

CITY OF SEGUIN

RESOLUTION NO. ____

STATE OF TEXAS

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS
APPROVING A SETTLEMENT AGREEMENT, INCLUDING A TEMPORARY
CONSTRUCTION EASEMENT, WITH YUKON VENTURE PARTNERS, LLC.**

WHEREAS, the Seguin Economic Development Corporation (the “SEDC”) is a public instrumentality and non-profit industrial development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 504, *et seq.*, as amended, known as the Development Corporation Act of 1979 (the “Act”); and

WHEREAS, the SEDC and Yukon Venture Partners, LLC (the “Company”) entered into a Performance Agreement pursuant to the Act, with an effective date of May 5, 2022 (the “Agreement”); and

WHEREAS, the SEDC and the Company entered into a First Amendment to the Agreement, with an effective date of June 7, 2023 (the “First Amendment”); and

WHEREAS, the SEDC and the Company entered into a Second Amendment to the Agreement, with an effective date of February 23, 2024 (the “Second Amendment”); and

WHEREAS, under the Agreement, the Company was obligated to undertake certain performance requirements, including the commencement of construction of a cold-storage facility with a minimum capital investment of \$30,000,000; and

WHEREAS, the Company failed to satisfy its performance obligations, specifically the requirement to secure a building permit by December 31, 2024, thereby triggering a default under the Agreement; and

WHEREAS, on January 9, 2025, the SEDC Board of Directors authorized the termination of the Agreement and the recoup of all incentives amounts paid pursuant to the Agreement, and formal notice of default and termination was issued to the Company on January 22, 2025; and

WHEREAS, SEDC staff have since met with Company principals to discuss other remedial options which might be agreeable to both parties; and

WHEREAS, as a result of such discussions, SEDC and Company have agreed to enter into a Settlement Agreement, which includes the issuance by Company of a Temporary Construction Easement to the SEDC to enable the installation of certain public infrastructure in order to promote commercial and industrial development, in lieu of recouping the Grant payment made to Company as an economic development incentive; and

WHEREAS, the SEDC finds the acceptance of the Temporary Construction Easement to be a satisfactory resolution to Company default under the Agreement, and finds it to be in the best

interests of the SEDC and the City of Seguin; and

WHEREAS, on May 15, 2025, the SEDC Board of Directors approved Resolution NO. 2025-05, approving a Settlement Agreement, including a Temporary Construction Easement, with Yukon Venture Partners, LLC;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Seguin, Texas:

SECTION 1. The Seguin City Council hereby finds that all the recitals above are true and correct and are incorporated herein as if restated in full.

SECTION 2. The Seguin City Council hereby approves the Settlement Agreement and Temporary Construction Easement attached hereto as Exhibit “A,” in lieu of proceeding to recoup the previously paid incentive amount of \$83,333.33.

SECTION 3. The Seguin City Council hereby authorizes the Executive Director to take all actions necessary to execute the Settlement Agreement and Temporary Construction Easement, as approved by legal counsel for the SEDC, and to execute any additional documents necessary to carry out the intent and purpose of this Resolution.

SECTION 4. In the event any provision of this Resolution, the Settlement Agreement, or the Temporary Construction Easement, is determined to be void or unenforceable, such determination shall not affect the remainder of such documents, which shall continue to be in force.

SECTION 5. This Resolution is effective upon passage.

PASSED AND APPROVED on this 3rd day of June 2025, by the City Council of the City of Seguin, Texas.

DONNA DODGEN, MAYOR

ATTEST:

Kristin Mueller
City Secretary