

## Consultant Services Agreement

This Consultant Services Agreement (the "Agreement") is made as of December 1, 2022 ("Effective Date") by and between **City of Stephenville**, a municipal corporation of the State of Texas ("CLIENT") and **Avenu Insights & Analytics, LLC**, a Delaware limited liability company ("CONSULTANT"), collectively the Parties. In consideration of the mutual promises herein contained and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

### A. Services

1. CONSULTANT will provide CLIENT with the Services described in EXHIBIT A, Statement of Work, which is attached hereto and incorporated by reference. CONSULTANT shall provide said services at the time, place, and in the manner specified in EXHIBIT A.
2. CONSULTANT shall furnish at its own expense all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.

### B. Compensation

1. Upon execution of this Agreement, CLIENT will pay CONSULTANT as outlined in EXHIBIT B, Compensation Schedule, incorporated and included herein.

### C. General Provisions

1. **Term of the Agreement**: The initial term of this Agreement shall be for a period of three years (3) following the Effective Date, and automatically renew for two (2) successive one (1) -year terms if neither party has cancelled (the "Term"). Either party shall have the right to terminate this Agreement in the event of a material breach by the other party. Any such termination may be made only by providing sixty (60) days prior written notice to the other party, specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches. In the event that such cure is not made, this Agreement shall terminate in accordance with the initial sixty (60) days' notice. Provided, however, this Agreement is subject to termination upon not less than thirty (30) days written notice to CONSULTANT if CLIENT has failed to receive funds for the continued procurement of the Products or Services after every reasonable effort has been made by CLIENT to secure the necessary funding and if no substitute arrangement is made by CLIENT to obtain the same or similar System or Services from another source. CLIENT agrees to discontinue use of all hardware, software, and other CONSULTANT-owned materials no later than the effective date of termination and return the hardware, software, and other CONSULTANT-owned materials to CONSULTANT within thirty (30) calendar days after termination.
2. **Effect of Termination**: Notwithstanding non-renewal or termination of this Agreement, CLIENT shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CLIENT's receipt of revenue after termination which are subject to CONSULTANT's fee, the CLIENT shall remain obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CLIENT. Termination of this Agreement for any reason will not affect any liabilities or obligations of either party.

arising before termination or out of events causing termination and will not affect any damages or other remedies to which a party may be entitled under this Agreement, at law, or in equity, arising from any breach or default.

3. **Independent Contractor:** It is understood that CONSULTANT and its subcontractors, if any, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the CLIENT. CLIENT understands that CONSULTANT may perform similar services for others during the term of this Agreement and agrees that CONSULTANT representation of other government sector clients is not a conflict of interest. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CLIENT's employees, and CONSULTANT hereby expressly waives any claim it may have to any such rights.
4. **Subcontractors:** CONSULTANT shall have the right to hire subcontractors to provide the services described herein. CONSULTANT, in rendering performance under this Agreement shall be deemed an independent contractor and nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. CONSULTANT shall be solely responsible for and shall hold CLIENT harmless from any and all claims for any employee related fees and costs including without limitation employee insurance, employment taxes, workman's compensation, withholding taxes or income taxes.
5. **Notice:** Any notice required to be given under this Agreement shall be in writing and either served personally, sent prepaid first-class mail, or by express mail courier (i.e. FedEx, UPS, etc.). Any such notice shall be addressed to the other party at the address set forth below. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery.

**If to CLIENT:**

**City of Stephenville**

Attn: Monica Harris

298 W Washington St

Stephenville, TX 76401

Phone: (254) 918-1211

Email: [mharris@stephenvilletx.gov](mailto:mharris@stephenvilletx.gov)

**If to CONSULTANT:**

**Avenu Insights & Analytics, LLC**

Attn: Contracts Department

5860 Trinity Parkway, Suite 120

Centreville, VA 20120

Email: [contracts@avenuinsights.com](mailto:contracts@avenuinsights.com)

6. **Representative or designees:** CONSULTANT Primary Representative/Project Manager shall be:

**Brenda Anderson, Client Services Manager**

5860 Trinity Parkway, Suite 120, Centreville, VA 20120

Phone: (817) 771- 4066 / Email: [Brenda.Anderson@avenuinsights.com](mailto:Brenda.Anderson@avenuinsights.com)

7. **Indemnity:** CONSULTANT shall indemnify, defend, and hold harmless the CLIENT, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to extent occurring or resulting from CONSULTANT's negligent or unlawful performance of its obligations under or breach of the terms of this Agreement, unless such claims, liabilities, or losses arise out of, or are caused at least in part by the sole negligence or willful misconduct of the CLIENT. "CONSULTANT's performance" includes CONSULTANT's action or inaction and the action or inaction of CONSULTANT's officers, employees, agents and subcontractors.

8. Limitation of Liability: **IN NO EVENT SHALL CONSULTANT, ITS EMPLOYEES, CONTRACTORS, DIRECTORS, AFFILIATES AND/OR AGENTS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, SUCH AS, BUT NOT LIMITED TO, DELAY, LOST DATA, DISRUPTION, AND LOSS OF ANTICIPATED PROFITS OR REVENUE ARISING FROM OR RELATED TO THE SERVICES, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR TORT, AND WHETHER OR NOT CONSULTANT HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE. IN ADDITION, CONSULTANT'S TOTAL LIABILITY HEREUNDER, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, SHALL IN NO EVENT EXCEED AN AMOUNT EQUAL TO THE FEES DESCRIBED IN EXHIBIT B. THE FOREGOING SETS FORTH THE CLIENT'S EXCLUSIVE REMEDY FOR CLAIMS ARISING FROM OR OUT OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ALLOCATE THE RISKS BETWEEN CONSULTANT AND THE CLIENT AND CONSULTANT'S PRICING REFLECTS THE ALLOCATION OF RISK AND LIMITATION OF LIABILITY SPECIFIED HEREIN.**
9. Insurance: CONSULTANT shall keep in full force and effect insurance coverage during the term of this Agreement, including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. The insurance certificate shall name the CLIENT, its agents, officers, servants and employees as additional insureds under the CGL and Automobile policies with respect to the operations and work performed by the named insured as required by written contract. The General Liability policy is Primary & Non-Contributory. Waiver of Subrogation applies under the General Liability and Workers' Compensation policies. The CGL insurance minimum coverage shall be at least \$1,000,000 per incident, claim or occurrence and \$2,000,000 aggregate. The Cybersecurity insurance minimum coverage shall be at least \$2,500,000 per incident, claim or occurrence. The Automobile Liability insurance minimum coverage shall be at least \$1,000,000 covering all owned, non-owned, and hired vehicles. The certificate shall provide that there will be no cancellation, termination, or non-renewal of the insurance coverage without a minimum 30-day written notice to the CLIENT, except in the case of cancellation for non-payment of premium which shall be at least 10-days written notice.
10. Equal Opportunity to Draft: The parties have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.
11. Assignment: This Agreement shall be binding upon and inure to the benefit of the parties, their successors, representatives and assigns. CONSULTANT shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CLIENT, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, CONSULTANT may assign this Agreement, in whole or in part, without the consent of CLIENT to any corporation or entity into which or with which CONSULTANT has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of CONSULTANT; or any corporation or entity which acquires all or substantially all of the assets of CONSULTANT. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.

12. Ownership of Documents: Except for CONSULTANT's preexisting proprietary information and processes, any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by CONSULTANT pursuant to this agreement shall be the property of the CLIENT at the moment of their completed preparation.
13. Intellectual Property Rights: The entire right, title and interest in and to CONSULTANT's database and all copyrights, patents, trade secrets, trademarks, trade names, and all other intellectual property rights associated with any and all ideas, concepts, techniques, inventions, processes, or works of authorship including, but not limited to, all materials in written or other tangible form developed or created in the course of this Agreement (collectively, the "Work Product") shall vest exclusively in CONSULTANT or its subcontractors. The foregoing notwithstanding, in no event shall any CLIENT-owned data provided to CONSULTANT be deemed included within the Work Product.
14. Public Release and Statements: Neither party or its representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.
15. Force Majeure: CONSULTANT shall not be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, government, quarantines, pandemics, endemics, weather, fire, flood, earthquake, weather, climate change, elements of nature, war, terrorism, civil disturbance, labor disruptions, strikes, embargoes, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications, or cause beyond the reasonable control of CONSULTANT ("Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the party that has experienced a delay or failure of performance caused by the Force Majeure Event will be excused from further performance or observance of the affected obligation(s) for as long as the extenuating circumstances prevail and that party continues to attempt to recommence performance or observance whenever and to whatever extent possible without delay. The party that experienced a delay or failure of performance caused by the Force Majeure Event will immediately notify the other party and describe in reasonable detail the circumstances causing the delay or failure of performance. The provisions of this Section shall survive termination of this Agreement.
16. Relationship of the Parties This Agreement shall not constitute, create, give effect to, or otherwise imply a joint venture, partnership, or business organization of any kind. CONSULTANT and CLIENT are independent parties, and neither party shall act as an agent for or partner of the other for any purpose. Nothing in this Agreement shall grant to either party any right to make any commitments of any kind for or on behalf of the other party without the prior written consent of the other party. CONSULTANT shall not be restricted from providing products or performing services for others and shall not be bound to CLIENT except as provided under this Agreement.

17. Severability If all or part of any term or condition of this Agreement, or the application of any term or condition of this Agreement, is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of the terms and conditions of this Agreement (other than those portions determined to be invalid or unenforceable) shall not be affected, and the remaining terms and conditions (or portions of terms or conditions) shall be valid and enforceable to the fullest extent permitted by law. If a judicial determination prevents the accomplishment of the purpose of this Agreement, the invalid term or condition (or portions of terms or conditions) shall be restated to conform to applicable law and to reflect as nearly as possible the original intent of the parties.
18. Waiver Or Forbearance Any delay or failure of either party to insist upon strict performance of any obligation under this Agreement or to exercise any right or remedy provided under this Agreement shall not be a waiver of that party's right to demand strict compliance, irrespective of the number or duration of any delay(s) or failure(s). No term or condition imposed on either party under this Agreement shall be waived and no breach by either party shall be excused unless that waiver or excuse of a breach has been put in writing and signed by both parties. Waiver in any instance of any right or remedy shall not constitute waiver of any other right or remedy under this Agreement. Consent to or forbearance of any breach or substandard performance of any obligation under this Agreement shall not constitute consent to modification or reduction of the other obligations or forbearance of any other breach.
19. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter contained herein. Said Agreement shall not be amended, altered, or changed, except by a written amendment signed by both parties.
20. Headings The section headings used in this Agreement are merely for reference and have no independent legal meaning and impose no obligations or conditions on the parties.
21. Governing Law This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Virginia, without reference to the principles of conflict of laws.
22. Counterparts: This Agreement may be signed in separate counterparts including facsimile copies. Each counterpart (including facsimile copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.
23. Invalidity: If 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 provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
24. Implementation: Implementation should begin as soon as possible from the signing of this Agreement (the "Implementation Date") for the performance of services under the terms of this Agreement.

***[SIGNATURES ON FOLLOWING PAGE]***

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

**“CLIENT”**

**City of Stephenville**

a Municipal Corporation

**“CONSULTANT”**

**Avenu Insights & Analytics, LLC**

a Delaware limited liability company

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A – STATEMENT OF WORK

### SHORT-TERM RENTAL MONITORING, IDENTIFICATION AND TAX ADMINISTRATIVE SERVICES, HOTEL OCCUPANCY TAX ADMINISTRATION SERVICES, DISCOVERY/RECOVERY SERVICES, AND LOCAL OCCUPANCY TAX PROGRAM AUDIT SERVICES

This Statement of Work is incorporated in the Consulting Services Agreement (“Agreement”) by and between AVENU INSIGHTS & ANALYTICS, LLC (“AVENU”) and CITY of STEPHENVILLE (“CITY”).

#### A.1 SHORT-TERM RENTAL MONITORING, IDENTIFICATION AND TAX ADMINISTRATIVE SERVICES

##### *Scope of Work*

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AVENU’s Short Term Rental Monitoring and Identification Services are designed to assist CITY in enhancing its short-term rental/ lodging tax revenues by providing targeted web monitoring, web portal and identification services thereby producing previously unrealized revenue for CITY. Using its Short-Term Rental Compliance Software, AVENU will be responsible for providing the following modules and components as part of this agreement:

##### **Targeted Web Monitoring**

- Data collection and archiving from over eighty (80) different short-term rental websites including Airbnb, HomeAway, Flipkey, Booking, Vacasa, Evolve, Corporate Housing, Craigslist
- Data collection from at least two (2) unique local popular sites based on search engine ranking
- Data collection is run at least four (4) times per week; staggered over day, night, weekday, and weekday
- Collect and store calendar availability data for at least six (6) months each time listing data is collected
- De-duplication assistance with STR listings and photos up to ten (10) listings at a time on one screen
- Archive and estimate gross revenue via review or calendar bookings for a thirty-six (36) month retrospective view
- Identify STR calendar booked periods less than thirty-one (31) nights in a row
- Generate statistics on room type, occupancy rate, dynamic heat maps, nightly rates, and other metadata in a dashboard report
- Capture of time stamped STR listings data in HTML, PNG, JPG, or PDF, reviews in JSON format
- Capture of calendar data in database format, and exportable to CSV

- Detect names of the operator(s) in the reviews and count their occurrences
- Automated STR Licensee cross-checking via geo-locating and metadata match

### **Web Portal**

- 24/7 accessible web-portal with keyword-search by username, address, business name, listing ID, license number
- Log into a secured, password-protected web-based graphical user interface
- Compatible with desktop, tablet, and mobile version of internet browsers
- Schedule downloads and delivery by email of STR reports
- Navigate listings by keyword search and by interactive map with dynamic filtering
- Display of radius and distance to nearest STR (100-1000 feet radius) on Map
- Report statistics by neighborhood, HOA, or council ward
- Reporting on sixty-seven (67) different data points
- Reporting on calendar occupancy for a three (3) month period in table format including weekend bookings
- Generate Dynamic ad-hoc reports with up to twenty-six (26) data columns and up to twenty (20) different filters
- Dynamic Highlighting of keywords within reviews
- Generate seven (7) different reporting templates with six (6) different filters
- Enter notes and compliance activity on forty (40) dissimilar categories of compliance
- Customer Support and Language in English or Spanish
- Generate a mailout of non-compliant STR operators within the interface
- Programmable REST-based API communicating via JSON objects
- Comparison View to compare up to ten (10) STR listings with thumbnail photos at the same time
- Image Scene classification tags on photos (living room, kitchen, bathroom, swimming pool)
- Similar Images matching engine and Clustering STR listings by similar images engine around a street address up to five hundred (500) listings.

### **Identification Services**

- Validate STR listing data with at least two (2) different data points to public records; one for the operator, and one for the property
- Supporting evidence data points are provided up-front and ready for download for the customer without the customer requesting it
- Correctly Identify single-family-dwelling STR listings with full name and exact street address at least ninety-five percent (95%) of the time, and at least ninety-five percent (95%) of the single-family-dwelling STR inventory
- Identify multi-family-dwelling STR listings with full name, exact address including unit number at least seventy-five (75%) of the time and at least seventy-five (75%) of the multi-family-dwelling STR inventory
- 24/7 Hotline, fielding all tips, complaints, and violations from residents, in regard to disruptions at a short-term rental property. These violations are tracked and maintained in the STR database and become part of the compliance activity for a property. The AVENU staff will receive these violation calls and be the first line of



defense to quickly resolve the complaint and will escalate to other agencies when warranted.

### **Tax Administrative Services**

- 24/7 Hotline and portal
- Short-Term Rental registration services
- Advanced filing portal
- Print and Mail services (Registration, Citation, Violation Notices, Licenses, Renewals, Postage)
- Permitting/Licensing
- Short-Term Rental delinquency outreach

### *Deliverables*

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- Provide client with a login access to the Short-Term Rental Compliance System that allows Client the ability to view and review Short-Term Rental activities for properties within Client's geographical location.
- Perform all on-going support of the System, including hardware and software, during the Term and Extended Term of this Agreement.
- Provide the initial online seminar style education and training on the System. Education and training may include on-site sessions of Client employees who will work with the System. The education and training will be adapted to the reasonable needs of the Client employees to ensure each employee is fully prepared to use the System. CITY may request that AVENU provide on-site additional training. If AVENU and CITY agree on the scope of the additional training services requested, then AVENU shall provide the additional training on a Time and Materials basis. Depending on the personnel assigned to perform the training, standard hourly rates range from \$75 per hour to \$200 per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

### *City Assistance*

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City shall assist AVENU by providing necessary information and assistance to include, but not be limited to, the following:

Prior to the start of the work to be performed, provide AVENU with

- the most recent registration to collect the tax and
- returns for the time period requested as needed to compile a historical database for the period of the statute of limitations;
- all existing Short-Term Rental Permit, License and Tax records to be converted in a file format agreed to by the AVENU and a time specified in the implementation plan.
- Provide a copy of all ordinances related to short term rental, hotel occupancy, lodging tax, permits and or business registration.
- Provide City shape file (boundary file)
- If applicable, provide most recent sales tax and business license registry and payment history for the prior three (3) years.
- Inform AVENU of any circumstances concerning current existing payees;

- Inform AVENU of the development of new lodging properties no later than the Certificate of Occupancy being granted;
- Cooperate in the transition by reviewing proposed processing and materials, offering comments and suggestions and providing timely approvals;
- Undergo training in the use of online applications.
- Provide authorization for AVENU to act as an agent of the Client to accept Registrations, Applications, Tax Returns, payments and to pursue compliance/collection efforts.
- Provide notification of payment receipt from non compliant entities identified within two (2) business days of receipt.

## A.2 HOTEL OCCUPANCY TAX ADMINISTRATION SERVICES

### *Scope of Work*

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The Tax Administration Services offer a turnkey approach to ensure appropriate collection, deposit, recording, delinquency follow up, and reporting of the local short-term rental/ lodging tax/hotel occupancy tax. These services include all correspondence, forms, and other such services to ensure appropriate and timely remittance of the tax.

#### **Remittance Processing**

- Taxes Processed: AVENU will perform remittance processing for taxes as designated by the CITY.
- Taxpayer Notification and Remittance: AVENU will send individualized tax forms to all known lodging providers (“Taxpayer(s)”). Taxpayers will remit payments as indicated in Attachment A, Distribution Confirmation, attached and incorporated herein by reference. Upon reasonable notice to CITY, AVENU may change the address for payments. Online filing and remittance using standard AVENU formatting is provided for the Taxpayers convenience.
- Deposit Process: Deposits are made to the extent that funds have been received, via Automated Clearing House of the amounts and to the designated recipients as instructed by the CITY for each type of tax collected
- Posting Process: Taxpayer accounts are posted with payment information captured in the AVENU revenue system. Additional information such as net sales, deductions, credit sales, measure of tax, name change and address change is captured and added to the payment data and taxpayer master file (as determined necessary by AVENU). Late payments (postmarked by U.S. Postal Service after the due date) are invoiced at penalty amounts required by State code. Under-payments are invoiced for remaining tax due plus any required penalties.
- Taxpayer Support: AVENU will provide a toll free support number and provide taxpayer assistance Monday-Friday 7:30a.m.-4:30p.m CST. Taxpayer support inquiries will be handled in the order in which received. During peak volume taxpayers will be provided with an option to leave their number and receive an automated return call without losing their place in line or they may choose to remain on hold for the next available agent.
- Changes to Attachment A: The CITY shall notify AVENU in writing immediately of all changes in amounts to be deposited into the accounts of designated recipients. An amended Attachment A shall be prepared and executed by the Parties as soon as reasonably possible. In addition, AVENU shall provide documentation confirming each change under the preceding sentence with the first monthly report reflecting the applicable change. If the changes reflected in the monthly report do not properly reflect the intended changes of the CITY, then the CITY shall immediately notify AVENU and,

thereafter, AVENU shall take the steps necessary to insure that designated recipients receive the amounts intended by the CITY.

### **Compliance Services**

- **Taxes Reviewed:** AVENU will perform compliance services for taxes designated by CITY under Remittance Processing Services. AVENU will provide delinquency notification and follow-up. This includes correspondence, calls, and collection procedures and the related documentation. Delinquency policies and procedures will be applied consistently and within applicable tax laws. Unless otherwise directed by the CITY, AVENU will make reasonable efforts to collect taxes designated by the CITY hereunder. Where deemed reasonably appropriate accounts may be turned over to audit or third party collection.
- **Conduct of Compliance Services:** To assure that all taxpayers are treated fairly and consistently and all compliance services are performed in a similar manner, AVENU representatives who perform compliance services will use a similar compliance plan for each compliance service conducted. All funds due from compliance services will be remitted to CITY in the same manner as provided for pursuant to the Remittance Processing section above.

### *Deliverables*

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- AVENU will make available to CITY detailed online reporting, including detailed payment listing, daily/weekly/monthly reconciliation reports, etc.
- AVENU will provide the CITY with monthly reports via the online government services portal including, but not limited to, payment listings showing all taxes received related to net receipts reported, a general ledger distribution that corresponds to the CITY's account numbers and all fees paid to AVENU. These reports will be provided by the 10<sup>th</sup> business day of the month following the tax month;

### *City Assistance*

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CITY shall assist AVENU by providing necessary information and assistance to include, but not be limited to, the following:

- **Distribution Confirmation:** The CITY will fill in the account information requested on Attachment A and attach the same to the fully executed Agreement. Should there be any changes to the account or percentages in Attachment A, the CITY shall immediately notify AVENU in writing of all changes in amounts to be deposited into the accounts of designated recipients.
- **Changes to Attachment A:** The CITY shall notify AVENU in writing immediately of all changes in amounts to be deposited into the accounts of designated recipients. An amended Attachment A shall be prepared and executed by the Parties as soon as reasonably possible. In addition, AVENU shall provide documentation confirming each change under the preceding sentence with the first monthly report reflecting the applicable change. If the changes reflected in the monthly report do not properly reflect the intended changes of the CITY, then the CITY shall immediately notify AVENU and, thereafter, AVENU shall take the steps necessary to insure that designated recipients receive the amounts intended by the CITY.
- **Tax Change Notification:** In the event of any change to the tax rates being administered the CITY must provide notification ninety (90) days prior to the effective date of the tax change. Tax change include but are not limited to the following: rate increase, rate decreases, expiration of special tax districts, levy of

new taxes, discontinuation of a current tax, modification of tax boundaries or creation of any special tax districts and/or events.

- City agrees to examine reports immediately. If no error is reported by the City to AVENU within thirty (30) days, the statement will be deemed accurate.
- *See also City Assistance Section for Discovery/Recovery Services.*

### **A.3 DISCOVERY/RECOVERY SERVICES**

#### *Scope of Work*

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Discovery/Recovery Services are designed to provide a full-service solution to the CITY'S lodging tax and Short-Term Rental enforcement procedures. It does not replace current functions but provides a focused and fulltime solution to the identification of entities subject to taxation and/or registration by the CITY, which are not properly registered, or otherwise not reporting lodging taxes to the City. In performing the Discovery Services, AVENU shall:

- Establish a comprehensive inventory of the entities subject to taxation by the CITY and the database elements needed to facilitate a comprehensive comparative analysis with the CITY'S records of those entities that are properly registered.
- Compare AVENU'S database of business records with the CITY'S records to identify potential non-reporting and non-registered entities subject to taxation.
- For unregistered or non-reporting entities identified and confirmed, assist the entities, as necessary, to complete the CITY'S applicable registration forms.
- Invoice entities (including supporting documentation) on behalf of the CITY for the amount of identified deficiencies, with payment to be remitted to AVENU.
- Exhaust all reasonable efforts to collaborate with the taxpayer in submitting registration forms correctly.
- Collect the amount of identified deficiencies, together with supporting documentation, and remit payment received to the CITY as agreed upon in the workplan. (AVENU shall follow the CITY'S business rules in collecting partial payments or the tax in full at the CITY'S direction.)
- Provide call center open during normal business hours (7:30a.m.-4:30p.m CST.) to assist entities with questions concerning application of the CITY'S taxes, and reporting and remittance requirements.
- Educate entities regarding the CITY'S reporting requirements to prevent recurring deficiencies in future years.

#### *Deliverables*

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Throughout the course of the agreement, AVENU will:

- Provide reports addressing each taxpayer who have failed to register and/or report appropriate taxes due.
- Provide a detail payment listing showing all taxes and fees paid to Avenu.
- Monitor and analyze the tax registry files of City quarterly/annually.

Remit payment to the City for funds received on behalf of the City no less than once per month on or before the tenth (10<sup>th</sup>) day of the month following collection.

#### *City Assistance*

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CITY shall assist AVENU by providing necessary information and assistance to include, but not be limited to, the following:

- See City Assistance Section for Short-Term Rental Monitoring and Identification Services.

## **A.4 LOCAL OCCUPANCY TAX PROGRAM AUDIT SERVICES**

### *Scope of Work*

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AVENU's Local Occupancy Tax Program Audit service is intended to assist the CITY in maximizing lodging tax revenue it is entitled to through an examination of records and education of the lodging providers to ensure the appropriate collection and remittance of the lodging tax.

- Perform examinations of the records of those providers requested by CITY to warrant further investigation;
- Provide CITY staff with a draft engagement announcement letter to be sent to each lodging provider requiring examination;
- In coordination with CITY staff, schedule and conduct reviews at the property locations or remotely of those providers identified and authorized for examination;
- Verify accuracy of filed lodging tax returns with daily and monthly activity summaries;
- Review a random sample of the daily and monthly summaries to determine if the daily summaries reconcile to the monthly summaries if applicable;
- Review bank statements to verify that deposits reconcile with the reported revenue on the lodging tax returns if necessary;
- Review exempted revenue for proper qualifying documentation;
- Review a random sample of exempted guest revenue and trace registration and/or other source documents to verify compliance with the CITY ordinance;
- Where possible, compare the State lodging tax filings with CITY's tax returns;
- For each error/omission identified and confirmed, submit substantiating documentation to designated CITY staff in order to facilitate collection of revenue due from lodging providers for prior periods;
- Coordinate with designated CITY official(s) as necessary to review findings and recommendations;
- Prepare draft Notices of Deficiency Determination, commendation, and credit letters, as applicable, for CITY to advise lodging providers of examination results
- Provide assistance to CITY in reviewing any matters submitted in extenuation and mitigation by lodging providers in contesting a deficiency determination; and
- Prepare and document any changes to the review findings and provide revised tax amounts due to the CITY.

### *Deliverables*

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- a. Provide CITY staff with a draft Audit Announcement Letter to be sent to each lodging provider to be examined;
- b. For each error/omission identified and confirmed, submit a written report substantiating documentation to designated CITY staff in order to facilitate collection of revenue due from lodging providers for prior periods together with draft Notices of Deficiency Determination, and/or credit, or commendation letters as applicable;
- c. Prepare and document any changes to the review findings and provide revised tax amounts due to the CITY.
- d. Review any extenuation or mitigation proffered to deficiency determinations and prepare draft response to CITY staff; and
- e. Provide other collections advice upon request.

**EXHIBIT B**  
**PAYMENT AND RATES SCHEDULE**  
**SHORT-TERM RENTAL MONITORING, IDENTIFICATION AND TAX ADMINISTRATIVE**  
**SERVICES**  
**HOTEL OCCUPANCY TAX ADMINISTRATION SERVICES,**  
**DISCOVERY/RECOVERY SERVICES, AND**  
**LOCAL OCCUPANCY TAX PROGRAM AUDIT SERVICES**

This Payment and Rates Schedule is incorporated in the Consulting Services Agreement (“Agreement”) by and between AVENU INSIGHTS & ANALYTICS, LLC (“AVENU”) and CITY OF STEPHENVILLE (“CITY”).

**B.1 SHORT-TERM RENTAL MONITORING, IDENTIFICATION AND TAX ADMINISTRATION SERVICES**

The Short-Term Rental Monitoring and Identification Services and Tax Administration Services shall be provided for a one-time Short-Term Rental setup fee of Five Thousand Dollars (\$5,000) and an annual fixed fee of Two Hundred, Fifty-Five Dollars (\$255) per property per year or an administrative fee of Fifteen Thousand Dollars (\$15,000), whichever is greater. Fees are invoiced and due at the beginning of each contract year based on the total number of known and registered properties.

**B.2 HOTEL OCCUPANCY TAX ADMINISTRATION SERVICES**

The Hotel Occupancy Tax Administration Services shall be provided for a one-time Hotel Occupancy Tax Administration Service setup fee of Two Thousand, Five Hundred Dollars (\$2,500) (set-up fee shall be waived if Short-Term Rental Monitoring, Identification and Tax Administration Services are provided) and an annual fixed fee of Two Hundred, Fifty Dollars (\$250) per property per year which will include collecting the Venue fee, if applicable, on properties. Fees are invoiced and due at the beginning of each contract year based on the total number of known and registered properties.

Discount: The Administration Service shall be discounted to an annual fee of Two Hundred Dollars (\$200) if the CITY permits on-site examination of ten percent (10%) of the records but no less than two (2) of the CITY’s lodging properties each year.

The fees associated with the administration portion of this contract are adjusted at the beginning of each calendar year by the percentage change in the Consumer Price Index (in the geographic area) as reported by the Bureau of Labor Statistics. The initial CPI used for the first CPI adjustment will be the CPI for the month in which the agreement is fully signed. The adjustments thereafter will be based on the CPI from December of the prior calendar year. Each annual adjustment will not be less than two percent (2%) or greater than ten percent (10%).

### **B.3 DISCOVERY/RECOVERY SERVICES**

The Discovery/Recovery Services (exclusive of a reasonable processing fee and all ACH and Credit Card fees charged for collection, which shall be paid by the Taxpayer directly to AVENU shall be provided for a contingency fee of forty-five percent (45%) of the additional delinquent revenue received by CITY for the services. The forty-five percent (45%) contingency fee shall apply to the current tax year and/or period, all eligible prior period revenues collected, and any applicable penalties, interest, and late charges. The contingency fee only applies to revenue actually received by CITY. The term “current tax year/period” shall mean the most recent tax year or tax period for which local taxes are due and payable to CITY, and in which AVENU has identified deficiencies.

### **B.4 LOCAL OCCUPANCY TAX PROGRAM AUDIT SERVICES**

The Local Occupancy Tax Program Audit Services shall be provided for a fixed fee of \$2,000 for each lodging property audited with 50% due at the time of audit approval and 50% upon completion of the audit. A minimum of 2 audits must be performed at any one time.

### **ADDITIONAL CONSULTING**

CITY may request that AVENU provide additional consulting services at any time during the term of this Agreement. If AVENU and CITY agree on the scope of the additional consulting services requested, then AVENU shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, standard hourly rates range from \$75 per hour to \$200 per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

The following are sample hourly rates based on the job classification:

- Principal: \$200 per hour
- Client Services: \$175 per hour
- Information Technology (IT) support: \$160 per hour
- Operational Support:
  - Director or Manager: \$175 per hour
  - Senior Analyst: \$125 per hour
  - Analyst: \$100 per hour
  - Administrative: \$75 per hour

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

### **TRAVEL AND OUT-OF-POCKET**

CITY shall reimburse AVENU for reasonable travel and other out-of-pocket expenses associated with the performance of the field audits including but not limited to lodging, parking, mileage, per diem, etc. (Mileage and per diem shall be according to IRS regulations). Such reimbursement shall be billed incrementally.

**ATTACHMENT A**  
**Distribution Confirmation**

November 15, 2022

City of Stephenville  
298 W. Washington Street  
Stephenville, TX 76401

Dear Monica Harris,

Funds will be distributed in the following accounts pursuant to this Agreement:

<b>Agency</b>	<b>Routing #</b>	<b>Account #</b>	<b>Distribution %</b>	<b>Tax Type</b>
			100%	Local/lodging/hotel occupancy

If at any time there are any discrepancies between the schedule set out above and the City's records, please notify us in writing immediately.

**IT IS YOUR RESPONSIBILITY TO PROVIDE NOTICE TO US OF ANY CHANGES IN TAX RATES OR IN THE DISTRIBUTION OF FUNDS. NOTICE MUST BE IN WRITING AND SENT, VIA CERTIFIED MAIL, TO:**

Avenu Insights & Analytics, LLC  
600 Beacon Parkway West, Suite 900  
Birmingham, AL 35209  
Attn.: Connie Taylor, Client Relations Manager

Thank you for your assistance. If you have any questions, or if I may be of assistance, please let me know.

Connie Taylor, Client Relations Manager  
Avenu Insights & Analytics, LLC  
Phone: 213-246-2445, Fax: 205-423-4097  
E-mail: [connie.taylor@avenuinsights.com](mailto:connie.taylor@avenuinsights.com)

I have reviewed the above distribution and verify that it is correct.

**CITY OF STEPHENVILLE**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_