

**PROFESSIONAL SERVICES
REIMBURSEMENT AGREEMENT**

This Professional Services Reimbursement Agreement (this “Agreement”), effective as of January 21, 2025, (the “Effective Date”), is made and entered into by and between the City of Seguin, Texas (“City”) and 2021 FII Walnut, LP, a Texas limited partnership (“Developer”), herein collectively referred to as (“Party” or “Parties”).

WHEREAS, the Developer owns approximately 410.87 acres of land in the corporate limits of the City (as defined in that certain “Petition to Establish the Walnut Springs Public Improvement District,” dated as of December 17, 2024, submitted by the Petitioner and on file with the City) that the Developer desires to develop, which land is further depicted in **Exhibit A** hereto (the “Property”); and

WHEREAS, the Parties have determined that the financing of a portion of the costs of the public improvements necessary for the development of the Property, can be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the Public Improvement District Assessment Act (“PID Act”); and

WHEREAS, the Developer desires to develop the Property and the Petitioner has caused a petition to be filed with the City to create the Walnut Springs Public Improvement District (“PID”) over the Petitioner’s property under the PID Act; and

WHEREAS, the Parties hereto recognize that the City will continue to incur expenses through the entire PID review process until final completion of the development including, but not limited to: professional services, legal publications, appraisals, notices, reproduction of materials, public hearing expenses, recording of documents, engineering fees, attorney fees, special consultant fees, and fees for the administrative time of the City staff (“City PID Expenses”); and

WHEREAS, as a part of the City PID Expenses, the Developer hereby agrees to pay for reasonable and necessary professional services provided by the consultants listed on **Exhibit B**, and by additional consultants approved in writing by the Developer (collectively, the “City Consultants”); and

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Payment for Professional Services.** At the time the City creates the PID, pursuant to the PID Act, the Developer shall deposit with the City \$35,000.00 (the “Initial Deposit”) for payment of City PID Expenses necessary to reimburse the City and its additional consultants for the review and creation of the PID and other expenses incurred prior to any bond issuance:

- (a) City agrees to hold all Developer’s deposits in a separate fund maintained by the City, which may only be used for City PID Expenses related to the

PID.

- (b) The City will pay City PID Expenses out of the amount deposited with the City and keep accounting of all charges for City PID Expenses incurred for the PID and any unused deposits shall be returned to the Developer within thirty (30) days of the City's payment of the final invoice.
- (c) Upon request, the City will submit copies of all monthly invoices to the Developer with a summary showing amounts paid for City PID Expenses for any City Consultant fees that are consistent with **Exhibit B**. The City may redact any information covered by attorney/client privilege, work product doctrine, or other information allowed to be kept confidential under the Texas Public Information Act.
- (d) After any monthly invoice for City Consultant fees have been paid, the City Consultants shall not be paid for the same services through any additional invoices or through PID bond proceeds.
- (e) Notwithstanding anything to the contrary, City PID Expenses invoiced and due within thirty (30) days prior to the closing of PID bonds may be paid to City Consultants, at Developer's option, through PID bond proceeds upon the closing of PID bonds.
- (f) The Developer may be reimbursed from the PID bond proceeds for City Consultant fees paid in accordance with this Agreement and the PID Act.
- (g) Developer agrees that in the event the fund described in Section 1(a) for City PID Expenses balance falls below \$5,000.00 and upon notice from the City, then Developer shall remit an additional amount of not less than \$10,000.00 within five (5) business days of receipt of such notice.
- (h) In the instance that deposits of additional funds are not timely made, the City has no obligation to incur any additional City PID Expenses in connection with the PID.

2. No Obligation to Establish PID. The Developer acknowledges that the City has no obligation to establish the PID or to issue any bonds or other indebtedness with respect thereto, and nothing contained within this Agreement shall create any such obligation. The Developer's obligation to pay the City PID Expenses shall exist and continue independent of whether the PID or bonds or other indebtedness are approved. The payment(s) made by the Developer under this Agreement are not contingent upon any outcome of the negotiations between the City and the Developer. Further, this Agreement shall provide no assurances, promises, or covenants to approve any development in the Property.

3. Termination. The Developer's obligation pay for City PID Expenses under this Agreement shall expire upon the first to occur of: (i) issuance of PID bonds or (ii) City denial of the PID Petition or refusal to create the PID, at which time the City will provide the Developer

with a final statement of account and will refund to the Developer any funds deposited by the Developer that were not expended by the City, except where the Parties expressly agree to the contrary.

4. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein.

5. Amendment. This Agreement, and any exhibit hereto, may only be amended, altered or revoked by written instrument executed by the Parties.

6. Successors and Assigns. Neither the City nor the Developer may assign or transfer their interest in the Agreement without prior written consent of the other Party. However, the Developer may assign this Agreement to an affiliate without the consent of, but with written notice to, the City so long the assignee expressly assumes the obligations under this Agreement and the Developer provides written notice of such assignment to the City.

7. Notice. Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States Mail, Certified, with Return Receipt Requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

To the City: Attn: City Manager
City of Seguin
205 N. River Street
Seguin, TX 78155
kmueller@seguintexas.gov

With a copy to: Attn: Bond Counsel
Stephanie Leibe
Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701
Stephanie.leibe@nortonrosefulbright.com

To the Developer: Attn: 2021 FII Walnut GP, LLC
2021 FII Walnut, LP
11 Lynn Batts Lane, Suite 100
San Antonio, Texas 78218
scott@bitterblue.com

With a copy to: Attn: James McKnight
Ortiz McKnight PLLC

112 E. Pecan St., Suite 1350
San Antonio, Texas 78205
jmcknight@ortizmcknight.com

8. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for nor against either party.

9. Applicable Law. This Agreement is made and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Hays County, Texas.

10. Severability. In the event any portion or provision of this Agreement is illegal, invalid, or unenforceable under present or future law, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

11. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

12. Execution. The City Manager is hereby authorized to execute and deliver this Agreement in substantially the form presented to the City Council with such changes as they may deem appropriate.

[SIGNATURE PAGES TO FOLLOW]

CITY OF SEGUIN, TEXAS

By: _____
Steve Parker, City Manager

Date: _____

DEVELOPER:

2021 FII WALNUT, LP
a Texas limited partnership

By: _____

Date: _____

EXHIBIT A
PROPERTY DEPICTION

EXHIBIT B

CITY CONSULTANTS

PID Application Expenses ⁽¹⁾	
Budget item	Cost Estimate
P3Works (PID Administrator)	20,000
City of Seguin	5,000
SAMCO (Financial Advisor)	15,000
Norton Rose Fulbright (Bond Counsel)	15,000
Total	\$55,000

⁽¹⁾ Estimated, subject to change for purposes of PID creation and the levy of assessments for the PID. Does not include additional costs associated with the issuance of bonds, which would be paid from a separate budget for bond issuance costs and reimbursed from bond proceeds.