

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made by and between HdL COMPANIES, whose mailing address is 9821 Katy Freeway, Suite 440, Houston, TX 77024, hereinafter referred to as "HDL" and the TOWN OF ANTHONY, whose mailing address is 401 Wildcat Drive, Anthony, TX 79821, hereinafter referred to as "CLIENT."

WHEREAS, CLIENT desires to engage HDL, as an independent contractor, to provide CLIENT consulting services related to its sales and use tax and;

WHEREAS, HDL desires to consult with CLIENT to assist CLIENT with its sales and use collections;

NOW, THEREFORE, it is agreed as follows:

1. Term. The respective duties and obligations of the Agreement parties shall be for a period of twelve (12) months, commencing on January 1, 2025 (Commencement Date). The Agreement automatically renews in twelve (12) month increments unless terminated in accordance with Section 10. Notification by either party shall be according to Section 12F.

2. Reports and Consulting Services. HDL will provide reports and consulting services and audit/recovery services as defined in Exhibit I.

A. Additional Services. CLIENT may request HDL provide additional consulting services at any time during the term of the Agreement. If CLIENT and HDL mutually agree on the scope of the additional consulting, then HDL will provide those services on a Time and Materials basis, or otherwise, as the parties agree. Hourly rates will vary depending on the scope and structure of the work and the personnel required. Any additional consulting services shall be agreed in writing by the parties prior to any services being performed. HDL will invoice monthly any fees and expenses for additional consultation services.

3. Reports and Consultation Fee. An annual reports and consultation fee of seven thousand two hundred dollars (\$7,200.00) is due and payable for the twelve (12) month period of the agreement. The fee is broken out into sales tax reporting and consultation at three thousand six hundred dollars (\$3,600.00) and the Economic Development component at three thousand six hundred dollars (\$3,600.00). The reports and consultation fee of seven thousand five hundred dollars (\$7,200.00) is due and payable on the commencement date of the agreement and at the beginning of each subsequent twelve (12) month period of the Agreement.

A. CPI Adjustment. Fees may be increased as of the renewal date for the Sales Tax Administration Services each contract year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), South Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual

CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

4. Commission Fee. HDL is due a commission fee only if HDL work or recommendations made during the term of this Agreement, or any extensions thereof, resulted in Recovered, Future, or Increased Taxes actually being received by CLIENT. Any commissions earned during the Agreement or extensions thereof survive termination of the Agreement and CLIENT's commission fee obligations remain until completed.

A. Definitions.

- (1) **Recovered Taxes.** Recovered Taxes are taxes incorrectly paid to another jurisdiction which are, as a result of HDL recommendations or work, subsequently re-allocated to CLIENT; or are taxes that were not collected and paid to CLIENT for historical periods but are subsequently paid as a result of HDL recommendations or work.
- (2) **Future Taxes.** Future Taxes are taxes received by CLIENT as a result of HDL finding and fixing errors which result in taxes received forward from the error correction.
 - (a) An error correction can result in both Recovered Taxes and Future Taxes.
- (3) **Increased Taxes.** Increased Taxes are taxes received by CLIENT as a result of HDL finding and fixing errors which result in an increase in taxes received above historic levels from the point of error correction.

B. Commission Fees. Commission fees are calculated based on the sales and use tax specific businesses or individuals reported to the Texas Comptroller of Public Accounts (TCPA) and were allocated to CLIENT and are documented by data and reports received from the TCPA.

- (1) **Recovered Taxes Commission.** HDL is due a commission of thirty percent (30%) of Recovered Taxes.
- (2) **Future Taxes Commission.** HDL is due a commission of thirty percent (30%) of Future Taxes received by the CLIENT for a period of twenty-four (24) months, which period begins upon CLIENT's first receipt of the correct Future Taxes.
- (3) **Increased Taxes Commission.** HDL is due a commission of thirty percent (30%) of Increased Taxes received by the CLIENT for a period of twenty-four (24) months, which period begins upon CLIENT's first receipt of the correct Increased Taxes.

C. Commission Fees Determinations. Commissions fees due are determined and invoiced on an Agreement quarter basis.

D. Commission Refund. If HDL received commissions based on Taxes that are subsequently found to have been incorrectly paid to CLIENT and which Taxes are subsequently re-allocated from CLIENT or CLIENT is required to return those taxes to the TCPA, HDL will return to or credit to CLIENT any commissions related to those taxes. HDL and CLIENT agree to negotiate a mutually agreeable commission repayment schedule on a case-by-case basis.

E. Cooperation after Termination. CLIENT agrees to cooperate and to provide HDL necessary authorizations or provide HDL access to reports or information necessary to allow HDL to calculate its commission fees for the Recovered Taxes, Future Taxes, and/or Increased Taxes until such time as CLIENT's obligations for those are complete.

5. Expenses. Expenses incurred by HDL in providing services in Exhibit I are the responsibility of HDL. If approved in advance in writing by CLIENT, HDL shall be reimbursed for any expenses, including travel, incurred by HDL beyond the scope of services included in Exhibit I. HDL shall invoice those expenses quarterly and they are due on receipt of invoice.

6. Client Obligations.

A. Authorizations.

- (1) **Information.** CLIENT authorizes HDL to request, receive and discuss tax information, whether or not confidential, related to CLIENT from the Texas Comptroller of Public Accounts (TCPA) officials, from County or other appraisal district officials and any other individuals or parties who are or may be obligated to collect sales and use tax on behalf of CLIENT. CLIENT authorizes HDL to initiate, request and to represent CLIENT in any discussions or reviews with parties obligated to collect sales and use tax on behalf of CLIENT but in no circumstance may these actions be construed to be, or HDL represent that HDL is an employee of CLIENT. CLIENT agrees and understands that the Texas Comptroller of Public Accounts has the exclusive authority and responsibility to administer and collect sales and use taxes on behalf of CLIENT and agrees that in retaining HDL, CLIENT is not delegating any of its responsibilities or authority to administer and enforce its sales and use taxes.
- (2) **Transmission of Confidential Information.** CLIENT will designate a person or location (CONTACT POINT) to whom or which HDL is authorized to transmit CLIENT specific reports and information, some of which may be confidential. CLIENT acknowledges that on receipt of any confidential information from HDL, CLIENT assumes responsibility for assuring compliance with Section 9A. CLIENT will designate who is authorized to establish and/or change the CONTACT

POINT and will communicate it or any change in CONTACT POINT in writing to HDL.

B. Map. CLIENT will provide HDL a detailed map of CLIENT's jurisdiction boundaries and its sales tax boundaries, if different from its jurisdiction boundaries. If CLIENT cannot provide a detailed map HDL will arrange for one to be made and the costs for the map will be billed to CLIENT.

C. Coordination. CLIENT will designate a person to serve as the coordination point for CLIENT with HDL for sales/use tax issues related to CLIENT and who will be available to discuss with and provide HDL information, in a timely manner, to resolve questions related to CLIENT's jurisdiction boundaries. CLIENT agrees HDL will be the principal communications point related to sales tax between CLIENT and the TCPA and businesses and agrees to refer all contacts from the TCPA or businesses related to sales tax to HDL.

D. Boundary Changes. CLIENT will promptly notify HDL of any annexations or de-annexations of its territory or of any other jurisdiction boundary changes during the term of this Agreement.

7. Copyrights and License. HDL retains all the rights, title and interest into the processes, procedures, software, ideas, and know-how, whether patentable, copyrightable, or proprietary that HDL may develop or utilize in performing services for CLIENT. HDL grants CLIENT a non-exclusive license to reproduce for CLIENT's sole internal use and benefit any copyrighted materials provided by HDL to CLIENT under the Agreement as long as the copyright mark and any confidentiality notices, if applicable, are not removed in the copying process.

8. Data Source and Accuracy. In performing services under this Agreement HDL will rely on data and information from the Texas Comptroller of Public Accounts (TCPA) and potentially other public and private sources. In relying on such data and information HDL will exercise reasonable due diligence as to its accuracy; however HDL makes no warranties or representations as to its accuracy.

9. Parties Document Retention and Confidentiality Obligations. HDL, its principals, employees, agents, contractors and associates agree to maintain confidential, for a period of 5 years or any other period as required by statute, any information marked or designated as confidential by CLIENT or received for CLIENT'S benefit, and agree to destroy, at the written request of the CLIENT, all such documents and any other documents obtained by HDL on CLIENT's behalf, whether or not confidential, within 30 days of termination of this Agreement. CLIENT, its officers, employees, associates, agents, or contractors agree, except as required by the Texas Open Records Act or other legal process, to maintain confidential any HDL contacts disclosed to CLIENT, any proprietary analytical methods, procedures, or any software disclosed to and/or used on behalf of CLIENT.

A. CLIENT and HDL acknowledge certain data received from the TCPA and utilized by HDL in providing services under this Agreement is made confidential by Texas Tax Code, §§ 321.3022, 322.2022, 323.2022, as applicable, and may be used only for the purpose of economic forecasting and internal audit. Unauthorized distribution or disclosure of confidential

information by an individual or employee of a company or an officer or employee of a government agency is punishable by six (6) months in jail and a \$1,000 fine (Texas Government Code § 552.352). CLIENT agrees any confidential information provided CLIENT by HDL will be maintained confidential and will not be utilized in any manner inconsistent with the law. HDL agrees it will not use confidential information in any manner other than for providing services to CLIENT for CLIENT's internal audit and economic forecasting.

10. Termination. This Agreement may be terminated during its initial term by CLIENT if HDL is or has not fulfilled its obligations in Exhibit I, has been notified in writing HDL is in material breach of the Agreement and HDL has not corrected the breach within 30 days of notice. This Agreement may be terminated after the initial twelve (12) month term by either party by giving ninety (90) days' written notice to the other party at the address above or at an address chosen subsequent to the execution of this Agreement and communicated in writing. If CLIENT terminates this Agreement before a term's expiration, HDL will not refund any fees paid to HDL. If HDL terminates this Agreement prior to a term's expiration, HDL will return to CLIENT, pro-rata, the portion of the report and consultation fee paid to HDL based upon the proportionate number of days remaining in the Agreement period for which the prior payment was due, but any payments due HDL as defined in Section 4 continue until fulfilled.

11. Dispute Resolution. If a dispute arises out of this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. The fees for the mediation will be borne equally by the parties.

12. General Provisions.

A. Fee Payments. Fee payments are governed by Texas Government Code, Title 10, Subtitle F, Chapter 2251 - Payment for Goods and Services. All fees (retainer, report, or commissions) due to HDL will be paid out of CLIENT'S General Revenue Fund. HDL acknowledges funds for payment of service provided by HDL under the Agreement are provided for or approved by CLIENT only for its current fiscal year. HDL further acknowledges Texas Statutes prohibit obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. HDL further acknowledges and agrees HDL has no recourse against CLIENT for CLIENT's failure to appropriate funds for this agreement for any fiscal year other than the year in which the Agreement was executed. Should CLIENT fail to appropriate funds for payment of work in any fiscal year for which this Agreement applies, CLIENT must notify HDL in writing by the beginning of that fiscal year, and HDL may immediately terminate this Agreement without any recourse by CLIENT.

B. Non-Waiver. It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its rights pursuant to the Texas Tort Claims Act or other applicable statute, law, rule, or regulation.

C. Assignment; No Third-Party Beneficiaries. This Agreement shall bind and benefit the Parties hereto. This Agreement shall be for the sole and exclusive benefit of the

Parties hereto and their legal successors and assigns and shall not be construed to confer any rights upon any third party. Neither party may assign this agreement or any of their rights or obligations under this agreement without the other party's written consent.

D. Choice of Law and Venue. This Agreement shall be governed by and interpreted in accordance with laws of the State of Texas, without giving effect to any conflict-of-laws provisions. Venue shall be in the County of Texas in which CLIENT is located.

E. Insurance. HDL will maintain general business liability insurance of not less than \$1,000,000 from an A+ or better carrier and will provide CLIENT a Certificate of Insurance on request.

F. Notices. All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered, sent by facsimile or electronic mail with evidence of receipt, sent by reputable overnight courier with signature of recipient required or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to HDL to: HdL Companies
9821 Katy Freeway, Suite 440
Houston, TX 77024
Attention: Richard Fletcher

If to CLIENT to: Town of Anthony
401 Wildcat Drive
Anthony, TX 79821
Attention:

or to such other names or addresses as HDL or CLIENT, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section.


G. Counterparts. This Agreement shall become binding when any one or more counterparts hereof, individually or taken together, shall bear the signatures of CLIENT and HDL. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument.

13. Boycotting Israel. As required by Chapter 2270, Texas Government Code, HDL hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

14. No Business with Foreign Terrorist Organizations. As required by Subchapter F, Chapter 2252, Texas Government Code, HDL hereby verifies that it is not a company engaged in business with Iran, Sudan, or a foreign terrorist organization (as defined in Section 2252.151 (2), Texas Government Code) and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Section 806.051, 807.051, or 2252.153, Texas Government Code.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the dates set forth below.

TOWN OF ANTHONY



By:

Authorized Agent Anthony D. Turner, MBA, MPH

Date: Approved Regular
Town Council Meeting
12-16-2024

HdL COMPANIES



By: Richard Fletcher

V.P. of Operations and Client Services

Date: August 5, 2024



Exhibit I

Scope of Services

A. Sales/Use Tax Compliance Consulting Services

In providing CLIENT comprehensive sales/use tax review, compliance and recovery services HDL will:

Serve as the primary contact point for CLIENT with the TCPA and businesses collecting sales/use tax for benefit of CLIENT,

1. Provide coordination and information as appropriate with and to the TCPA and businesses in order for CLIENT to receive its correct sales/use tax payments,
2. Research and review businesses reporting sales tax to CLIENT to assure they should be and are collecting and paying sales tax appropriately to CLIENT,
3. Research new businesses established in CLIENT's locale and fix any not registered appropriately to collect sales tax for the District,
4. Develop the requisite information and work with certain out-of-jurisdiction services and sales providers to assure the appropriate tax is collected and reported for CLIENT,
5. Review monthly details of CLIENT's sales tax receipts and research any anomalies which could result in missing tax,
6. Provide CLIENT monthly a series of reports, individually or aggregated in a package, as listed below. HDL may from time-to-time include additional reports, modify reports, or eliminate reports.
 - a. Monthly Sales Tax Graphic (MSTG)
 - b. Sales Tax Payment Detail (STPD)
 - c. Sales Tax Snapshot (STS)
 - d. Top 100 Taxpayers (TOP100)
 - e. Top 30 Taxpayers (TOP 30)
 - f. Monthly Variance (MVAR)
 - g. Fiscal Year-to-Date Variance (FYTDVAR)
 - h. Industry Segment Rank and Distribution (ISRD)
 - i. Industry Segment Rank and Change (ISRC)
 - j. Industry Segment Trend (IST)
 - k. STAR Summary Package (all reports above in a pdf file)
 - l. Taxpayer Payment History (TPH)
 - m. NAICS Range Report (NRR)
 - n. Business Group Sales Tax Forecast
 - o. STAR Detail (all reports below in an Excel workbook)
 - i. Major TPs Historic Rank
 - ii. Major Juris TPs Rank
 - iii. Juris Lrg. Co. Loc. Cross Ref
 - iv. Top 100 TPs Rank
 - v. NAICS Major TP Rank
 - vi. NAICS Segments Analysis

7. Provide special reports and analyses of issues not included in the above reports but are within the scope of the Agreement,
8. Provide CLIENT's governing officials and management consultations as appropriate.

B. Economic Development Services

1. RETAIL MARKET ANALYTICS REPORTS AND CONSULTATION—Updated Annually (1-2 Times)

- a. Consumer Demographic Profile – An HdL profile uses Synergos Technologies, Inc. (STI) PopStats database with over 1,200 variables with a bottom-up methodology to deliver the highest accuracy level and dependable demographic data. The side-by-side comparison helps users visualize consumer changes as the market size differs.
- b. Household Segmentation Profile – An HdL profile provides a deep understanding of consumer preferences, behaviors, and habits. Utilizing Personix Lifestage database the report segments 70 household clusters into one of 21 Lifestage Groups and ranks the top 10 individual clusters allowing the user to identify the most concentrated groups with ease. The document includes links to the Personix Online Guide, which provides an in-depth summary of each group and cluster.
- c. Employment Profile – An HdL profile provides insight on the employment market located within a specific trade area. The profile breaks down industry groups, as well as Occupational sectors, to allow an accurate evaluation of the daytime population and workforce for the defined region. Understanding the types of businesses and the types of workers that are positioned near key areas of interest can greatly influence decisions.
- d. Consumer Demand and Market Profile (GAP Analysis) – An HdL profile examines opportunity-surplus gaps across 31 retail segments and 40 major product and service lines to provide insight on potential opportunities within a defined market. The assessment evaluates the overall trade area, not just jurisdictional boundaries, making it a more useful tool to assist in development planning, recruitment strategies, and overall market analysis.
- e. Void Analysis – An HdL analysis provides trade area supply and demand (surplus and leakage) data for nearly 60 retail store and product categories to identify which goods and services are in demand in your trade area. Unlike traditional approaches that only look at which tenants are missing from the trade area, an HdL void analysis also scores your site against the typical location profile of thousands of potential brands. The tool enables quick evaluation opportunities to show prospects that a site presents a strong business opportunity. The void analysis also determines which co-tenants they co-locate with and whether your location is a logical fit for their network, which leads to more vibrant retail trade areas and an optimized sales tax base.

2. COMMUNITY PROFILE—Updated annually

TOWN OF ANTHONY
401 WILDCAT DRIVE
ANTHONY, TX 79821

August 5, 2024

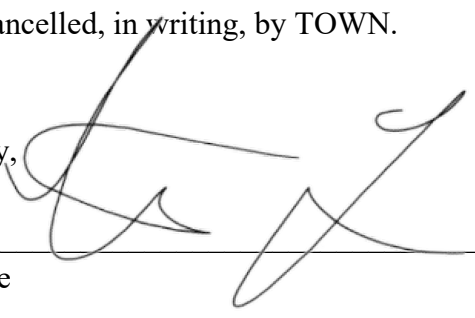
The Honorable Glenn Hegar
Texas Comptroller of Public Accounts
Post Office Box 13528, Capitol Station
Austin, Texas 78711-3528

Re: AUTHORIZATION TO RECEIVE INFORMATION
TOWN OF ANTHONY

Dear Mr. Hegar:

Please be advised that the TOWN OF ANTHONY (TOWN) has retained HDL COMPANIES (HDL) to provide TOWN administrative assistance related to its sales and use tax. TOWN hereby authorizes HDL, its principals, employees, and associates, to discuss, request, and receive any data, reports, and information, including any that may be confidential, which TOWN would normally be entitled to receive, and which are pertinent to TOWN sales and use taxes. This authorization applies to the State of Texas Comptroller's Office and to any entities which collect taxes on behalf of TOWN. This authorization is effective on the date of this notification and continues three hundred sixty-five (365) days from the date of this notification unless cancelled, in writing, by TOWN.

Sincerely,



Signature

Anthony D. Turner, MBA, MPH

Printed Name

HONORABLE MAYOR

Title

Cc: HdL Companies

TOWN OF ANTHONY
401 WILDCAT DRIVE
ANTHONY, TX 79821

August 5, 2024

Re: AUTHORIZATION TO RECEIVE INFORMATION
TOWN OF ANTHONY

To whom it may concern:

Please be advised that the TOWN OF ANTHONY (TOWN) has retained HDL COMPANIES (HDL) to provide TOWN administrative assistance related to its tax revenue. TOWN hereby authorizes HDL, its principals, employees, and associates to discuss, request, and receive any data, reports, and information, including any that may be confidential, which TOWN would normally be entitled to receive, and which are pertinent to TOWN property or sales taxes. This authorization is effective on the date of this notification and continues until cancelled, in writing, by TOWN.

Sincerely,

Signature

Anthony D. Turner, MBA, MPH

Printed Name

Honorable Mayor

Title

Cc: HdL Companies

TOWN OF ANTHONY
401 WILDCAT DRIVE
ANTHONY, TX 79821

August 5, 2024

HdL COMPANIES
9821 KATY FREEWAY, SUITE 440
HOUSTON, TX 77024

Re: CONTACT POINT FOR TRANSMITTAL OF INFORMATION

The TOWN OF ANTHONY (TOWN) authorizes HDL COMPANIES (HDL) to transmit information, some of which may be confidential, to the following:

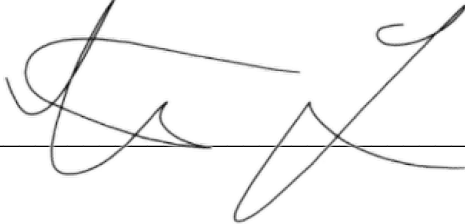
CONTACT POINT NAME OR DESCRIPTION: Jessica Mayeux
CONTACT POINT TITLE OR AFFILIATION: Accounting Manager
CONTACT E-MAIL ADDRESS: finance@townofanthony.org
CONTACT PHONE NUMBER: 915-886-3944 Ext. 1028

CONTACT POINT NAME OR DESCRIPTION: CARLOS ENRIQUEZ
CONTACT POINT TITLE OR AFFILIATION: CHIEF OF POLICE
CONTACT E-MAIL ADDRESS: cenriquez@townofanthony.org
CONTACT PHONE NUMBER: 915-886-3944 Ext. 1016

TOWN authorizes HDL to change CONTACT POINT only when directed in writing from:

NAME: Valerie M. Armendariz
TITLE: Town Clerk, City Secretary
E-MAIL ADDRESS: varmendariz@townofanthony.org
CONTACT PHONE NUMBER: 915-886-8090 915-886-3944 Ext. 1010

Sincerely,



Signature

HONORABLE MAYOR

Printed Name

Honorable Mayor

Title