

PROFESSIONAL SERVICES PAYMENT AGREEMENT

This Professional Services Payment Agreement (this "Agreement"), effective as of the 4th day of August, 2025 (the "Effective Date"), is made and entered into by and between the City of Tomball, Texas ("City") and FLS Development, LLC, a Texas limited liability company ("Developer"), herein collectively referred to as ("Party" or "Parties").

WHEREAS, the Developer plans to develop approximately 43.149 acres of land in the City into a single-family development, and that the development of the Property shall be developed in accordance with the applicable City Regulations; and

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

WHEREAS, Developer desires to develop the Property and the City, at the behest of Developer, intends to create a Public Improvement District ("PID") pursuant to the PID Act; and

WHEREAS, the Parties hereto acknowledge that the City has heretofore incurred certain costs relative to the creation of the PID and will continue to incur costs relative to (i) the creation of the PID, (ii) the adoption of a (plan relative to the Property, and (ii) the City's issuance of its bonds secured by assessments levied on a portion of the land within the PID ("PID Bonds"), including but not limited to: professional services, legal publications, notices, reproduction of materials, public hearing expenses, recording of documents, engineering fees, attorney fees, financial advisory fees, City staff time dedicated to PID matters ("City Staff Time"), and other special consultant fees (collectively, "City Expenses").

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. Within ten (10) days of receipt of request by the City, Developer shall deposit with the City \$25,000.00 (the "Deposit") for payment of the City Expenses relative to creating the PID and to fund the review and adoption of the Service and Assessment Plan ("SAP") and issuing the PID Bonds. Further:

- (a) City agrees to hold the Deposit in a separate interest bearing account maintained by the City which may only be used to pay the City Expenses.
- (b) City agrees that all City Expenses relating to third-party consultants that are to be paid from the Deposit shall be evidenced by invoices that describe the work performed by person, date, billing rate and amount of time to perform such task. Within ten (10) business days after receipt of each

invoice for City Expenses (and before such invoice is paid), the City shall forward such invoice to the Developer. If the Developer reasonably requests additional information in clarification or support of such invoice, the City/consultant shall provide the same, if available. The Developer shall have ten (10) business days after receipt during which to review each invoice and to make objections. If the Developer objects to any portion of an invoice, the City, the Developer and those providing the services shall attempt to resolve the dispute within a reasonable period of time; however, if not withstanding their collective good faith efforts the dispute cannot be timely resolved, the City may pay such invoice, including any disputed amounts, within thirty (30) days from the date of the invoice using the funds from the Deposit.

- (c) Developer agrees that in the event the Deposit falls below \$7,500.00 upon request from the City, Developer shall advance to the City an additional amount necessary to cause the amount on deposit with the City to equal no less than \$25,000.00 or the projected remaining City Expenses (excluding City Staff Time), whichever is less.
- (d) In the event the Deposit is exhausted, upon notice, Developer shall pay the balance owed in full within fifteen (15) business days in addition to the remittance of the additional funds as provided above.
- (e) In the instance that deposits of additional funds are not timely made, the City shall have no obligation to incur any additional City Expenses until such deposit is made.
- (f) The City will pay City Expenses out of the Deposit and keep accounting of all charges for City Expenses incurred, including City Staff Time. Upon the termination of this Agreement any unused portion of the Deposit shall be returned to Developer (including all interest earned on the Deposit).
- (h) Any monies paid to the City's bond counsel or financial advisor from the Deposit may be reimbursed to the Developer at closing of the PID Bonds.

2. No Obligation to Adopt a SAP or Issue PID Bonds. Developer acknowledges that the City has no obligation to adopt a SAP or to issue any PID 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 Expenses shall exist and continue independent of whether the SAP or PID Bonds or other indebtedness are approved. This Agreement shall confer no vested rights or development rights on the Property or to the Developer. Further, this Agreement shall provide no assurances, promises, or covenants to approve any development in the Property.

3. Termination. Either Party may terminate this Agreement for any reason or for no reason by providing at least five (5) days' written notice of termination. Termination of this Agreement shall be the sole and exclusive remedy of the City and the Developer, as the case may

be, for any claim by either Party of any breach of this Agreement by the other Party. The City shall be entitled to pay the City Expenses incurred through the date of termination; however, any excess funds remaining after such payments have been made shall be promptly refunded to Developer. Notwithstanding any other provision of this Agreement to the contrary, the obligation to repay such excess funds to the Developer in the event of a termination shall survive any termination of this Agreement, and the Developer does not release or discharge its right to such excess funds. At the closing of the sale of the first series of PID Bonds, this Agreement shall automatically terminate and any remaining portion of the Deposit shall be refunded to Developer.

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

5. Amendment. This Agreement may only be amended by written instrument approved by the Parties.

6. Successors and Assigns. Neither City nor Developer may assign or transfer their interest in the Agreement without prior written consent of the other Party.

7. Notice. Any notice and/or statement required and permitted to be delivered shall be deemed delivered by electronic transmission received by the other Party or 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:

City:

City of Tomball
401 Market Street
Tomball, TX 77375

Developer:

Attn: FLS Development
Attn: Shawn Speer
8765 Spring Cypress Rd Suite L 213
Spring, TX 77379

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 or 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 Harris 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 delivery this Agreement in substantially the form presented to the City Council with such changes as he may deem appropriate.

13. Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

- i. *Not a Sanctioned Company.* The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- ii. *No Boycott of Israel.* The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- iii. *No Discrimination Against Firearm Entities.* The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not

discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

- iv. *No Boycott of Energy Companies.* The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code
14. Form 1295 Exemption. Submitted herewith (or on a date prior hereto) is a completed Form 1295 in connection with the Underwriter’s participation in the execution of this Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”).

CITY OF TOMBALL, TEXAS

By _____

Date: _____

DEVELOPER

FLS Development, LLC, a Texas limited liability company.

By:  _____

Name: W. Shawn Speer

Title: Member