Auxiliary Audit Agreement

This agreement made as of the _____ day of _____ 2018, by and between GRS Government Revenue Solutions, LLC d/b/a RDS ("RDS") and City of Powder Springs, a Georgia CITY ("CITY").

A. General Provisions

1. **Audit Services Performed:** RDS will perform revenue compliance and auditing services for Alcohol, Hotel/Motel Tax, and Franchise Fees as designated by the CITY.

2. **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, as shown in more detail on **Exhibit A**.

3. **Information Provided:** CITY represents that the information provided to RDS in the performance of services hereunder shall be provided free and clear of the claims of third parties. CITY represents that it has the right to provide this information to RDS and that said information shall not be defamatory or otherwise expose RDS to liability to third parties.

4. **Compliance with laws:** Each Party accepts responsibility for its compliance with federal, state, or local laws and regulations.

5. **Review and Appeal Process:** RDS will comply with any state and local laws, including review and appeals processes, statutory guidelines or administrative procedures as outlined in applicable authoritative sources.

6. Audit Services:
   i. RDS Audit Services: Audit Services include all preparation for the performance of an audit, any research or statistical analysis performed in relation to an audit, in-house audit/collection efforts, examination of the books and records of the taxpayer, an assessment of the amount due (if any), and all services related to closing an audit.
      1. RDS Fee: RDS will receive an amount based on $125.00 per hour per hour
      2. Shared Audit Fees: When audits for COUNTY overlap with audits for other RDS clients or clients of RDS Affiliates, the fees will be shared as follows:
         a. Travel Time: travel time, expenses, and a daily per diem amount for each audit is distributed evenly among the clients reviewed for each audit.
         b. Interview Time: time billed during the initial interview of each audit is distributed evenly amongst the clients reviewed for each audit – during this process the auditor determines which clients will actually be audited for and billed Audit Time as follows;
            i. Audit Time: Time billed during the actual audit stage of each audit is billed according to actual time spent working for each client;
            i. No Double Billing: In no event will the overlapping audits combined require payment for more than 100% for any one RDS representative.

7. Notification, Reporting to CITY:
   i. RDS will provide CITY with monthly reports including, but not limited to, payment listings showing all taxes received related to net receipts reported, a general ledger distribution that corresponds to CITY'S account numbers and all fees paid to RDS. These reports will be provided by the 10th of the month following the tax month;
   ii. CITY AGREES TO EXAMINE THIS REPORT IMMEDIATELY. IF NO ERROR IS REPORTED BY THE CITY TO RDS WITHIN 60 DAYS, THE STATEMENT WILL BE DEEMED ACCURATE;
   iii. All items credited will be subject to receipt of payment; and
   iv. RDS will attend Council meetings at such times as may be reasonably requested by CITY.

8. Company Audit: Once a year RDS will have an auditor prepare an Independent Service Auditor's Report on Controls Placed in Operation and Tests of Operating Effectiveness. This report is commonly called a SOC 1 report and will be made available upon request.

9. Term of the Agreement: This Agreement shall be for a term of three (3) years following the date of execution or the maximum period allowed by law, whichever is shorter. 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 ninety (90) days 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 ninety (90) days notice.

10. Effect of Termination: Notwithstanding non-renewal or termination of this Agreement, CITY shall be obligated to pay RDS for services performed through the effective date of termination for which RDS has not been previously paid. In addition, because the services performed by RDS prior to termination or non-renewal of this Agreement may result in the CITY's receipt of revenue after termination which are subject to RDS' fee, the CITY shall remain obligated after termination or non-renewal to provide to RDS such information as is necessary for RDS to calculate compensation due as a result of the receipt of revenue by the CITY. The CITY shall remain obligated to pay RDS' invoices therefore in accordance with the terms of this Agreement.

11. Indemnity: To the fullest extent allowed by law, RDS hereby agrees to indemnify and hold CITY harmless from any claims and against all costs, expenses, damages, claims and liabilities based upon or arising solely out of a breach of this Agreement by RDS. Except as set forth in the preceding sentence, to the full extent allowed by law, CITY hereby agrees to indemnify and hold RDS harmless from any claims and against all costs, expenses, damages, claims and liabilities relating in any way to sales, use and other taxes of CITY, including, but not limited to, determination of taxes due from taxpayers, the collection thereof and any refunding related thereto.

12. Limitation of Liability: To the maximum extent permitted by law, in no event shall RDS, 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 RDS has been advised of the possibility of any such loss or damage. In addition, RDS' total liability hereunder, including reasonable attorney's fees and costs, shall in no event exceed an amount equal to the fee paid by the CITY for the affected service to which the claim pertains. The foregoing sets forth the CITY'S exclusive remedy for claims arising from or out of this Agreement. The provisions of this section allocate the risks between RDS and the CITY and RDS' pricing reflects the allocation of risk and limitation of liability specified herein.

13. 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.

14. Assignment: This Agreement shall be binding upon and inure to the benefit of the Parties, their successors; representatives and assigns. RDS shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CITY, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, RDS may assign this Agreement, in whole or in part, without the consent of CITY to any corporation or entity into which or with which RDS has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of RDS; or any corporation or entity which acquires all or substantially all of the assets of RDS. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.

15. Force Majeure: RDS 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, weather, fire, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications.

16. Subcontractors: RDS shall have the right to hire assistants as subcontractors or to use employees to provide the Services required by this Agreement. RDS, 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. RDS shall be solely responsible for and shall hold CITY 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.

17. Intellectual Property Rights: The entire right, title and interest in and to RDS' 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 RDS. The foregoing notwithstanding, in no event shall any CITY-owned data provided to RDS be deemed included within the Work Product.

18. 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 Agreement signed by both Parties hereto.

19. 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 thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

20. Effective Date: The effective date for the performance of services under the terms of this agreement shall commence _____ 1, 2018 with collection of _____ taxes to be remitted on or before _____20, 2018.

IN WITNESS WHEREOF, the parties hereto as of the date first above written have duly executed this Agreement.

GRS GOVERNMENT REVENUE SOLUTIONS, LLC
D/B/A RDS
By: _____
Its: SVP, Operations
_____

City of Powder Springs

By: _____
Its: _____

Proposed pricing contained herein valid for 60 days from date of issuance.   Issued 3/26/2018 (crg)

March 28, 2018

Pam Conner
City of Powder Springs
4484 Marietta St
Powder Springs, GA 30127

Dear Ms. Connor:

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

Agency	Routing #	Account #	Distribution %	Tax Type/Rate Code
City of Powder Springs			100%	Alcohol Tax
City of Powder Springs			100%	Franchise Fees
City of Powder Springs			100%	Hotel/Motel Tax

If at any time there are any discrepancies between the schedule set out above and your Municipality'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:
> GRS Government Revenue Solutions, LLC (d/b/a RDS)
> 600 Beacon Parkway West, Suite 900
> Birmingham, Alabama 35209
> ATT: Kennon Walthall, SVP, Operations

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

Sincerely Yours,
Connie Taylor
Client Relations Manager
RDS
205-423-4130 direct dial
205-423-4097 direct fax

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

By:

_____   _____
Name: **GRS SVP, Operations**
Title: