

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the “Agreement”) dated the 10th of September 2026, (the “Effective Date”), is entered into by, between, among and for the benefit of the City of La Vernia, Texas, a municipal corporation, acting by and through its governing body, the City Council of the City of La Vernia (the “City”), and King Fish Development, LLC, a Texas limited liability company (the “Developer”) (collectively, the “Parties”).

WHEREAS, the Developer desires that City enter into negotiations related to a new residential development (the “Project”) on approximately 205 acres, generally located near the intersection of Us Highway 87 and FM 361, more particularly described in **Exhibit A** attached hereto (the “Property”); and

WHEREAS, a portion of the Property (approximately 28 acres) is currently located outside of the corporate limits of the City but within the extraterritorial jurisdiction (“ETJ”) of the City; and

WHEREAS, due to the Property’s location outside the corporate limits, the City’s authority to regulate the development of the Project is limited under the Texas Local Government Code and other provisions of state law;

WHEREAS, a portion of the Property (approximately 177 acres) is located inside the corporate limits of the City and the Developer is seeking a Planned Development District zoning change; and

WHEREAS, the Developer desires that a Public Improvement District (“PID”) be created on the Property (including both portions inside the city limits and portion outside the city limits) to help finance certain public improvements necessary to provide water, wastewater and drainage facilities, streets and other statutorily allowed items for the Property; and

WHEREAS, a petition to create a PID on the Property pursuant to Chapter 372 of the Texas Local Government Code shall be submitted to the City; and

WHEREAS, the City and the Developer desire to negotiate a development agreement to provide for terms and conditions related to the Project (the “Development Agreement”) pursuant to Chapter 212 of the Texas Local Government, which allows the City to enter into a contract with

an owner of property in the City's ETJ providing for annexation, permitted land uses and development regulations; and

WHEREAS, the City and the Developer recognize and agree that the City will incur fees and associated expenses and costs for professional services for work to negotiate, develop, draft, and consider various concepts and documents in connection with its consideration of the PID and Development Agreement, including, but not limited to the following: appraisal, legal publications, notice, public hearing expenses, attorney's fees, assessment administrator fees and special consultant fees (collectively, the "Professional Services"); and

WHEREAS, the City and the Developer recognize and agree that the fees anticipated to be incurred by the City for Professional Services related to the Project cannot be recouped by the City through standard administrative or permit fees; and

WHEREAS, the City's engagement of professionals to perform the Professional Services and its participation in the undertakings described above are voluntary and of value to the Developer and the Developer desires to reimburse the City's fees and expenses related to the Professional Services.

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, the City and the Developer agree as follows:

1. **Recitals.** The representations, covenants and recitations set forth in the foregoing recitals and in this Agreement are material to this Agreement and are hereby incorporated into and make a part of this Agreement as though they were fully set forth in this paragraph.
2. **Developer Payment.**
 - a. **Delivery.** Developer shall deliver, or shall have delivered, to the City the sum of seven thousand five hundred dollars (\$7,500.00) upon execution of this Agreement to pay for the Professional Services and the related expenses incurred by the City ("Developer Payment").
 - b. **Invoices.** Fees for all Professional Services to be covered by the Developer Payment(s) shall be evidenced by monthly invoices that describe the work

performed by date and time entries (copies of which invoices shall be provided to Developer at least 10 days before they are paid).

- c. **Segregation of Funds.** The Development Payments shall be deposited in a segregated account and not commingled with any other City funds.
 - d. **Replenishment of Funds.** If the cost of Professional Services exceeds the Developer Payment, the City shall notify the Developer in writing and the Developer may elect to: i) make one or more additional payment(s) of two thousand five hundred dollars (\$2,500.00) each within thirty (30) days of such written request and such additional payment will be deposited by the City and utilized in the same manner described above, or (ii) negotiate in good faith to amend this Agreement to provide for a reasonable amount of additional payment by Developer.
 - e. **Non-contingent.** The payment(s) made by the Developer under this Agreement are not contingent upon any negotiations between the City and the Developer.
3. **Termination.**
- a. **Means.** This Agreement may be terminated by either party with or without cause upon delivering to the other party written notice of termination. Unless earlier terminated by Developer or City, this Agreement shall automatically terminate when the City has created the PID and the initial series of PID Bonds have been issued by the entity designated to issue such bonds.
 - b. **Stop Work.** Upon termination of this Agreement for any reason, the City shall take all reasonable steps necessary to terminate the accrual of costs to the Developer.
 - c. **Refund.** Upon termination of this Agreement for any reason, any balance of the Developer Payments and any balance of any additional payment(s) made by Developer under this Agreement that exceed the City's fees, costs and expenses incurred as of termination shall be returned to Developer.
4. **Relationship.** Nothing in this Agreement creates a relationship between Developer and the City's Professional Services providers. Furthermore, this Agreement does not grant the Developer access to any privileged or confidential data provided to the City by the City's Professional Services providers.
5. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties regarding Professional Services.

6. **Notices.** All notices, demands or other communications given in connection with or required under this Agreement must be in writing and delivered to the person whom it is directed and may be given by: a) overnight delivery using a nationally recognized overnight courier, b) sent by electronic mail (e-mail) with a PDF attachment with an original copy thereof transmitted to the recipient by one of the means described in the clauses a), c), or d), c) personal delivery, or d) United States certified mail, return receipt requested, postage prepaid, addressed to the addressee. All notices, demands and other communications shall be given to the Parties at the addresses set forth below, or at any other addresses that they have theretofore specified by written notice delivered in accordance herewith:

If to the City, to:

City of La Vernia
Attn: City Administrator
102 E. Chihuahua
La Vernia, Texas 78121
lboyd@lavernia-tx.gov

With a copy to the City Attorney:

T. Daniel Santee
Denton Navarro Rodriguez Bernal Santee & Zech
2517 N. Main Avenue
San Antonio, Texas 78212
tdsantee@rampagelaw.com

If to the Developer, to:

Shad Schmid
Jeff Czar
King Fish Development, LLC
2722 West Bitters Road, Suite 106
San Antonio, Texas 78248
shad@kingfishtx.com
jeff@kingfishtx.com

With a copy to:

Melissa Killen
Killen, Griffin & Farrimond, PLLC
10101 Reunion Place, Suite 250

San Antonio, Texas 78216
melissa@kgftx.com

7. **Captions.** All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the Agreement between Parties hereto.
8. **Unintended Omission.** If any punctuation, word, clause, sentence, or provisions necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision of this Agreement is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

EXECUTED in multiple counterparts, each of which shall constitute an original.

CITY OF LA VERNIA, TEXAS

By: _____
Gary Gilbert, Mayor

KING FISH DEVELOPMENT, LLC

By: _____
Shad Schmid, Manager

Exhibit A