MEMBER SERVICE AGREEMENT

1. Parties

This Member Service Agreement ("MSA" or "Agreement") is entered into between Vendini, Inc. located at 660 Market Street, San Francisco, CA 94104, ("Vendini") and City of Hermosa Beach ("Member") located at following address 1315 Valley Drive, Hermosa Beach, CA 90254 as of the date of the last party to sign this MSA (the "Effective Date"). The pricing terms set forth via proposal #50660 constitute an integral part of this MSA and together with this MSA set forth the commercial arrangements between the parties.

2. Introduction and Definitions

Vendini operates an online service, consisting of ticketing, event, patron management and website services provided by Vendini, and by third parties (collectively, the "Services"). "Events" are any events, activities, or resources to which Member is authorized to sell or provide access. "Tickets" are any and all forms of tickets, reservations, tuitions, memberships, certificates, coupons, merchandise, or confirmations that allow the holder access to, participation in, or use of Member events. "Patron" refers to any person or organization committing to the purchase of Tickets. Unless otherwise specified, each and every reference to a monetary amount in this Agreement means United States dollars.

3. Term

Subject to early termination rights as set forth in Section 15, the term of this MSA shall commence on the Effective Date and continue through the three (3) year anniversary of the initial sale of Tickets. This Agreement will expire at the end of the term unless renewed by a written amendment to this Agreement.

4. Changes in Terms and Conditions

Vendini has the right to change or discontinue any aspect or feature of the Services that it makes available to its customers generally, including, but not limited to, content, hours of availability, and equipment needed for access or use, at any time. Vendini shall provide the Services to Member in the form that Vendini makes such Services generally available from time to time during the term of this Agreement. Vendini may update or change the Services or change or modify the terms and conditions applicable to Member's use of the Services, or any part thereof, or to impose new conditions. Such changes, modifications, additions or deletions shall be effective immediately upon notice thereof, which may be given by means including, but not limited to, posting on the Services, or by electronic or conventional mail, or by any other means by which Member obtains notice thereof. Any use of the Services by Member subsequent to such notice shall be deemed to constitute acceptance by Member of such changes, modifications or additions. Notwithstanding the foregoing, in the event a material aspect or feature of the Services needs to be changed or discontinued, Vendini shall use reasonable efforts to provide Member with 30 days prior notice to such change or discontinuance. In the event of a material change in the terms of this MSA that adversely affects Member, Member shall have the right to terminate the Agreement immediately and without penalty.

5. Exclusivity

Member agrees that Vendini shall have the exclusive right during the term of this Agreement to provide ticketing, event and patron management services to Member via any and all means and methods where City of Hermosa Beach has control. For events not exclusively produced by the City of Hermosa Beach, Member can reserve the right to use other third party platforms.Member shall not directly or indirectly engage any third party to provide services that are the same or similar to those services provided by Vendini hereunder. This exclusive right shall include all future methods and technologies for ticket distribution which may be developed from time to time during the term of this Agreement. Member specifically acknowledges and agrees that this exclusive relationship is an essential element of the agreement with Vendini and that a breach of this provision will result in damages to Vendini, which are impossible to ascertain. Accordingly, if Member terminates this

Agreement without cause prior to the expiration of the initial Term, after the first year of service and provided that Vendini has not materially changed the terms and conditions of this MSA pursuant to Section 4, Member agrees to pay Vendini as liquidated damages and not as a penalty an early termination fee equal to the highest grossing fee month multiplied by the number of months remaining in the applicable term but not less than five-thousand dollars ($5,000).

6. Conduct of Member

(a) Interests; Ownership

Member is a producer, promoter, presenter, or manager of events. Under this Agreement, Member contracts with Vendini to provide the Services. Member represents and warrants to Vendini that it has full power and authority to enter into this Agreement and to offer, sell, and honor the tickets to the Events it offers via the Services. Member acknowledges that Vendini owns all right, title and interest in and to the Services. Member shall not be entitled to: (i) rent, lease, copy, provide access to or sublicense the Services to a third party or use the Services to provide a service to a third-party; (ii) incorporate the Services into any other offering (whether software as a service or otherwise); (iii) reverse engineer, decompile, disassemble, or otherwise seek to obtain the source code or APIs to the Services, (iv) modify the Services or create any derivative product from any of the foregoing, (v) remove or obscure any product identification, proprietary, copyright or other notices contained in the Services (including any reports or data printed from the Services), or (vi) publicly disparage the performance of the Services.

(b) Responsibility of Member

Member agrees to accept, honor, and fulfill ticketing commitments that have been confirmed by the Services. Verification of customer name, address, customer number, membership status and/or confirmation number at or prior to the corresponding Event is the responsibility of the Member.

(c) Lawful Use

Member shall use the Services for lawful purposes only. Member shall not post or transmit through the Services any material which: (i) violates or infringes in any way upon the rights of others; (ii) is unlawful, threatening, abusive, defamatory, invasive of privacy or publicity rights, vulgar, obscene, profane or otherwise objectionable; (iii) encourages conduct that would constitute a criminal offense, give rise to civil liability or otherwise violate any law; or (iv) contains advertising or any solicitation with respect to products or services, unless Vendini shall have expressly approved such material in advance of its transmission. Any conduct by a Member that in Vendini's discretion restricts, inhibits or negatively impacts any third party's use of the Services is expressly prohibited.

(d) Uploading Of Intellectual Property

Member shall not upload, post, or otherwise make available through the Services any material protected by copyright, trademark, or other proprietary right, without the express written permission of the owner of the copyright, trademark, or other proprietary right, and the burden of determining that any material is not protected by copyright rests with Member. Without limiting the application of Section 8, Member shall be solely liable for, and shall indemnify and hold Vendini and its business partners, third-party suppliers and providers, licensors, officers, directors, employees, distributors and agents harmless against any damage resulting from any infringement of copyrights, proprietary rights, or any other harm resulting from such a submission. By making material available through the Services, Member automatically grants, or warrants that the owner of such material has expressly granted Vendini the royalty-free, perpetual, irrevocable, non-exclusive right and license to use, reproduce, modify, adapt, publish, translate, and distribute such material (in whole or in part) worldwide and/or to incorporate it in other works solely in furtherance of providing the Services to Member. Member hereby grants Vendini the right to copy, publish, and distribute any material made available on the Services by Member for the purpose of providing the Services to Member.

(e) Email Marketing

Member represents, covenants, and warrants that it will use the email marketing tools provided in the Services only in compliance with the Agreement, the federal CAN-SPAM Act of 2003, the Canadian law commonly known as Canada's Anti-

Spam Legislation, and all other applicable laws (including but not limited to policies and laws related to spamming, privacy, obscenity, or defamation and child protective email address registry laws). Member agrees that it is solely responsible for compliance with such laws and will maintain necessary policies, procedures, records and other documentation that may be necessary to establish compliance with such laws. Member will cooperate with Vendini, at the Member's own expense, in responding to any regulatory investigation or proceeding in relation to Member's use of the email marketing tools provided in the Services, including without limitation, by producing all policies, procedures, records and other documentation necessary to establish compliance with applicable laws. Member agrees that it will not access or otherwise use third-party mailing lists in connection with preparing or distributing unsolicited email to any third party. If required by applicable law, Member will ensure that it has the express consent (in the form and manner required by such applicable law) of the intended recipient of an email prior to sending email to that recipient using the email marketing tools provided in the Services. Member will not alter, disable, disrupt, or otherwise interfere with any unsubscribe mechanism used in the email marketing tools provided in the Services. Member will give effect to any unsubscribe request that the Member receives other than through the email marketing tools provided in the Services within 10 days of receipt by amending the Patron record by turning off updates. Without limiting the application of Section 8, Member agrees to defend, indemnify and hold harmless Vendini and its business partners, third-party suppliers and providers, licensors, officers, directors, employees, distributors and agents against any damages, losses, liabilities, administrative monetary penalties, settlements, and expenses (including without limitation costs and reasonable attorneys' fees) in connection with any claim, action, regulatory investigation, or other proceeding that arises from an alleged violation of the foregoing or otherwise arising from or relating to Member's use of the Services. Although Vendini has no obligation to monitor the content provided by Member in connection with its use of the Services, Vendini may do so and may remove any such content or prohibit any use of the Services that Vendini believes may be (or is alleged to be) in violation of the foregoing. Patron email addresses provided to Vendini may be used by Vendini in accordance with Vendini's then-current privacy policies as described at www.vendini.com/privacy.

(f) Non-Disclosure and Other Restrictions

Vendini's "confidential information" means any and all products provided by Vendini hereunder and information concerning any aspect of Vendini's business or proposed business not generally known to persons not associated with Vendini that is: (i) disclosed and designated to Member in writing, or (ii) disclosed orally and designated "confidential" in writing by Vendini within thirty (30) days after such oral disclosure. Vendini's confidential information includes, without limitation, information concerning Vendini's products, proposed products, product designs, manufacturing processes and techniques, trade secrets, business strategy, and results from the evaluation and/or services hereunder.

Member's "confidential information" means any information concerning Member's venue or business not generally known to persons not associated with the Member that is: (i) disclosed and designated to Vendini in writing, or (ii) disclosed orally and designated "confidential" in writing by Member within thirty (30) days after such oral disclosure.

Each party agrees to not disclose or make use of, or allow others to use, any of other party's confidential information, except to such party's employees and representatives who have a "need to know" in order to conduct the evaluation and/or services described above.

Each party shall take all reasonable precautions to prevent unauthorized disclosure or use of other party's confidential information. Each party shall, at other party's request, promptly return any materials and copies of confidential information provided by such party.

Neither party shall be under any obligation, with respect to any particular item of confidential information, when such party can document that such item of information: (i) is publicly known and available not due to such party's act or failure to act, or (ii) was in such party's possession prior to disclosure by the other party as evidenced by a written instrument, or (iii) comes into such party's possession through a third party free of any obligation of confidence to other party, or (iv) is disclosed by such party with the other party's prior written approval.

7. Limitations

(a) Limitations on Liability.

VENDINI'S LIABILITY HEREUNDER SHALL NOT EXCEED THE AMOUNT PAID BY MEMBER TO VENDINI

DURING THE THREE (3) MONTH PERIOD BEFORE THE ACTION AROSE. VENDINI SHALL NOT BE LIABLE FOR (A) ANY LOSS OF USE, LOSS OF DATA, OR INTERRUPTION OF BUSINESS OR (B) ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), REGARDLESS OF THE FORM OR ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, EVEN IF VENDINI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. MEMBER ACKNOWLEDGES THAT THESE LIMITATIONS ARE AN ESSENTIAL ELEMENT OF THIS AGREEMENT, AND ABSENT SUCH LIMITATIONS, VENDINI WOULD NOT ENTER INTO THIS AGREEMENT.

THIS DISCLAIMER OF LIABILITY APPLIES TO ANY DAMAGES OR INJURY CAUSED BY ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DELETION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMPUTER VIRUS, COMMUNICATION LINE FAILURE, THEFT OR DESTRUCTION OR UNAUTHORIZED ACCESS TO, ALTERATION OF, OR USE OF RECORD, WHETHER FOR BREACH OF CONTRACT, TORTIOUS BEHAVIOR, NEGLIGENCE, OR UNDER ANY OTHER CAUSE OF ACTION.

(b) Use Is At Member's Risk

Member expressly agrees that use of the Services is at Member's own risk. Member shall be responsible for protecting the confidentiality of Member's password(s), and for all activity that takes place using such passwords. Member acknowledges that Vendini does not commit to supporting or specifying any particular browsing or operating platform.

(c) Disclaimer of Warranties

THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OTHER THAN THOSE WARRANTIES WHICH ARE IMPLIED BY AND INCAPABLE OF EXCLUSION, RESTRICTION OR MODIFICATION UNDER THE LAWS APPLICABLE TO THIS AGREEMENT. NEITHER VENDINI, ITS AFFILIATES, NOR ANY OF THEIR RESPECTIVE EMPLOYEES, SHAREHOLDERS, AGENTS, THIRD PARTY PROVIDERS OR LICENSORS, WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DO THEY MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES, OR AS TO THE ACCURACY, RELIABILITY OR CONTENT OF ANY INFORMATION, SERVICE, OR MERCHANDISE PROVIDED THROUGH THE SERVICES.

(d) Member's Waiver of Damages

IN NO EVENT WILL VENDINI, OR ANY PERSON OR ENTITY INVOLVED IN CREATING, PRODUCING, OR DISTRIBUTING THE SERVICES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE SERVICES.

IN ADDITION TO THE TERMS SET FORTH ABOVE, NEITHER, VENDINI, NOR ITS AFFILIATES, INFORMATION PROVIDERS, OR CONTENT PARTNERS SHALL BE LIABLE REGARDLESS OF THE CAUSE OR DURATION, FOR ANY ERRORS, INACCURACIES, OMISSIONS, OR OTHER DEFECTS IN, OR UNTIMELINESS OR INTERRUPTION IN THE TRANSMISSION THEREOF TO A PATRON, OR FOR ANY CLAIMS OR LOSSES ARISING THEREFROM OR OCCASIONED THEREBY. NONE OF THE FOREGOING PARTIES SHALL BE LIABLE FOR ANY THIRD-PARTY CLAIMS OR LOSSES OF ANY NATURE. INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, PUNITIVE OR CONSEQUENTIAL DAMAGES.

Because some jurisdictions do not allow for the exclusion of damages, Vendini's liability in such jurisdictions will be limited to the greatest extent permitted by the law of such jurisdiction. In such jurisdictions, Member agrees that in no event will Vendini's liability to Member in connection with Vendini's provision of the Services and the terms of this Agreement exceed the amount paid by Member to Vendini in the six months immediately preceding the event which gave rise to such liability. In addition, because some jurisdictions do not permit the disclaimer of certain warranties, the disclaimers set forth in this Section 7 may not apply to you.

8. Indemnification

Member agrees to defend, indemnify, and hold harmless Vendini, its affiliates and their respective directors, officers, shareholders, employees, agents, and assigns from and against all claims, settlements, administrative monetary penalties and expenses, including attorneys' fees, arising out of Member's use of the Services, including without limitation any dispute between Member and any guest or ticket holder of Member or any investigation or proceeding commenced by a governmental or regulatory authority. Without limiting the foregoing, Member agrees to defend Vendini, provided that Vendini promptly notifies Member of any such claim, administrative monetary penalty, investigation, proceeding or expense, cooperates with such defense at Member's expense, and Vendini allows Member control of the defense. Vendini shall have the right, but not the obligation, to be represented by counsel of its choice and to participate in the defense of the claim, administrative monetary penalty, investigation or proceeding; provided, however, that the expense of such counsel and such participation shall be borne by Vendini.

Vendini agrees to defend, indemnify, and hold harmless Member, its affiliates and their respective officers, employees, agents, and assigns from and against all claims, settlements, administrative monetary penalties and expenses, including attorneys' fees, arising out of Vendini's negligent or wrongful conduct in the performance of its obligations under this Agreement, including, without limitation, liability for copyright infringement. Without limiting the foregoing, Vendini agrees to defend Member, provided that Member promptly notifies Vendini of any such claim, administrative monetary penalty, investigation, proceeding or expense, cooperates with such defense at Vendini's expense, and Member allows Vendini control of the defense. Member shall have the right, but not the obligation, to be represented by counsel of its choice and to participate in the defense of the claim, administrative monetary penalty, investigation or proceeding; provided, however, that the expense of such counsel and such participation shall be borne by Member.

9. Fees and Charges; Merchant Accounts

(a) General

For its services, Vendini applies transaction fees to Member's account, which are covered (i) entirely by Member, (ii) entirely by Patron, or (iii) by a combination of Member and Patron. A complete breakdown of transaction fees is available in Member's account section immediately after account has been upgraded to live mode. All sales, fees, and funds are payable in U.S. dollars. A complete schedule of fees, account activity, and reserve details are provided in Member's account.

(b) Upfront Fees

Member shall pay any upfront fees before the Services are upgraded to live mode. Vendini will communicate details of upfront fees to Member in proposal #50660.

(c) Ongoing Fees

Ongoing fees for products and services will be communicated to Member from Vendini in proposal #50660. Ongoing fees are posted in Member's Account Information under Financials immediately after the account has been upgraded to live mode. Vendini shall have the right to set-off amounts that may be owing by Member to Vendini against amounts that are payable by Vendini to Member.

(d) Merchant Accounts

Member may elect to have its Patrons purchase Tickets through Member's merchant account ("MMA") or through Vendini's merchant account ("VMA") for either website and/or retail transactions. If Member has elected to have its Patrons purchase Tickets through VMA, such Tickets are considered to be Vendini inventory, which Vendini sells to Patrons as part of a direct retail transaction with such Patron.

(e) Credit Card Processing Failover Service

Vendini will provide credit card processing failover service through the VMA in the event Member's credit card gateway, Member's merchant processor, and/or Member's merchant bank is unavailable or unable to handle credit card processing. Vendini will charge 3.5% of the transaction for this service, provided that Member may opt out of this service at any time.

(f) Daily Fee Collection - Member's Merchant Account

Member agrees that Vendini may deduct all fees and charges via ACH debit (or international equivalent) from the Member's business checking account for all website and/or retail transactions. Member must have a business checking account. Activation may take up to 7 business days. Member agrees to execute any instruments required by Vendini to give effect to daily fee collection.

Vendini will initiate an ACH debit to Member's business checking account 2 business days after transactions occur to collect fees and payments due to Vendini. Vendini will wait until the collection amount is greater than or equal to $25.00 before collecting. An outstanding balance of less than $25.00 will be collected on a monthly basis.

Member agrees that there will be sufficient funds in Member's business checking account at time of collection. Member agrees that Vendini will not be held responsible for charges incurred due to insufficient funds. In the event funds are not available in Member's checking account at time of collection, Vendini will attempt to draft again the next business day. A fee of $25.00 will be assessed for each transaction if funds are not available.

Vendini can accommodate monthly billing if required of city entities. Vendini will bill member on a monthly basis via invoice. Member agrees to issue A Purchase Order Number must be submitted no later than 5 days after date of invoice.

Delinquent accounts are subject to termination of Member's account.

(g) Weekly Disbursement and Fee Collection – Vendini Merchant Account

If applicable, Member agrees that Vendini may deposit credit card revenues collected via Vendini's merchant account less any fees or charges via ACH credit to Member's business checking account. Should any fees or charges exceed credit card revenues, Member agrees that Vendini will deduct fees via ACH debit (or international equivalent) from Member's business checking account. Member must have a business checking account. Activation may take up to 7 business days. Member agrees to execute any instruments required by Vendini to give effect to weekly disbursement and fee collection.

Disbursements and fee collections for events dates that have occurred will be reconciled with Member's checking account the Wednesday following the event date, unless the event date occurs on a Monday or Tuesday. If the event date occurs on a Monday or Tuesday, reconciliation will be made the following Wednesday. If Wednesday is a day on which banks are closed in the United States or the country in which the Member is located, reconciliation will occur on the next business day after the Holiday if reconciliation is due.

Reserves are held to cover any applicable refunds, chargebacks, related charges, or fees due. A minimum reserve of 5% of disbursements will be held at the time an Event is settled and will be paid out on the next disbursement cycle following 90 days past the settlement date less refunds, chargebacks, related charges, or fees due.

(h) Monthly Disbursement and Fee Collection

If Member has elected to have its Patrons purchase Tickets using VMA, and has not opted for Weekly Disbursement and Fee Collection, disbursements will be made by check. For all transactions processed with VMA, Vendini will issue payments to Member on a monthly basis, on the closest business day after the 30th of the month or the last day of the month (whichever occurs first.) Payments will include credit card revenues collected through VMA as of 11:59:59PM Pacific Time on the 20th day of the month for Events where the Event date has passed, less any fees or charges. Checks will be mailed via United States Postal Service First Class Mail to the address provided in the Member account section.

Should the amount of authorized fees or charges exceed the amount of revenues collected, Member's account may be subject to suspension or termination.

A service fee of $10/month applies and will be deducted from each disbursement.

A reserve may be held to cover any applicable refunds, chargebacks, related charges, or fees due. A reserve of up to 10% of disbursements may be held at the time an Event is settled and will be paid out on the next disbursement cycle following 90 days past the settlement date less refunds, chargebacks, related charges, or fees due.

If for any reason a check needs to be re-issued, Vendini will cancel original check and re-issue a new check on the billing cycle following 6 weeks from original issue date.

(i) Cancellations and Refunds for Transactions using VMA

Vendini may choose to process the refund on any credit card chargebacks initiated by Patrons through their credit card issuing bank if there is no prompt amicable resolution.

Vendini is authorized to deduct these costs from Member's outstanding balance, or invoice Member for the costs if no balance exists. Vendini reserves the right to withhold up to 100% of disputed booking revenues for any event for a period up to 180 days after the event occurs, to allow all returns and disputed charges to clear processing.

VENDINI WILL NOT BE HELD RESPONSIBLE FOR MONETARY LOSS DUE TO FRAUDULENT TRANSACTIONS PROCESSED THROUGH THE VENDINI SERVICE. FRAUDULENT TRANSACTIONS, INCLUDING BUT NOT LIMITED TO CREDIT CARD THEFT AND/OR IDENTITY THEFT THAT ARE DISPUTED BY THE CARDHOLDER THROUGH THE CARDHOLDER'S BANK WILL BE IMMEDIATELY REFUNDED BY VENDINI. MEMBER AGREES THAT VENDINI MAY COLLECT REFUNDED TRANSACTIONS (INCLUDING ORIGINAL PROCESSING FEES) DUE TO FRAUD FROM MEMBER. REFUND AND CHARGEBACK FEES ALSO APPLY.

(j) Cancellation and Refunds for Transactions using MMA

VENDINI WILL NOT BE HELD RESPONSIBLE FOR MONETARY LOSS DUE TO FRAUDULENT TRANSACTIONS PROCESSED THROUGH THE VENDINI SERVICE. IT IS THE SOLE RESPONSIBILITY OF MEMBER TO RESOLVE ANY ISSUE RELATED TO FRAUDULENT TRANSACTIONS, INCLUDING BUT NOT LIMITED TO CREDIT CARD THEFT AND/OR IDENTITY THEFT, THAT ARE DISPUTED BY THE CARDHOLDER AND/OR THE CARDHOLDER'S BANK.

10. Use of Equipment

If Vendini grants to the Member the right to use equipment ("Equipment") in connection with the Services at no additional cost, then Member is obligated to return the Equipment to Vendini (at Member's cost) upon termination of this Agreement. Member shall not rent, lease, sell or otherwise transfer the Equipment to any third parties. Member shall supervise and control the use of the Equipment by its employees to ensure that its use is in compliance with this Agreement. This Agreement conveys no ownership interest in the Equipment to Member. Member shall be responsible for the Equipment from the time it is delivered to Member until it is returned to Vendini. Member shall reimburse Vendini for any damage to the Equipment sustained during this time period. If Vendini does not receive the Equipment within thirty (30) days of the termination date of this Agreement, Member shall pay Vendini the Replacement Value (defined as replacement cost, shipping fees, and sales tax not included in replacement cost). Actual cost will be assessed at time of replacement. THE EQUIPMENT IS PROVIDED "AS IS." VENDINI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

11. Website Manager

If applicable, Vendini will provide Member with a website (the "Site") that is integrated with the Vendini ticketing system and hosted by Vendini. Member understands and agrees that Vendini will host and create the Site solely in accordance with the

information provided by Member. With the exception of any Third-Party Materials and Background Technology as set forth in this Section 11, the Member owns the Customer Content. "Customer Content" means all content or information (including, without limitation, any text, music, sound, photographs, video, graphics, data, or software), in any medium, provided by Member to Vendini. "Third-Party Materials" means any content, software, or other computer programming material that is owned by an entity other than Vendini and licensed by Vendini or generally available to the public, including Member, under published licensing terms, and that Vendini will use to display or run a Site. Vendini owns the rights to the design of the Site. Upon termination of this Agreement Member will not be entitled to use the Site for any purposes whatsoever.

“Background Technology" means computer programming/formatting code or operating instructions developed by or for Vendini and used to host or operate the Site or a Web server in connection with the Site. Background Technology includes, but is not limited to, any files necessary to make forms, buttons, checkboxes, and similar functions and underlying technology or components, such as style sheets, animation templates, interface programs that link multimedia and other programs, customized graphics manipulation engines, and menu utilities, whether in database form or dynamically driven. Background Technology does not include any Customer Content. Member may not duplicate or distribute any Background Technology to any third party without the prior written consent of Vendini. All rights to the Background Technology not expressly granted to Member hereunder are retained by Vendini. Without limiting the foregoing, Member agrees not to reverse-engineer, reverse-assemble, decompile, or otherwise attempt to derive any source code of the Background Technology, except as allowed by law.

Member hereby grants to Vendini the limited, nonexclusive right and license to copy, distribute, transmit, display, perform, create derivative works from, modify, and otherwise use and exploit the Site, any Customer Content, or any Customer Marks provided to Vendini hereunder, solely for the purpose of rendering the Web Services under this Agreement. Such limited right and license shall extend to no other materials or for any other purpose and will terminate automatically upon termination of this Agreement for any reason. Member agrees not to provide Customer Content that (a) infringes on any third party's intellectual property or publicity/privacy rights; (b) violates any applicable law or regulation; (c) is defamatory, violent, clearly harmful, or obscene or pornographic or infringes on citizens' rights; or (d) contains any viruses, Trojan horses, worms, time bombs, cancel bots, or other computer programming routines that are intended to damage or interfere with any system, data, or personal information. Vendini reserves the right to refuse any other subject matter it deems inappropriate.

Member hereby acknowledges and agrees that Vendini will not be liable for any temporary delay, outages or interruptions of the Web Services. Each party acknowledges that it has not entered into this Agreement in reliance upon any warranty or representation except those specifically set forth herein.

12. Gift Cards

Vendini will provide Member with software designed to sell Gift Cards (the “Gift Cards”) that is integrated with the Vendini ticketing system and hosted by Vendini. Member understands and agrees that Vendini will host and create the Gift Cards solely in accordance with the information provided by Member. The Gift Card can be created and sold to Patrons for future redemption of eligible Vendini products created by Member. Gift Cards may not be redeemed for the purchase of products from other Vendini Members. Gift cards cannot be reloaded, resold, transferred for value, redeemed for cash or applied to any other account, except in the extent required by law. Unused gift card balances may not be transferred.

The risk of loss and title for Gift Cards passes to the Member upon purchase. Vendini is not responsible if Gift Cards are lost, stolen, destroyed or used without valid permission. Vendini retains the right to close Member accounts and bill alternative forms of payment if a fraudulently obtained Gift Card is redeemed and/or used to make purchases with Vendini or any of its affiliated websites.

Gift Cards must be redeemed toward the purchase of eligible Vendini products created by Member. Purchases are deducted from the Gift Card balance. Any unused balance will remain as the Gift Card balance. If an order exceeds the amount of the Gift Card, the balance must be paid with a credit card or other available payment method. Vendini may provide Gift Card purchasers with information about the redemption status of the Gift Cards that they purchase.

Gift Card Balance can be obtained from Vendini’s administrative (the “Member Home”) and point of sale applications where Gift Cards are managed and sold. A Gift Card cannot be "reloaded" (i.e., additional value cannot be added to a Gift Card once issued).

Expiration dates do not apply for Gift Cards issued in certain states in the United States and certain provinces in Canada.

Similarly, Gift Cards are not redeemable for cash except in certain states in the United States and certain provinces in Canada. It is Member's responsibility to determine its own obligations pertaining to the use of Gift Cards as such use is subject to applicable federal and state laws and regulations. Please be advised that many states and some provinces in Canada treat gift cards that have been unused for a certain period of time as abandoned property subject to escheat.

13. Customer Lists

Member agrees that Vendini may use its organization's name and may use images that are posted on the Site to identify Member as a customer of Vendini, in investor documents (whether or not filed with the Securities and Exchange Commission), and as part of a list of Vendini's customers for use and reference in Vendini's corporate and marketing literature.

14. Entire Agreement

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all previous written or oral agreements between the parties with respect to such subject matter. Any amendments or modifications to this Agreement must be agreed to by Vendini and Member in writing.

If any of the terms, provisions, or conditions of this Agreement or the application thereof to any circumstances shall be ruled invalid or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected thereby, and each of the other terms, provisions, and conditions of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Early Termination

If either party breaches any of its material obligations under this Agreement, the other party will have the right to terminate the Agreement and/or discontinue delivery of service by giving 30 days' written notice to the breaching party unless the breaching party remedies the breach within a 30-day period.

Either party has the right to immediately, without notice, terminate this Agreement in the event either party terminates or suspends its business, becomes insolvent, makes an assignment for the benefit of creditors or suffers or permits the appointment of a receiver, trustee in bankruptcy, or similar official.

Upon any expiration or termination of this Agreement, Vendini will stop providing the Services to Member. Termination of this Agreement will not terminate the confidentiality and indemnification obligations herein.

If member finds service unsatisfactory there will be a 30 day opt out period that will begin 12 months after first ticket sold through Vendini. The early termination fee will not apply.

Member's obligations to pay the costs, expenses and fees due will survive the termination of this Agreement unless such termination is the result of a non-cured breach by Vendini. In such instance, Member will be responsible for costs, expenses and fees due up to the termination date. In the event that Vendini is required to pursue any legal remedies available to it as a result of Member's breach of this Agreement, Vendini shall be entitled to seek reimbursement from Member of Vendini's reasonable attorneys fees.

In addition to the foregoing, Member's account may be terminated if there has been a period of sales inactivity of over 12 months (in which case a re-activation fee $995.00 will apply) or if there are unusually high occurrences of refunds or chargebacks.

16. Controlling Law; Attorneys Fees

This Agreement shall be construed in accordance with the laws of the State of California, without regard to its conflict of laws rules. Any cause of action of any nature arising out this Agreement shall be brought in the state or federal courts located in San Francisco, California. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the

prevailing party shall be entitled to recover its reasonable attorney fees, costs and other expenses.

17. Addresses and Notices

Any communications under this Agreement shall be in writing and are deemed delivered upon receipt by the addressed party at the address specified herein. Communications may be sent by hand or messenger, by commercial overnight carrier, or by US mail (return receipt requested).

Vendini, Inc.
660 Market Street
San Francisco, CA 94104

18. Force Majeure

Except for the payment of any amount due pursuant to this Agreement, neither party will be liable to the other for damages in the event of any loss, damage, claim, delay or default arising by reason of Acts of Mother Nature, storm, fire, flood, earthquake, labor disturbance (including strikes, lockouts, and boycotts), war or terrorism, vandalism, civil commotion, shortages or unavailability of labor, present or future governmental law, ordinance, rule, or regulation, disruption of postal, banking, electrical, telephone or utility service, or other cause beyond the control of the party sought to be charged.

19. PCI Compliance

The scope of Vendini's Payment Card Industry ("PCI") compliance is limited solely to those systems within Vendini's direct control and does not extend to hardware purchased by or on behalf of Member whether that hardware is purchased through Vendini or another vendor. Member is responsible for the full scope of its own PCI compliance at all times. Vendini is considered to be a "Service Provider" as defined in the Payment Card Industry (PCI) Data Security Standard Glossary, Abbreviations and Acronyms. As such, Vendini will provide Member with its current PCI Attestation of Compliance at Member's request.

20. Headings

The section headings used herein are for convenience only and shall not be given any legal import whatsoever.

21. Language/Langue

The parties hereto acknowledge and confirm that they have requested that this Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language**. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.**

22. Signatures

In witness whereof, the parties have hereunto set their hands and seals as of the date set out beneath their respective signatures.

Member Name: City of Hermosa Beach	Vendini, Inc.
Signed By: _____	Signed By: _____
Authorized Signer's Name: _____	Name: Mike Farrow

Authorized Signer's Title: _____

Date: _____

Title: Chief Financial Officer

Date: _____

VENDINI PROPOSAL #50660

VENDINI

PREPARED FOR BRIAN BYRD
CREATED ON: NOV 26, 2018
PAYMENT: ACTIVE
ORDER: PENDING

Contact: Thao Le
tle@vendini.com
1 (800) 901-7173 x9921

Vendini Overview

About Us

The Vendini solution is designed with the big picture in mind. It's the ultimate all-in-one system that simplifies your business and allows you to focus on growth and prosperity. Depending on your organization's needs, you can use some or all parts of the system - It's up to you. Vendini provides system experts to ensure a smooth transition and our customer success team will provide support every step of the way.

Advantage by Design

The Vendini solution is powerful, yet simple to use. Our web-based applications are accessible through your internet browser and regular software upgrades make it easy to work with a wide-range of hardware. We also offer apps for mobile devices. TAKE A TOUR »

Grow Your Business

- Sell tickets from your box office, website, Facebook or a site created and hosted by Vendini.
- Control fees, own your customer data and build lasting relationships with included CRM.
- Market your events and promote your organization to boost ticket sales and donations.

Save Time and Money

- Easy to use software, apps and live training included.
- Comprehensive financial reporting. Get what you need quickly and share with stakeholders.
- Unlimited user licenses. Ability to set specific permissions depending on role.

Build Your Brand

- Keep patrons on your own website for all transactions.
- Send emails and promote your business through social media.
- Customize events and tickets to reflect your personality.

Service & Support

Service

Vendini is PCI Level 1 3.1 Compliant. Every aspect of the Vendini system is secure and reliable. Our applications are hosted and managed offsite by Vendini employees and secure servers are located throughout the United States. MORE INFO »

Support

Vendini offers customer support at no extra charge. Hours of operation are Monday-Friday 6AM-6PM Pacific Time, via email at support@vendini.com or toll-free at 1 (800) 901-7173. After hours support for evening and weekend events is also included.

Marketing Solutions

Email Campaigns

- Access fully integrated HTML email marketing system from your account.
- Group your patrons according to their preferences for targeted marketing campaigns.
- Easily print mailing labels from segmented groups for traditional mailing.

Advertising

- Build your own mobile optimized website and track Google hits.
- Understand conversion rates by easily adding third-party tracking pixels.
- Design your own print at home ticket advertisements and partner with sponsors.

Social Media and Apps

- Sell tickets directly from your Facebook Page and share through social media.
- Promote through Twitter, Instagram, Google+, Pinterest, and more.
- Use Walletini - the mobile app that makes it easy for friends to share tickets with friends.

Vendini Website Manager

Complete Website Management

Vendini includes a website management application that makes it easy for your organization to build and maintain a mobile optimized site focused on promoting your organization and selling tickets.

Vendini hosted sites are built on a robust content management system (CMS) so you can maintain your own design, copy and images. In minutes, you're able to update your website and respond to the needs of your business. Integration with Vendini's ticketing application lets you auto publish events as they're created. Website Manager is designed responsively, so you can sell tickets any time, on any device. MORE INFO »

If you need additional setup help, Design Services are available.

Merchant Accounts

Your Merchant Account

Vendini's solutions seamlessly integrate your merchant account and payment gateway so you can take control of your cash flow and get the best credit card processing rates for your business. Vendini does not resell the gateway or charge for additional merchant services.

Vendini will also provide backup failover service in the event of disrupted payment gateway service to ensure your organization can process transactions at all times.
MORE INFO »

Vendini's Merchant Account

We offer members the ability to accept credit card payments using Vendini's merchant account, allowing you to get online to start selling tickets immediately. For the service, we charge members a processing fee of 3.5% of ticket face value, donation or membership amount. Additional fees include 10% of Ticket Delivery charges and 3.5% of Misc Line Item charges. You can switch to your own merchant account at any time.
MORE INFO »

Optional Hardware

Thermal Printers

Vendini is an authorized partner of Boca Systems thermal printers. Boca uses the highest quality materials and ensures compatibility with Vendini Ticket Stock. MORE INFO »

Thermal Ticket Stock

Vendini ticket stock is designed specifically for the Vendini system and Boca Systems thermal ticket printers. MORE INFO »

Wireless Scanners

Combine laser scanning with your iPhone or iPod Touch and Vendini TicketScan for wireless access control. MORE INFO »

Apple iPod Touch

Download Vendini TicketScan from the Apple App Store and log in to start scanning with the device's camera. MORE INFO »

Credit Card Swipers

Speed up sales at the door with credit card swiper/reader that works with Vendini mobile apps. MORE INFO »

Cash Drawer

Secure cash and checks with a lock box built to last and easy USB connection to Vendini TicketAgent. MORE INFO »

Implementation Timeline

Merchant Account Integration

Integrating your merchant account typically takes three weeks from agreement. The integration process requires you to set up a merchant bank account and an internet gateway between Vendini and your bank.

Venue Map Construction

Our venue map team will work with you to create reserved and flexible seating venue maps to your specification, this process can take up to three weeks from the agreement.

Vendini Website Manager

Vendini Website Manager can be launched within a few days, and up to a few months for a fully custom website.

Optional Hardware

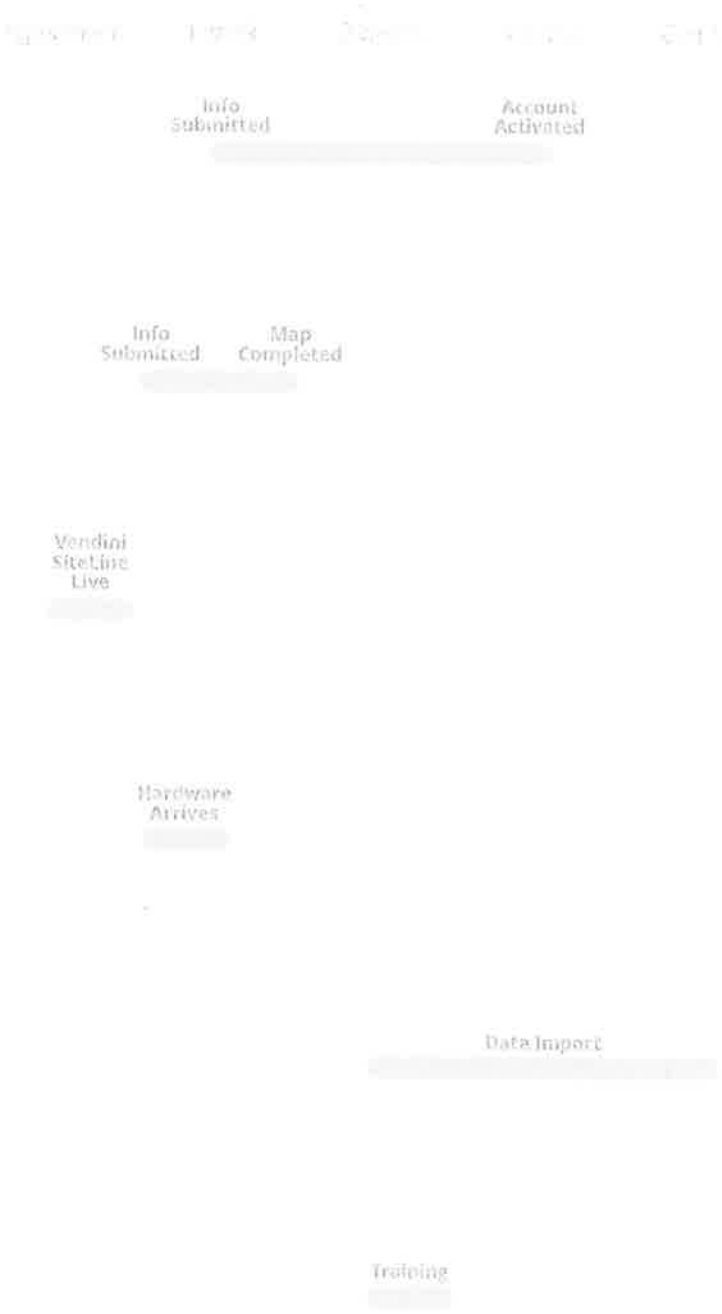
Thermal ticket printers, wireless scanners, and other optional hardware are ordered when payment is received and can take up to three weeks to be received.

Data Import

Vendini Member Services will work with you to import your legacy data into Vendini. This project is typically done a week or two before Live Mode, or your first sales in Vendini.

System Training

A Launch Coordinator from our Member Services team will contact you to initiate your introductory training. This is scheduled around your implementation timeline and is generally done a week or two before Live Mode.



Pricing

Vendini TicketLine Website Sales

For each ticket sold through your website, or your Vendini enabled site, a per ticket fee applies. This fee can be paid by the patron, paid by your organization, or shared.

TICKET PRICE	PER TICKET FEE
$0.00	$0.35
$0.01 – UP	$1 + 2.5%

Vendini TicketAgent / Box Office Sales

For each ticket sold at your box office, a per ticket fee applies. This fee is paid by your organization.

PAYMENT TYPE	FEE
Credit Card	$1 + 2.5%
Cash / Check	$1 + 2.5%
Gift Cards / Voucher	$1 + 2.5%
Invoices	$1 + 2.5%
Custom Payments	$1 + 2.5%
Complimentary Tickets	$0.15

Additional Transaction Fees and Optional Services

Transactions such as donations and memberships have a different pricing plan. Applicable fees are paid by your organization. Ticket fulfillment and box office services are also offered by Vendini.

PAYMENT TYPE	FEE
Donations	3.0% of Donation, $5.00 max
Memberships	$2.00 per Membership
Gift Cards	3.0% of Gift Card value
Ticket Fulfillment	$4.00 per order
Box Office Call Center	$4.00 per order
White Label Box Office Call Center	$5.00 per order
Box Office Call Center Services with Ticket Fulfillment	$6 or $7 per order

Included Products and Services

ITEM	INCLUDED
24/7 Member Support Customer Service Center	✓
Unlimited User Licenses	✓
Connecting Vendini to your Merchant Account and Payment Gateway	✓
Email Marketing Tools with Ability to Send Unlimited Messages	✓
Social Networking Integration to Promote Events, Sell Tickets and Analyze Metrics	✓
Functionality to Generate, Save and Send Custom Reports	✓
Unlimited Training Sessions, Self Service Videos and Knowledge Base	✓
Ability to Process Your Own Order Changes, Refunds and Exchanges	✓
POS Software and Mobile Apps for Selling and Ticket Scanning	✓
Import Legacy Patron and Sales Data	✓
Build and Maintain Mobile Optimized Website	✓
Mobile, Print at Home and Send to e-mail Ticket Delivery for Patrons and Fans	✓
Patron Manager CRM and Patron Connect Mobile App	✓

Prices valid through Jan 25, 2019

Contact Information

Brian Byrd
bbyrd@hermosabch.org
City Of Hermosa Beach

LINE	DESCRIPTION	QTY	UNIT	PRICE
1	One Time Account Setup	1	each	$995.00	$995.00
2	Desktop eDynamo Swiper for Box Office Software (PC or Mac)	1	Each	$179.00	$179.00
3	Venue Map Construction: Reserved seating 501 seats	1		$295.00	$295.00

Subtotal	$1,469.00
California Sales Tax (Los Angeles) 9%	$16.11
Shipping & Handling (UPS Ground)*	$15.00
Total:	**$1,500.11**

*To change shipping method, contact your account manager.

Pay with Credit Card

Pay by Check

Submit Purchase Order

RETURNS - All products must 1) be returned in their original packaging, 2) include all manuals, cables, warranty cards, etc., 3) be clean, without scratches and resealed in a factory fresh condition. Freight charges are not refundable. Customer is responsible for shipping costs on returned items. If the returned item meets all the above requirements, it will be accepted and a 50% restocking fee will be applied. Return requests received more than 30 days after receipt of equipment will not be honored. No merchandise may be returned without authorization.

Thank you for choosing Vendini. We appreciate your business.