

STATE OF TEXAS

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COUNTY OF DALLAS

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FIRM SERVICES AGREEMENT

This Agreement is entered into by and among TexasCityServices LLC, a Texas limited liability company (the "Firm"), the City of Coppell, Texas (the "City" and "Client"), (the Firm and Client collectively referred to as the "Parties" or individually as a "Party"), acting by and through their authorized representatives.

**Recitals:**

**WHEREAS**, the Client desires to engage the services of the Firm as an independent contractor and not as an employee in accordance with the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Firm desires to render Firm services for the Client in accordance with the terms and conditions set forth in this Agreement;

**NOW THEREFORE**, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

**Article I**

**Term**

1.1 The term of this Agreement shall begin on the last date of execution hereof (the Effective Date") and continue until the earlier of: (i) completion of Firm's services provided herein; and (ii) three (3) years after the Effective Date and may be extended on a year-to-year basis for an additional two (2) years, upon mutual consent of all Parties unless terminated sooner, as provided herein.

1.2 Either Party may terminate this Agreement by giving thirty (30) days prior written notice to the other Party. In the event of such termination the Firm shall deliver to the Client all finished and unfinished documents, data, studies, models or other items prepared by the Firm in connection with this Agreement. In the event of termination, the Firm shall be entitled to the fees set forth herein for those increased remittances received by Client as a result of Firm actions prior to its termination.

**Article II**

**Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"City Manager" shall mean the City Manager of the City of Coppell, Texas, or designee.

"Effective Date" shall mean the last date of execution hereof.

"Notice to Proceed" shall mean a written notice from the City Manager, on behalf of the Clients to Firm to proceed with the recovery and collection of the Recoveries for the time periods, the taxpayers, the accounts, and the locations identified in the notice.

"Recoveries" or "Increases in Tax Remittances" shall mean refund of Sales and Use Tax, the credit of Sales and Use Tax to the Client's account or offset against current, past or future Client Sales and Use Tax liabilities, including any penalties and interest due the Client thereon for unpaid, underpaid or improperly allocated Sales and Use Tax that is due the Client by the State of Texas as a result of the direct efforts of the Firm for the time periods, the taxpayers, accounts and locations identified in a Notice to Proceed. Recoveries are limited to the period of time, the taxpayer, the accounts and the locations identified in a Notice to Proceed. The identified period of time in a Notice to Proceed includes the previous forty-eight (48) months or all periods open under the Texas sales and use tax statute of limitations and revenues received for the first twenty-four (24) consecutive reporting months following the Date of Correction. As used herein, the date of correction is the first sales/use tax return filed in which the taxpayer has correctly applied Client's local sales/use tax law.

"Recovery Plan" shall mean a written plan provided by Firm to the Client that identifies a taxpayer, accounts, the location, and the time period for possible Recoveries; and the data, information, the process and procedure necessary to secure recovery of the identified Recoveries.

"Sales and Use Tax" shall mean the: Texas (i) one percent (1%) sales and use tax imposed by the City pursuant to Chapter 321 of the Texas Tax Code, as amended, on the sale of Taxable Items; (ii) the one-half percent (.5%) sales tax imposed by the City on behalf of the CRDC pursuant to 4B of the Development Corporation Act; (iii) the one-quarter percent (.25%) Crime Prevention District sales tax imposed by the City; and (iv) the one-quarter percent (.25%) street maintenance sales tax imposed by the City, assigned Local Sales and Use Tax Authority Codes Nos. 205752 and 5057501 by the State of Texas.

"State of Texas" or "Texas Comptroller" shall mean the office of the Texas Comptroller, its successor, or other applicable agency of the State of Texas.

### Article III Scope of Services

3.1 (a) General. The Firm shall, to the best of its ability and skill, perform a review of businesses operating within the Client's boundaries to confirm proper Client's sales/use tax collecting/reporting/remittances to the Texas Comptroller. Businesses found to be non-compliant ("Suspect Businesses") will be (i) encouraged by the Firm to voluntarily correct past and prospective reporting with the Texas Comptroller; and/or (ii) the Firm will prepare for Client filing a request with the Texas Comptroller to correct the Suspect Businesses' past and/or prospective reporting. Services offered by the Firm to induce voluntary compliance by Suspect Businesses include: research/consultation concerning businesses' facts and Texas tax law; preparation for Client and/or Suspect Businesses submission of private letter rulings of the Comptroller seeking proper tax law application;

and/or preparation for Suspect Businesses' submission amended/corrected past/prospective sales/use tax returns.

### 3.2

(b) Business Incentives. Firm is authorized under the terms and conditions described in this Section to offer limited incentives to Suspect Businesses to gain past/prospective compliance with the prior written approval of the City Manager. Any incentives discussed with Suspect Businesses by the Firm will only be with the Client's full understanding and prior written consent, and with the Firm's recommendation that an incentive be considered by the Client.

(c) Period of Review. The period of time subject to review by the Firm for purposes of Recovery Plans pursuant to this Agreement shall include the period of forty-eight calendar months prior to the Effective Date through and including the Expiration Date, including any additional periods that may be open under the State of Texas sales and use tax statute of limitations.

(d) Recovery Plan. The Firm will, from time to time during the term of this Agreement, deliver a Recovery Plan that identifies possible Recoveries, the data, information, the process and procedure necessary to secure recovery of the identified Recoveries. A Recovery Plan shall be provided by the Firm for each taxpayer for which Recoveries have been identified. The Firm shall, within thirty (30) days after receipt of a Notice to Proceed, prepare the appropriate claim to be filed by the Client, or cause the claim to be filed with the State of Texas or taxpayers when directed by the Client, necessary to recover the identified Recoveries. The Firm is not authorized to file any claim, contact any person, business, the State of Texas, or any third parties as a representative of the Client without the prior written approval of the Client.

(e) Firm Opinions. This review does not result in any opinion, attestation, or other form of assurance with respect to the Client's transactional tax reporting or any other financial reporting functions of the Client. The procedures employed by this review do not constitute an examination or a review per General Accepted Auditing Standards. Neither does this review constitute a review of internal controls over any Client's financial reporting function. The review is not limited nor directed towards the discovery of fraud, illegal acts, or material exceptions. The Firm is not a public accounting firm.

3.3 The Client agrees that any/all business local sales/use tax "incremental liabilities" that may result as the businesses become compliant with Texas tax law may be waived upon recommendation of the Firm. If the liabilities cannot be waived, then the Client may be requested to agree to reimburse the businesses for the incremental liabilities. Additionally, the Client may consider alternative or additional business incentives if the incentive is deemed cost effective and in the best interest of the Clients. For purposes of this Agreement, "incremental liabilities" are only those tax liabilities representing the difference of Client aggregate local combined sales and use tax rate (2%) and the actual amount of local sales and use tax collected and remitted by the Suspect Businesses, an amount less than 2% aggregate local combined sales and use tax rate. The Firm will provide any information, documentation and support to Client necessary to allow the Client to quantify the cost versus the benefit of providing the business incentive necessary to gain Texas tax law compliance.

3.4 Firm services will be performed based upon the information provided by the Client. In addition, services will be performed in consideration of applicable tax laws, regulations and associated interpretations relative to the appropriate jurisdiction as of the date the services are provided. Tax laws and regulations are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. The Firm does not assume responsibility for such changes occurring after the date services have been completed. With regards to the services provided under the terms of this Agreement, the Firm will discuss with the Client any positions that the Firm believes may subject the Client to additional liabilities. The Firm is not held responsible for determining these liabilities, nor is the Firm responsible for any liabilities assessed against the Client as the result of the Client's failure to provide all relevant information relative to the issue under consultation. Any such liabilities are disregarded for determining fees.

#### Article IV Compensation

Fee. (a) Fees will be based on the dollar amount of the Client's increases in tax remittances resulting from Firm's efforts. Any/all Firm out-of-pocket expenses, travel, postage, business consultations, legal representation and any other costs incurred by Firm on Clients' behalf will be born solely by the Firm and will not be in addition to the Firm fees.

(b) The increases in tax remittances are quantified deposits by the Texas Comptroller into the appropriate Local Sales/Use Tax Authority Codes. Firm fees will only be due if Firm efforts successfully secured additional increase remittances from Suspect Businesses as defined in the Scope section of this Agreement and will either be: (i) twenty-four percent (24%) of any increase remittance representing past reporting of a Suspect Business; or (ii) if the Client elects to seek only prospective sales/use tax monies, for whatever reason from Suspect Businesses, then Firm Fees will be thirty three percent (33%) of the increased sales and use tax remittance by the Suspect Businesses for the two (2) years immediately following the implementation of proper compliance by the Suspect Businesses. If the Client elect solely increased remittances prospectively (Section 4.1 (b) (ii) above), the Firm and the Client will reach a mutual agreement on how the value of the increased remittance will be determined.

(c) In the event the Client elects to pursue Firm identified past/prospective tax reallocations or increased remittances without further Firm services, the Client agrees that fees as stated herein will be due and payable under these same terms and conditions.

(d) In any instance where the Client must involuntary, as a result of State of Texas determination, refund or reallocate to another taxing jurisdiction an amount of reallocation or sales and use tax upon which Firm fees have been paid, the Firm will refund the Fees related to the amount of sales and use tax refunded or reallocated to another taxing jurisdiction.

(e) If the Client requests consultations beyond the above described services, such requested services will be provided by the Firm on an hourly basis at its standard hourly rate of Two Hundred Fifty Dollars (\$250.00), plus out-of-pocket expenses.

Article V  
Devotion of Time; Personnel; and Equipment

5.1 The Firm shall devote such time as reasonably necessary for the satisfactory performance of the work under this Agreement. Should the Client require additional services not included under this Agreement, the Firm shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by the Client; and without decreasing the effectiveness of the performance of services required under this Agreement.

5.2 To the extent reasonably necessary for the Firm to perform the services under this Agreement, the Firm shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Firm may deem proper to aid or assist in the performance of the services under this Agreement with the prior written approval of the City. The cost of such personnel and assistance shall be borne exclusively by the Firm.

5.3 The Firm shall furnish the facilities, equipment, telephones, facsimile machines, email facilities, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

5.4 The Firm shall submit quarterly progress reports and attend such progress meetings as may be reasonably required by the Client from time to time. Each progress report shall detail the work accomplished and special problems or delays experienced, any Notice to Proceed during the previous report period, and the planned work activities and special problems or delays anticipated for the next report period.

Article VI  
Miscellaneous

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

6.2 Assignment. The Firm may not assign this Agreement in whole or in part without the prior written consent of Client. In the event of an assignment by the Firm to which the Client has consented, the assignee shall agree in writing with the Client to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

6.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 Administration of the Agreement. The City Manager is authorized to administer this Agreement on behalf of the City, CRDC and the CCCD, and to execute any amendments to the Agreement or instruments related thereto, or other action necessary for such Parties.

6.8 Non-Disclosure Requirements. In the performance of this Agreement, Client, to the extent allowed by law, and the Firm may not disclose technical, financial, or other information, material or data either via oral, written, or any other form, either electronic or otherwise, which is considered confidential and proprietary (Confidential Information). Such Confidential Information does not include any information known to the receiving Party prior to the Agreement, is available to the public under Texas' Open Public Information Act or published and available to the general public regardless of source. Unless otherwise agreed, the receiving Party agrees not to disclose Confidential Information; will use the same degree of care and diligence to protect and secure Confidential Information as it uses for its own information; and will not copy or reproduce the Confidential Information except in the performance of the services described in this Agreement. The receiving Party may disclose such Confidential Information to its associates, affiliates, consultants, and agents necessary to perform the Agreement's services.

6.9 Other Clients. The Firm is not restricted by anything in this agreement from providing services for other clients providing Confidential Information is not disclosed or shared with such other clients. In the event the Firm violates the terms of this section it shall immediately forfeit any right to any Recoveries.

6.10 Warranties. The Firm makes no other representation or warranty regarding either the services to be provided, in particular, and without limitation of the foregoing, any express or implied warranties of fitness for a particular purpose, merchantability, warranties arising by custom or usage in the profession, and warranties arising by operation of law are expressly disclaimed.

6.11 Independent Contractor. It is understood and agreed by and between the Parties that the Firm in satisfying the conditions of this Agreement, is acting independently, and that the Client assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by The Firm pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the Client. The Firm shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

6.12 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for Client:

With a Copy to:

Attn: City Manager  
City of Coppell, Texas  
255 Parkway Boulevard  
P.O. Box 9478  
Coppell, Texas 75019-9478

Robert Hager  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard  
Dallas, Texas 75201

If intended for the Firm:

Attn: Kyle B. Kasner  
Manager  
TexasCityServices LLC  
PO Box 110998  
Carrollton, Texas 75011

6.13 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument; Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.14 Indemnification. CLIENT SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF THE FIRM PURSUANT TO THIS AGREEMENT. FIRM HEREBY WAIVES ALL CLAIMS AGAINST CLIENT, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CLIENT") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF CLIENT OR BREACH OF CLIENT'S OBLIGATIONS HEREUNDER. FIRM AGREES TO INDEMNIFY AND SAVE HARMLESS CLIENT FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE FIRM'S NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF FIRM, ITS OFFICERS, DIRECTORS, SERVANTS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO NEGLIGENCE OF THE CLIENT, IN WHOLE OR IN PART, IN WHICH CASE FIRM SHALL INDEMNIFY CLIENT ONLY TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO FIRM AS DETERMINED BY A COURT OR OTHER

FORUM OF COMPETENT JURISDICTION). THE FIRM'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY FIRM UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

6.15 Insurance.

(a) Firm shall during the term hereof maintain in full force and effect the following insurance: (i) a comprehensive general liability policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the Firm's performance of services pursuant to this Agreement with a minimum combined single limit of not less than \$1,000,000.00 per occurrence for injury to persons (including death), and for property damage; (ii) policy of automobile liability insurance covering any vehicles owned and/or operated by Firm, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than \$500,000.00 combined single limit and aggregate for bodily injury and property damage; and (iii) statutory Worker's Compensation Insurance at the statutory limits and Employers Liability covering all of Firm's employees involved in the provision of services under this Agreement with a policy limit of not less than \$500,000.00.

(b) All policies of insurance shall be endorsed and contain the following provisions: (1) name the Client, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance; (2) provide for at least thirty (30) days prior written notice to the Client for cancellation of the insurance; and (3) provide for a waiver of subrogation against the Client for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Firm Liability Insurance. The Firm shall provide written notice to the Client of any material change of or to the insurance required herein.

(c) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

(d) A certificate of insurance and copies of the policy endorsements evidencing the required insurance shall be submitted prior to commencement of services and upon request by the Client.

6.16 Audits and Records. The Firm agrees that during the term hereof the Client and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of the Firm's records relating to the services provided pursuant to this Agreement for a period of one year following the date of completion of services as determined by the Client or date of termination if sooner.

6.17 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.18 Mutual Termination of the Original Agreement. (a) The Firm and City do, by execution

*[Signature Page to Follow]*



EXECUTED This \_\_\_\_\_ day of \_\_\_\_\_, 2025

CITY OF COPPELL, TEXAS

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name/Title

EXECUTED This \_\_\_\_\_ day of \_\_\_\_\_, 2025

TEXAS CITY SERVICES LLC

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name/Title