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December 19, 2008

*"Specializing in Arkansas Sales & Use Taxes"*

City of Jonesboro  
Attn: Mr. Jim Burksdale  
515 West Washington  
Jonesboro, Arkansas 72401

## **AGREEMENT FOR POST AUDIT REVIEW OF STATE AND LOCAL EXCISE TAXES**

Arkansas Tax Associates, Inc. is pleased to complete an agreement with the City of Jonesboro for the audit and evaluation of prior tax payments; the recovery of any claims due; and to assist client with the quality management of tax accruals.

### **I. DEFINITION OF CLIENT AND LIAISON**

**Arkansas Tax Associates, Inc. (ATA); P.O. Box 1552, Jonesboro, Arkansas, 72403.**  
Performs audits; files claims for refunds on CLIENT'S behalf, and consults with client in the review of State and Local Sales/Use Taxes.

**City of Jonesboro (Client); P.O. Box 1845, Jonesboro, Arkansas 72403.**  
Operates a business which is liable for all or part of such taxes.

### **II. SCOPE OF SERVICES**

Arkansas Tax Associates, Inc. will perform services for CLIENT for the period January 1, 2009 through completion of the refund process.

- A. Services provided by this agreement support the following:
  - 1. State Excise Taxes
  - 2. Local Excise Taxes
  - 3. Federal Excise Taxes (if applicable)
- B. Services provided by this agreement will entail:
  - 1. Post Audits
    - a. Audit of the period January 1, 2006 through December 31, 2008 for overpayment of Federal, State and Local Excise Taxes.

### **III. FEES AND EXPENSES**

ATA therefore proposes to provide materials, labor and equipment as necessary to perform these Services for a fee as follows.

#### A. POST AUDIT REVIEW

During the period of this Agreement, audits will be completed by ATA for overstated State and Local Sales/Use Taxes paid upon purchases or directly reported. Upon completion, a report will be prepared to set forth issues to be addressed and to correct errors in tax accruals.

These services will be provided in consideration of an assignment of:

~~30%~~ of refunds, credits, and benefits received (including interest).

35% GAR 2/10/09

#### B. OTHER SERVICES

Other services not set out in Section III (A) will be invoiced at time and expenses unless otherwise stated. Fees for time and expenses will be invoiced at \$125.00 per hour for Senior Partners/Auditors, and \$40.00 per hour for support personnel. Other services would include but not limited to: establishing MIC programs, representing Client during state audits, etc.

Note: Other services must be requested by client on purchase order by a designated agent of the CLIENT.

### IV. TERMS

#### A. CONTINGENT FEE

1. Included with a contingent fee, ATA will support its position and defend by appearance as needed with the State's attorney and audit personnel. Additionally, ATA reserves the right to pursue disallowed refunds with the State courts, at ATA's expense.
2. Contingent fees will be invoiced CLIENT, upon receipt of refunds and/or benefits.
3. Any refunds assessed by the State of Arkansas or repaid as a part of this agreement will be indemnified to CLIENT in accordance with fees received for same.

#### B. TERMINATION AND FEE FOR DISCONTINUING SERVICE

Either party shall have the right to terminate this agreement by giving the other party 30 days prior notice in writing. Fees for benefits earned and not received will be due in full at the expiration or termination of this agreement. If CLIENT notifies ATA that the services are to be canceled prior to completion, ATA will complete any work in process as stated in this agreement. ATA reserves its assignment of benefits.

#### C. HOLD HARMLESS AGREEMENT

In the event ATA prepares any reports, forms, or other documents as may be required by this agreement, or at the request of CLIENT; CLIENT agrees that ATA shall have no liability of any kind or nature with respect to the preparation of such form, documentation, or reports after such form, document, or report has been executed on behalf of CLIENT by a duly authorized

agent who shall timely file such form, document, or report with the appropriate regulatory agency and timely remit any tax, charge, or imposition due.

**V. CONFLICT OF INTEREST**

The staff of **ATA** has no conflict of interest with employment, association, or relationship with the State of Arkansas, any other state, company, or affiliation. **ATA** utilizes the services of an independent law firm for counsel and representation before the Arkansas Department of Finance and Administration.

**VI. CONFIDENTIALITY**

**ATA's** staff agrees that they are subject to and will abide by any reasonable confidentiality or protective orders as instructed. **ATA** also agrees that all documents or other information made available to **ATA** in connection with this agreement will be confidential.

**VII. AUTHORITY TO EXECUTE**

The agent of **CLIENT** who executes this agreement on behalf of the **CLIENT** has the authority to bind the **CLIENT** with respect to the subject matter of this agreement.

**VIII. PARAGRAPH HEADINGS**

The paragraph headings contained herein are for convenience only and should not be used or employed in any way to interpret or construe the provisions of this agreement.

**VIII. CONCLUSION**

The terms as described in this agreement are effective for 30 days. Upon approval, please sign and return the original copy to **ATA**. Any alterations to this agreement must be approved by **ATA** and **CLIENT** in writing.

  
David A. Rickman  
Arkansas Tax Associates, Inc.

City of Jonesboro

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date