

## **Professional Services Agreement**

This Agreement is entered into by TexasCityServices LLC, a Texas Limited Liability Company, herein called “Firm”, and the League City, Texas referred to hereafter as “Client.”

In consideration of the mutual promises herein contained, Firm and Client agree that:

### **I. SCOPE OF SERVICES**

The Firm will provide consultation to the Client regarding identifying, quantifying and securing sales/use tax compliance of its businesses that have misallocated and/or applied Texas Tax Codes 151 and 321 to the detriment of Client, collectively referred to as “Sales Tax Misallocation Services”. The specific process, procedures and scope of Firm services are outlined in the Firm’s Proposal and incorporated into this Agreement as Exhibit A.

These consultations do not result in any opinion, attestation, or other form of assurance with respect to the Client or any other entity involving the Client and within the Firm’s scope of this agreement. The procedures employed by the Firm do not constitute an examination or a review per General Accepted Auditing Standards. Neither does Firm services constitute a review of internal controls over any Client’ financial reporting function. The Firm services are not limited nor directed towards the discovery of fraud, illegal acts, or material exceptions. The firm is not a public accounting firm.

### **II. FEES AND BILLINGS**

The Firm fees for its consultation will be based solely on the value the Client receives from sales/use tax corrections, amendments and filings made as a result of Firm efforts. These business(es) corrections, amendments and filings will be identified by the Firm to the Client by Texas Sales Tax Permit Number and business name, as “Suspect Businesses”.

The value the Client receives as a result of Firm efforts, “Recoveries”, is to be identified by Suspect Business (es) amendments to past sales tax reported amounts either amended by the business(es) and/or the Texas Comptroller of Public Accounts, “Comptroller.” Also included in Recoveries, is the amount of sales tax deposit increases over the immediate prior twelve (12) months by a Suspect Business post correction of the Suspect Business(es) prospective reporting based upon Firm efforts.

Firm fees are to be billed quarterly and are to be twenty percent (20%) of Recoveries enjoyed by Client. All Firm fees will be supported by Suspect Business (es)\_ reported amounts found in the Comptroller’s quarterly Confidentiality Report.

In no event will Firm fees for any given calendar year exceed the Texas Comptroller’s two percent (2%) service fee paid by the Client for Comptroller services in administering the Client’s sales/use taxes.

### **III. RESPONSIBILITIES OF THE FIRM**

Firm services will be performed based upon the information provided by the Client and tax authorities. 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 we have completed our services.

With regards to the services provided under the terms of this agreement, the Firm will discuss with the Client any position that the Firm believes may subject the Client to potential tax 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.

### **IV. RESPONSIBILITIES OF THE FIRM**

The Client will designate the Firm as its representative, limiting the Firm to representing Client's interests to those involving sales/use tax issues. The Client will provide to the Firm the Comptroller's Confidentiality Information Report once received by the Client or agree to the Firm securing the necessary report directly from the Comptroller.

To the extent the Client has relationships with the business(es) that give rise to Firm identified sales/use tax issues, the Client will provide to the Firm its contacts within the business(es) and assist to the extent possible the Firm is securing business(es) documentation and/or information concerning securing compliance with Texas sales/use tax law.

The Firm agrees to the all "Procedural and Conditions" specified in the Client's original Request for Proposal RFP # 25-043, and incorporated into this Agreement as Exhibit B.

### **V. ENGAGEMENT TERMS/LIMITATIONS**

In the event the Firm discovers activities or practices of the Client that the Firm deems inappropriate or that would prevent the project from being completed, or should the Client fail to provide the Firm with adequate and accurate information or the requisite assistance to allow for the proper completion of this project, the Firm reserves the right to resign from the engagement prior to the completion of the work. At any point during the project, the Firm has the right to terminate the services covered by this agreement by providing written notice to the Client of such termination.

The Firm is not restricted by anything in this agreement from providing services for other Firm clients.

The Client reserves the right to terminate the services covered by this agreement at any time by providing the Firm written notice of such intentions subject to Section II terms and conditions.

In the event of termination of this agreement for any reason, the Client agrees to be responsible for all Firm Fees described above incurred by Firm prior to the date of termination.

The Firm makes no other representation or warranty regarding either the services to be provided or any deliverables; 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.

Only in the event the Firm is grossly negligent or acted willfully or fraudulently, shall the Firm be liable to the Client or any related parties, for any amounts in excess of the total professional fee paid by Client to Firm under this agreement.

#### **VI. EFFECTIVE DATE/PERFORMANCE PERIOD**

This Agreement shall terminate three years from the effective date indicated below. The Agreement will renew thereafter on an annual basis until either the Client or Firm exercise termination rights described above.

#### **VII. INDEMNIFICATIONS**

The Client agrees to indemnify, defend and hold harmless to the extent allowed by law the Firm from and against any and all liabilities, losses, demands, costs and expenses, joint or several, to which such indemnified parties may be subject under any findings of state/federal courts or other regulatory body arising solely out of the performance of services contemplated by this agreement, including claims by any third parties.

The Client agrees to reimburse any indemnified party for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for, or defense of, any pending or threatened claim or action or proceeding arising there from, whether or not such indemnified party is a party. The provisions of this indemnification clause will not apply if it has been finally determined that the Firm was grossly negligent or acted willfully or fraudulently.

#### **VIII. NON-DISCLOSURE REQUIREMENTS**

In the performance of this Agreement, the Client and 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").

Confidential Information includes all information obtained from the Client except information available under the Public Information Act. Confidential Information does not include any information known to the receiving party prior to the Agreement, or information that is available to the public under Texas' Open Records Act, or information 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.

In the event either the Client, or the Firm is required by law, rule, regulation or lawful order to disclose Confidential Information, the disclosing party agrees to notify the other party immediately to allow the other party to take steps it deems necessary to protect its Confidential Information.

Both the Client and Firm acknowledge and agree that the disclosing party owns all rights, interest, and title to the Confidential Information. Both the Client and Firm agree that the unauthorized disclosure of the Confidential Information will cause irreparable harm to the other party. As a result of the unique nature of the Confidential Information, in addition to all other available remedies, the disclosing party shall be entitled to seek injunction and other extraordinary relief in a court of competent jurisdiction in order to enforce the receiving party's obligations under this Agreement.

#### **IX. SEVERABILITY**

If any of the terms, provisions, covenants, conditions or any other part of this Agreement are for any reason held to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants, conditions or any other part of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

\* \* \* \*

The clauses regarding liability limitations and indemnification shall survive any termination of this agreement. This agreement will be governed by the laws of the State of Texas.

Effective date: \_\_\_\_\_ 2025;

\_\_\_\_\_  
Client Authorized Signature

\_\_\_\_\_  
Kyle Kasner, Managing Member  
TexasCityServices LLC

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