a payroll card program, or the use of such payroll card by a Cardholder, as the same laws may be amended, from time to time, and expressly including any successor laws.

5.2 "Cardholder Agreement" means the agreement between the Bank Partner and the Cardholder which sets forth the terms and conditions (including, without limitation, all fees and other charges) applicable to the Account and use of a Card, and all disclosures associated therewith.

5.3 "User" for purposes of this SOW 1 only, shall be limited to employees of Client who have become Cardholders.

6.0 Term.

6.1 The initial term (the "Initial Term") of this SOW 1 shall commence on the Commencement Date and terminate upon the third (3rd) anniversary of the Commencement Date. At the end of the Initial Term, this SOW 1 shall be automatically renewed on the same terms and conditions for successive one (1) year terms (each, a "Renewal Term") (the Initial Term, collectively with any Renewal Terms, the "SOW1 Term") thereafter, unless either Party provides written notice to the other Party of its intent not to renew ninety (90) days prior to the expiration of the Initial Term or any Renewal Term then in effect. The SOW 1 may be terminated pursuant to Section 10 of the Agreement (Termination).

6.2 That portion of Section 2.1 (Program Administration, Cardholder Verification) concerning preservation of identification information shall survive the termination of this SOW1. Additionally, following the termination of this SOW 1, NetSpend shall continue to provide services to the Cardholders pursuant to the Cardholder Agreement until the Cardholder's Account has been closed or otherwise terminated.

7.0 Client Pricing.

7.1 Client shall pay NetSpend the fees set forth below for the Program pursuant to the terms of payment set forth in the Agreement.

1. Client Implementation Fee:	\$500.00	WAIVED
2. Skylight Instant Issue Packs:	\$2.50	Per card pack. WAIVED
3. Shipping and Handling Charges:	WAIVED	WAIVED; Client will not be charged any shipping and handling charges with regard to any items shipped to Client pursuant to this SOW 1, including all materials and all Skylight Instant Issue Packs.

8.0 Cardholder Pricing.

8.1 Payment of Fees. The fees set forth below are payable by a Cardholder to NetSpend based on usage and will be automatically debited from the Cardholder Account. Subject to Section 1.1, NetSpend may modify these fees without an amendment to this SOW 1; provided that NetSpend will provide notice of any increase in Cardholder pricing to Client and any affected Cardholders. Due to differences in state wage and hour laws, fees for Cardholders may differ depending on state of employment. As a result, some Cardholders may have certain fees that differ from the ones set forth in Section 8.2, and as later modified pursuant to the applicable Cardholder Agreement. Any fees set forth in Section 8.2 or in the Cardholder Agreement are void where prohibited by Applicable Law.

8.2 Pricing Schedule as of the Commencement Date:

Visa Over-the-Counter (OTC) Cash Withdrawals (down to the penny)	No Charge	Available at any Visa member bank.
Skylight Checks	No Charge	Using/cashing and re-ordering.
Domestic Allpoint ATM Withdrawal	No Charge	
Domestic Money Pass ATM Withdrawal	No Charge	
Other Domestic ATM Withdrawal	\$1.75	

International ATM Withdrawal	\$1.75	
ATM Transaction Decline	\$1.00	
Signature Debit Purchase	No Charge	
PIN Debit Purchase	No Charge	
International (Foreign) Transaction – Conversion Fee/Surcharge	3.5%	3.5% of the transaction amount.
Purchase Transaction Decline	\$1.00	Signature or PIN
Balance Inquiry via Automated Phone Service (IVRU)	No Charge	
Balance Update via Anytime Alerts	No Charge	Cardholder must opt-in for free Anytime Alerts which are sent via email or text.
Balance Inquiry via ATM	\$1.00	
Balance Inquiry via Live Customer Agent	\$0.50	
Maintenance Fee – Primary Card	No Charge	
Maintenance Fee – Secondary Card	No Charge	
Inactivity Fee	\$5.00	Per month. Assessed after 90 days of continuous inactivity. For former employees/ported card only. Void where prohibited.
Live Customer Support	No Charge	Other than balance inquiries.
Monthly Paper Statement	No Charge	Cardholder must opt-in for paper statements.
Paper Statement Reprints	\$5.00	Per request.
Monthly Electronic Statements	No Charge	
60-Day Transaction History	No Charge	Written/printed history available upon request; also available via the cardholder website.
Card Replacement	\$5.00	Per card (one free per year); delivered regular mail.
Card Replacement-Expedited Delivery	\$20.00	
ACH Return Fee	\$5.00	WAIVED. Each time a scheduled or recurring ACH debit transaction (e.g., merchant bill payment) is returned for insufficient funds.
MoneyGram Outgoing	\$25.00	
Stop Payment Fee	\$48.00	WAIVED. For each stop payment on an ACH debit from the cardholder's account that he/she previously authorized, or each stop payment of a Disbursement Check or Skylight Check.
Overdraft Fee	\$25.00	For any overdraft transaction we choose to pay; fee is per transaction, up to five (5) fees per month; cardholders must opt-in for this service and it is only available in some states.

IN WITNESS WHEREOF, this SOW 1 is executed by the Parties as of the dates below set forth.

NetSpend Corporation



Signature

Jeffrey O. Johnson
Printed Name of Signatory

SVP
Title of Signatory

11/8/17
Date of Signature

City of Long Beach


Signature


Patrick H. West Tom Modica
Printed Name of Signatory

Assistant City Manager
City Manager

Title of Signatory

11/1/17
Date of Signature

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

APPROVED AS TO FORM
Oct. 27, 2017
CHARLES PARKIN, City Attorney
By 
GARY J. ANDERSON
PRINCIPAL DEPUTY CITY ATTORNEY

Real Time Funding Statement of Work Number 2

This Statement of Work Number 2 ("SOW 2") is made and entered into as of the date last signed (the "Commencement Date"), by and between NETSPEND CORPORATION, a Delaware corporation ("NetSpend"), and City of Long Beach, a California Municipality ("Client") (each of NetSpend and Client, a "Party", collectively, the "Parties"). This SOW 2 is entered into pursuant to and subject to that certain Services Agreement (the "Agreement") dated by the Client on 11/1/2017, by and between the Parties.

1.0 Term.

1.1 Term. The initial term (the "Initial Term") of this SOW 2 shall commence on the Commencement Date and terminate upon the third (3rd) anniversary of the Commencement Date. At the end of the Initial Term, this SOW 2 shall be automatically renewed on the same terms and conditions for successive one (1) year terms (each, a "Renewal Term") (the Initial Term, collectively with any Renewal Terms, the "SOW 2 Term") thereafter, unless either Party provides written notice to the other Party of its intent not to renew ninety (90) days prior to the expiration of the Initial Term or any Renewal Term then in effect.

1.2 Termination. The SOW 2 may be terminated pursuant to Section 10 of the Agreement (Termination) and shall automatically terminate upon the termination or expiration of that certain Statement of Work 1 between the Parties.

2.0 Scope of and Access to the RTF Services.

2.1 Establishment of the Settlement Account. NetSpend shall establish and maintain for Client an account (the "Settlement Account") with Bank Partner into which Client will deposit and maintain funds for the purpose of funding the Accounts. Client may deposit funds into the Settlement Account by ACH transaction or wire transfer. NetSpend shall then provide Client with administrative access to the Corporate Portal so Client may transfer funds from the Settlement Account to any individual Cardholder Account in real-time (the "RTF Services"). When Client desires to use the RTF Services in batch, Client shall deliver a file with the relevant payment instructions in a format specified by NetSpend and according to mutually agreed-upon security procedures. RTF Services are to be utilized only for funding the Accounts, unless expressly agreed to in writing between the Parties and pursuant to Section 6.10 (Certain Transactions).

2.2 Authorization to Use RTF Services. Client will designate certain of its employees, agents, representatives and/or independent contractors (its "Personnel") to be client administrators (each a "Client Admin") who are authorized to use the RTF Services via the Corporate Portal as determined by its own internal policies. NetSpend will then provide each Client Admin with a username and a system-generated password to access the Corporate Portal. Client will ensure that each Client Admin then change the system-generated password to a password selected by the Client Admin immediately following the first use of such system-generated password. Client understands that each Client Admin may then designate other Personnel who will be able to access the Corporate Portal (each, an "Admin"). Each Client Admin will designate the usernames and passwords for each Admin. Client agrees that it is responsible for the designation of its Client Admins and Admins (and their respective usernames and passwords) and the responsibilities of each on the Corporate Portal. Client understands that anyone with knowledge of the usernames and passwords will be able to access the RTF Services available to Client. Client will be strictly and solely responsible for (a) establishing and maintaining the security procedures to safeguard against any transmissions (i.e. real time funding request that NetSpend receives via FTP or other method pursuant to Section 6.3 (Entry Format and Medium)) that are unauthorized by Client; (b) insuring that none of the Client's Personnel are allowed to initiate transfers or Entries in the absence of proper supervision and safeguards; and (c) for maintaining the confidentiality and security of all passwords and usernames for access to Client's data in the Corporate Portal by any of Client's Personnel; and (d) for complying with and keeping confidential any security procedures, codes, security devices and instructions provided by NetSpend. Client shall be liable for any unauthorized access to the Corporate Portal by any of its Personnel and for any conduct its Personnel with regard to the RTF Services.

2.3 Other Third Party Access. NetSpend will maintain security to prevent unauthorized access to Client's data by a third-party other than any of Client's Personnel.

2.4 Available Funds. No transactions shall be processed and real time funding of the Accounts will not occur unless adequate and available funds are available in the Settlement Account. The Client can fund the settlement account using ACH or wire and be responsible for any costs associated.

2.5 Training and RTF Services Procedures. As communicated by NetSpend in writing, Client will comply with NetSpend's reasonable procedures regarding the use and general promotion of the RTF Services. NetSpend will provide Client training on the use of the RTF Services through conference calls and/or webinars at no additional cost to Client.

3.0 Compensation

3.1 As set forth below, Client shall pay no fees to NetSpend for the RTF Services.

1. File Fee	\$50.00	per file	WAIVED
2. Transaction Fee	\$.05	per transaction	WAIVED
3. Monthly Maintenance Fee	\$40.00		WAIVED

4.0 Relationship to the Agreement.

4.1 This SOW 2 shall be governed by and incorporated into the Agreement. In the event of a conflict between this SOW 2 and the Agreement, the terms of this SOW 2 shall govern.

5.0 Definitions.

- 5.1 Capitalized terms used but not defined in this SOW 2 will have the meanings given to them in the Agreement.
- 5.2 Other Definitions.
- 5.2.1 Corporate Portal shall mean the internet portal through which Client may access the RTF Services.

6.0 Terms of Use of RTF Services.

6.1 General. This section sets forth the terms and conditions under which the Client will use the RTF Services to initiate entries electronically for payments ("Credit Entries") and/or collections ("Debit Entries"). The terms Credit Entries and Debit Entries are collectively referred to as "Entries" (in the plural) and "Entry" (in the singular). Unless otherwise defined herein, capitalized terms used in this section will have the meanings provided to them in the rules of the National Automated Clearing House Association (NACHA) (the "Rules") or in Regulation E of the Board of Governors of the Federal Reserve System ("Regulation E").

6.2 Entry Warranties. Client warrants (which warranties will be deemed reaffirmed by Client with respect to each Entry) that: (a) each Entry initiated and/or submitted is authorized by Client and the applicable Cardholder; (b) each Entry submitted is accurate, in proper form, timely and in compliance with the Rules and federal and state laws and regulations governing electronic funds transfer, including without limitation, Regulation E, and prepared in accordance with instructions set forth by NetSpend; (c) the Cardholder to whom each Entry pertains has authorized and consented to such Entry to the extent contemplated or required under the Rules prior to submission of such Entry to NetSpend and such authorization and consent is in effect at the time of submission of the Entry to NetSpend and will remain so until such Entry is fully processed; (d) Client will provide NetSpend with evidence of such authorization if requested; and (e) Client will maintain written evidence of such authorization in accordance with the requirements of any Applicable Laws and the Rules.

6.3 Entry Format and Medium. All batch Entries initiated by Client will be prepared and submitted in a medium mutually agreed upon by NetSpend and Client, in format specified by NetSpend and conveyed by FTP data transmission (or other method agreed to by NetSpend and Client in writing). NetSpend may reject or refuse to execute files containing Entries not prepared in accordance with the mutually agreed-upon medium and format requirements. NetSpend will maintain all electronic media and related records of the Entries received from Client as required by Applicable Law.

6.4 Information Relating to and Contained in the Entries. In submitting any Entry, Client is responsible for providing all information required by NetSpend as set forth in the Agreement, the Rules, as requested on the Corporate Portal, as amended from time to time, and any other information that NetSpend may request that Client provide from time to time. Client bears sole and exclusive responsibility to verify that the information set forth in Entries submitted to NetSpend is authentic, valid, accurate, complete, correct, and conforms to the Rules. The RTF Services hereunder are only designed to respond to and are dependent upon the information provided by Client. Accordingly, any inaccuracy in any information provided by Client may result in unintended processing by NetSpend. NetSpend bears no responsibility for detecting or reporting any error in data supplied by Client and will not be liable to Client or any third party (including the Cardholders) for any information provided by Client with respect to an Entry, which is inauthentic, invalid, inaccurate, incomplete or otherwise incorrect in anyway.

6.5 Unauthorized Access. If Client suspects that any information or instructions relating to the RTF Services provided under this SOW 2 have become known or otherwise accessed by unauthorized persons, Client will notify NetSpend immediately and follow up such notice with written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by NetSpend before NetSpend has received such notification and had a reasonable time to act to prevent any unauthorized transfers. Further, NetSpend accepts no responsibility for files submitted by terminated employees, or Personnel whose authorization has been revoked by Client.

6.6 Use of Data Processing Vendor. Client may convey Entries to NetSpend directly or through a data processing vendor. If Client uses a data processing vendor, (a) Client will be deemed to have authorized NetSpend to follow the instructions of such vendor to the same extent and under the same conditions as would apply if the instructions came directly from Client, and (b) Client will be responsible for insuring that such vendor fully complies with the Rules, Applicable Law, the Agreement and this SOW 2 and that sufficient records of any Entries submitted by such vendor on Client's behalf are maintained so as to permit the resolution of any questions concerning possible errors or discrepancies relating to Entries.

6.7 Sufficient Funds Requirement. Client will maintain immediately available funds in the Settlement Account in an amount sufficient to cover all Credit Entries initiated by Client, no later than the opening of business on the Settlement Date. Funds will be credited or debited to the Settlement Account as of the Settlement Date. Client may designate the Settlement Date in the file so long as the Settlement Date is at least one Business Day following the date the file is submitted to NetSpend. The "Settlement Date" is the date an exchange of funds with respect to an Entry is reflected on the books of NetSpend for an entry to be deposited to the Cardholder. Files submitted to NetSpend will be posted only if sufficient funds are available in the Settlement Account on the Settlement Date.

6.8 Processing of Entries.

6.8.1 Authority. Client hereby authorizes NetSpend to receive and process each Entry it submits for the RTF Services. Client hereby acknowledges and agrees that NetSpend shall have no liability whatsoever if the Personnel submitting such Entry to NetSpend was not properly authorized by the Client to do so.

6.8.2 Order of Entries. NetSpend may process Entries which it receives from different clients (including the Client) in any order convenient to NetSpend and may select such means and routes for the transfer of funds as NetSpend considers appropriate under the circumstances.

6.8.3 Rejection of an Entry. NetSpend has the right to reject any Entry that: (a) does not meet a requirement of this SOW 2; (b) does not meet the criteria for processing as set forth in the Rules; or (c) does not meet processing criteria set forth by NetSpend from time to time. If an Entry is rejected, NetSpend will notify Client via the Corporate Portal or by email (as designated on the Corporate Portal) and such notice will include the reasons for such rejection. NetSpend assumes no other responsibility with respect to such rejected Entry and Client is responsible for remaking and resubmitting such Entry or otherwise handling the payments or charges with the third party (including, without limitation, the Cardholder). NetSpend may remake and resubmit any rejected Entry but has no obligation to do so.

6.8.4 Cancellation of an Entry. Client will have no right to cancel any Entry after its receipt by NetSpend. NetSpend will, however, use reasonable efforts to act on a request by Client for cancellation of an Entry prior to debiting/crediting a Cardholder's Account provided such request complies with the Rules, Applicable Law, NetSpend's security procedures and Client's security procedures of which NetSpend is aware. NetSpend will have no liability if such cancellation is not affected. Client will reimburse NetSpend for any reasonable expenses, losses or damages NetSpend may incur in effecting or attempting to affect Client's request for the cancellation of any Entry.

6.8.5 Delay by Client. In the event that NetSpend misses a deadline for submission of Entries to any Account, or Card, due to delay by Client, NetSpend will not be liable for such delay, but will use good faith efforts to meet the next succeeding deadline.

6.8.6 Following Termination. If an Entry is received from Client after termination of this SOW 2, NetSpend may, at its option, choose to reject or accept such Entry. If NetSpend chooses to accept such Entry, this SOW 2 will govern.

6.8.7 Debit Entries. Debit entries will only be originated by Client and processed in the case of reversing correction files or file settlement entries, if applicable, and will be credited to Client's Settlement Account on the effective date of the Entry. Client or NetSpend may initiate reversing Entries as permitted by the Rules and Regulation E in the event that previously Entry is erroneous or duplicated. In no case may a Cardholder Account be made negative with a debit Entry.

6.9 Statements. Entries processed by NetSpend will be reflected on the information available to Client on the Corporate Portal with respect to the Settlement Account. Client will notify NetSpend promptly of any discrepancy between Client's records and the information shown on the Corporate Portal. If Client fails to notify NetSpend of any such discrepancy within 21 calendar days following the transaction date of the applicable Entry, then, Client will be precluded from asserting such discrepancy against NetSpend.

6.10 Certain Transactions. From time to time, Client may desire to use the Settlement Account for transactions outside of the ordinary course of business ("Certain Transactions"), including, but not limited to: (a) initiating withdrawals from the Settlement Account to credit a bank account other than the Account of a Cardholder; or (b) allowing the Settlement Account to go into a not sufficient funds status. The following listed personnel (and their replacements who Client may designate in writing at any time to NetSpend) (the "Key Personnel") are duly authorized by Client to direct, negotiate, conduct and execute Certain Transactions on behalf of Client and Client hereby agrees that NetSpend may fully rely on the authorization here given. Notwithstanding the foregoing, NetSpend may decline to process a Certain Transaction at any time. The Key Personnel are:

Name: _____ Title: _____ Phone: _____

Name: _____ Title: _____ Phone: _____

Name: _____ Title: _____ Phone: _____

If no Key Personnel are listed, then Client may not use the Settlement Account for Certain Transactions.

Signatures on the following page.

IN WITNESS WHEREOF, this SOW 2 is executed by the Parties as of the dates below set forth.

NetSpend Corporation

[Signature]
Signature

Jeffery D. Johnson
Printed Name of Signatory

SVP
Title of Signatory

11/8/17
Date of Signature

City of Long Beach

[Signature]
Signature

Patrick H. West
Printed Name of Signatory
Tom Modica
Assistant City Manager

City Manager
Title of Signatory

11/1/17
Date of Signature
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM
Oct 27, 2017
CHARLES PARKIN, City Attorney
By [Signature]
GARY J. ANDERSON
PRINCIPAL DEPUTY CITY ATTORNEY