

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is hereby entered into between the Seguin Economic Development Corporation (hereinafter “SEDC”) and Yukon Venture Partners, LLC, a Texas limited liability company (hereinafter “Yukon”), and shall be effective on the Effective Date, as such term is defined below. Both SEDC and Yukon are sometimes collectively referred to hereinafter as the “Parties.”

Recitals

WHEREAS, on May 5, 2022, the Seguin Economic Development Corporation (sometimes “SEDC”) and Yukon Venture Partners, LLC (sometimes “Yukon”) entered into a Performance Agreement to recruit Yukon to locate within the City of Seguin, for the promotion and development of new and expanded business enterprises and for the promotion and encouragement of employment and the public welfare within the City of Seguin; and

WHEREAS, the Performance Agreement provided for a cash grant incentive (“Grant”) in an amount not to exceed \$250,000.00, to be paid in equal installments of \$83,333.33 each, as conditioned upon Yukon meeting certain performance conditions and obligations as provided in the Performance Agreement, which included, among other obligations, the commencement and completion of construction of a cold-storage facility at a minimum capital investment of \$30,000,000.00; and

WHEREAS, the Performance Agreement also provided that, upon the purchase by of a 15.8-acre tract of land (the “Property”) located at the northwest corner of Lawson Street and US Hwy 90 in Seguin, Texas, the SEDC would pay Yukon the first Grant installment of \$83,333.33; and

WHEREAS, as contemplated by the Performance Agreement, Yukon did purchase the Property on May 25, 2022, and SEDC did pay the first Grant installment payment of \$83,333.33 on June 10, 2022; and

WHEREAS, Yukon has not met any Performance Conditions since purchasing the Property and receiving the first Grant installment payment, despite the SEDC having granted two extensions of Performance Agreement deadlines to comply; and

WHEREAS, pursuant to the Performance Agreement, the SEDC may declare a default and demand recapture of any portion of the Grant already paid if Yukon fails to comply with any of the Yukon Performance Obligations; and

WHEREAS, in a letter submitted from the SEDC to Yukon, dated January 22, 2025, the SEDC declared a default by Yukon (“Default”) and terminated the Performance Agreement, and demanded repayment of the first Grant installment payment of \$83,333.33; and

WHEREAS, the SEDC and Yukon respectively seek to finally resolve any and all disputes, claims and/or controversies between them arising out of the Default or the Performance Agreement; and

WHEREAS, the Parties have since met to discuss the Default under the Performance Agreement and the option of Yukon granting a temporary construction easement to the SEDC, in lieu of repayment of the portion of the Grant already paid, and for which the SEDC could assign or convey its easement rights to the City of Seguin for use in the Lawson Street Reconstruction Project; and

WHEREAS, the Lawson Street Reconstruction Project (the “Lawson Street Project”) was approved by the City of Seguin on or about August 20, 2024, with the City of Seguin finding that the Lawson Street Project would promote commercial and industrial development within the City by improving access to commercial and industrial properties located adjacent to the Lawson Street right of way; and

WHEREAS, on August 25, 2022, the SEDC passed Resolution No. 2022-12 finding that the Lawson Street Project would facilitate additional commercial development of adjacent properties, and authored funding for the Project in an amount not to exceed \$400,000.00; and

WHEREAS, the City of Seguin has determined that the fair market value of the temporary construction easement necessary for the Lawson Street Project is calculated to be approximately \$78,000.00; and

WHEREAS, the SEDC finds that the monetary value of the temporary construction easement, in tandem with the economic development benefits to be realized by the grant of easement and subsequent use by the City of Seguin for the Lawson Street Project, constitutes sufficient and comparable value to the value of the disbursed Grant installment payment, and as such will promote business development and expansion within the City of Seguin.

NOW, THEREFORE, in consideration of the promises, covenants, obligations, and benefits contained herein and exchanged between the Parties hereunder, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. *Incorporation of Recitals and Exhibit(s).* The above recited facts and understandings of the Parties contained in the recitals of this Agreement are hereby fully incorporated herein by reference for all intents and purposes.

2. *Grant of Temporary Construction Easement.* The Parties agree that in lieu of Yukon remitting \$83,333.33 to SEDC as repayment of the Grant installment paid by SEDC under the Performance Agreement, Yukon shall instead cause its affiliate, BGO-Yukon Seguin LLC to grant and deliver to SEDC a temporary construction easement in substantially the same form as described in Exhibit “A” attached hereto and incorporated herein by reference (the “Temporary Construction Easement”) within three (3) business days of this Agreement becoming fully

executed on the Effective Date. The Parties acknowledge the Temporary Construction Easement is to be used in connection with the Lawson Street Project, which the SEDC finds will promote business development and expansion within the City of Seguin as a whole. In consideration for the grant of the Temporary Construction Easement by Yukon's affiliate as provided for herein, SEDC expressly acknowledges, represents, warrants, and agrees that Yukon is forever released and discharged from any obligation arising out of or in connection with the Default and/or the Performance Agreement in accordance with Section 4 hereof.

3. ***Assignment; Transferability of Temporary Construction Easement.*** Yukon agrees that the SEDC may permit, assign, convey, or transfer all easement rights granted pursuant to the terms and conditions of the Temporary Construction Easement to the City of Seguin, or otherwise permit the use of the Temporary Construction Easement by the City of Seguin and its employees, agents, contractors, or assigns, subject to the terms and conditions of and for the uses and purposes provided in the Temporary Construction Easement.

4. ***Mutual Releases.*** Yukon and the SEDC agree that this Agreement resolves all matters, disputes, and conflicts pertaining to the default and/or the Performance Agreement, as amended, and hereby expressly RELEASE and DISCHARGE each other from any and all past, present, or future claims and/or obligations that have accrued from, or otherwise be acquired on account of, or in any way arise out of the Default and/or the Performance Agreement, as amended.

5. ***Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to any of its principles of conflicts of law that would make applicable the laws of any other jurisdiction.

6. ***Reliance.*** The Parties are entitled to and do justifiably rely upon the facts, statements, representations, warranties, promises, and covenants contained in this Agreement.

7. ***Survival.*** The terms of this Agreement shall survive any termination of Temporary Construction Easement for any reason.

8. ***Counterparts.*** This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, when taken together shall constitute one and the same instrument.

9. ***Construction.*** If any term, condition, or provision of this Agreement is deemed invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, conditions, or provisions of this Agreement shall remain in full force and effect. Upon such determination, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties, as closely as possible and in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the maximum extent possible.

10. ***Amendment.*** This Agreement shall not be amended or modified in any manner, including the conduct of the Parties, except by written instrument duly signed by the Parties.

11. Captions. The captions contained in this Agreement are for convenience and reference only and in no way define, extend or limit the scope or intent of this Agreement or intent of any provision contained herein.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and may not be amended, altered, modified, or changed in any way except in writing signed by all Parties and references this Agreement. There are no other agreements, representations, or warranties, whether oral or written, regarding the subject matter of this Agreement. No course of dealings or conduct of the Parties hereto or expressions shall be relevant or admissible to interpret, supplement, explain, or in any way vary any of the terms expressly set forth in this Agreement.

13. Cooperation. The Parties hereto shall perform any and all acts and execute and deliver any and all documents which are or may become necessary and proper to give effect to and carryout the terms hereof.

14. Authority. By signing below, the Parties and/or Parties' representatives assert that each of them has full legal authority and authorization to sign on behalf of themselves and/or their respective entities and acknowledge that this Agreement shall be binding.

15. Effective Date. This Agreement shall be effective and in full force and effect on the date of the last signature of the Parties hereto (the "**Effective Date**").

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives as of the Effective Date.

Yukon Venture Partners, LLC

**Seguin Economic
Development Corporation**

By:

By: Joshua Schneuker, Executive Director

Date:

Date:

EXHIBIT A

TEMPORARY CONSTRUCTION EASEMENT

STATE OF TEXAS

§

§

COUNTY OF GUADALUPE

§

EFFECTIVE DATE: January 1, 2025

GRANTOR: BGO-YUKON SEGUIN LLC, a Delaware limited liability company

GRANTOR'S MAILING ADDRESS: 205 N. River Street, Guadalupe County, Seguin, Texas 78155

GRANTEE: SEGUIN ECONOMIC DEVELOPMENT CORPORATION

GRANTEE'S MAILING ADDRESS: 211 North River Street, Seguin, Texas 78155

TEMPORARY EASEMENT PROPERTY: Being land containing 1.96 acres of land (85,500 square feet), being more particularly described and depicted in Exhibit "A" to this Temporary Construction Easement, which is incorporated herein for all purposes.

CONSIDERATION: Ten and no/100 Dollars and other good and valuable consideration, the receipt of which GRANTOR acknowledges.

EASEMENT PURPOSES: Any and all activities reasonably necessary for the installation and construction of a public road within the existing Lawson Street right of way, as such right of way may be expanded pursuant to that certain .07069 acre tract of land conveyed to the City of Seguin and recorded under Document No. 2024990032123 of the Real Property Records of Guadalupe County, Texas, in connection with the Lawson Street Reconstruction Project, as such project was approved by the City of Seguin's City Council on or about August 20, 2024 (the "Lawson Street Reconstruction Project"), together with the right of ingress and egress in, through, upon, over, and across said Temporary Easement Property for the purpose of installing and constructing the adjacent public road.

DURATION: Beginning on the Effective Date, and terminating nine (9) months from the Effective Date, at which time this Temporary Construction Easement shall automatically expire without the necessity of the execution of any document or the taking of any further action.

Notwithstanding the foregoing, to the extent that the Temporary Construction Easement has terminated by its own terms, upon GRANTOR's written request, GRANTEE shall execute and record an instrument confirming the termination of the Temporary Construction Easement in form reasonably satisfactory to GRANTOR. In further consideration of this grant, said GRANTEE expressly agrees that it will not utilize any of GRANTOR's adjacent property for any construction, storage or staging of materials or equipment, access, or parking; and GRANTOR expressly covenants and agrees for itself, its legal representatives, successors and/or assigns, that, during the term of this Temporary Construction Easement, no building or other obstruction of any kind will be placed by or for GRANTOR or its legal representatives, successors and/or assigns, within the Temporary Easement Property.

RESERVATIONS: Notwithstanding anything herein to the contrary, GRANTOR herein retains, reserves and shall continue to use the surface and subsurface of the Temporary Easement Property, for any and all purposes which do not unreasonably interfere with and prevent the use of the Temporary Easement Property, for the benefit of GRANTOR and GRANTOR's successors and assigns. GRANTOR further reserves for itself and its heirs, successors, and assigns the right to convey to others the right to use all or part of the Temporary Easement Property in conjunction with GRANTEE, but only if such use does not unreasonably interfere with or prevent the use of the Temporary Easement Property for the Easement

Purposes to be undertaken by GRANTEE. GRANTEE acknowledges and agrees that its use of the Temporary Easement Property and the grant of the Temporary Construction Easement as set forth herein will not adversely impact the ability of GRANTOR to access or enter the GRANTOR's adjacent property.

EXCEPTIONS: This Temporary Construction Easement and other rights of the GRANTEE hereunder are granted and subject to any and all agreements, restrictions, covenants, easements, rights-of-way, lines, encumbrances and/or other matters affecting title of record that affect the Temporary Easement Property, whether or not they are shown of record in Guadalupe County, Texas, and all zoning laws, regulations and ordinance or municipal and other governmental authorities relating to the Temporary Easement Property, but only to the extent that they are still in force and effect.

EASEMENT GRANTED:

GRANTOR, for the Consideration and subject to the Reservations and Exception set forth herein, grants, sells and conveys to GRANTEE, a temporary, non-exclusive, construction easement pursuant to the terms hereof over, upon and across the Temporary Easement Property for the Easement Purposes (the "Temporary Construction Easement"); to have and to hold it to GRANTEE, GRANTEE's permitted successors or assigns forever, for use subject to the terms hereof.

GRANTEE expressly agrees that it will remove from the Temporary Easement Property all surplus materials impediments, and debris upon the earlier of the completion of work related to this Temporary Construction Easement or the termination hereof, and will cause the Temporary Easement Property and GRANTOR's adjacent land to be left as nearly as is possible in the condition as it existed prior to the initial entry and use thereof by GRANTEE and/or any representatives, contractors, or agents on its behalf.

GRANTEE shall have the right to remove from said Temporary Easement Property all trees and other vegetation in whole or in parts thereof which may interfere with exercise of the rights granted hereunder in accordance with applicable regulations relating thereto and utilizing industry standard vegetative management practices; GRANTEE shall not damage, destroy or remove any trees within the Temporary Easement Property with a trunk diameter greater than four inches (4") without the prior written approval of GRANTOR.

ASSIGNMENT: GRANTEE may not assign this Temporary Construction Easement or any of the rights granted herein without the prior written consent of GRANTOR; provided however, that GRANTEE shall be permitted to assign its rights hereunder to the City of Seguin, a Texas home-rule municipality, without GRANTOR's consent, so long as the City of Seguin assumes the obligations and liabilities of GRANTEE hereunder; and further provided that GRANTEE shall not be released or relieved of the GRANTEE's duties or obligations under this Temporary Construction Easement in connection with any such assignment. The provisions of this Temporary Construction Easement are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership or any similar relationship between or among the parties hereto. The provisions of this Temporary Construction Easement shall be construed as a whole and not strictly for or against any party. This Temporary Construction Easement shall not be deemed, and is not intended, to effect a public dedication of any part of the Temporary Easement Property and, further, does not otherwise create any rights in any third party.

INSURANCE: GRANTEE, without waiving any applicable governmental immunity, agrees to maintain adequate intergovernmental risk management fund coverage and shall require its contractor(s) to maintain general liability insurance with not less than \$2M in policy limits during all periods of use of the Temporary Easement Property and to be responsible for any damage or injury resulting from GRANTEE's or its contractor's activities on the Temporary Easement Property. GRANTEE and its contractors shall be responsible for any damage or injury to person or property resulting from its contractor's activities on the Temporary Easement Property, and in furtherance of the foregoing, GRANTEE will cause its contractors to indemnify, hold harmless, and defend GRANTOR from any and all claims relating to the use of the

Temporary Construction Easement by GRANTEE and its contractors. GRANTOR shall be a named additional insured under the policies, and shall be furnished with certificates of insurance evidencing the same.

WARRANTY: Subject to the Reservations and Exceptions, GRANTOR does hereby bind itself, its heirs, legal representatives, successors and assigns to warrant and defend all and singular the above-described Temporary Construction Easement and rights unto GRANTEE, its permitted successors and assigns during the term hereof, against every person whomsoever lawfully claiming, or to claim, the same or any part thereof by through or under GRANTOR, but not otherwise.

(Signature page follows)

GRANTOR: BGO-YUKON SEGUIN LLC

Signature: _____

By: _____

Its: _____

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me, the undersigned authority, on this _____ day of _____, 2025, by _____, in their capacity as _____ of BGO-YUKON SEGUIN LLC.

Notary Public for the
State of _____

**GRANTEE:
SEGUIN ECONOMIC
DEVELOPMENT CORPORATION**

Signature: _____

By: Joshua Schneuker, Executive Director

**STATE OF TEXAS
COUNTY OF GUADALUPE**

This instrument was acknowledged before me, the undersigned authority on this _____ day of _____, 2025, by Joshua Schneuker, Executive Director of the Seguin Economic Development Corporation.

Notary Public for the
State of Texas

EXHIBIT A

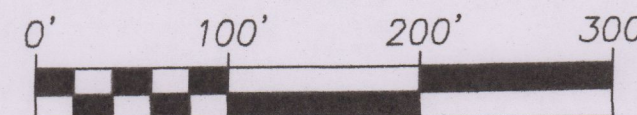
Exhibit "A"

SUBDIVISION PLAT OF
SEGUIN COLD STORAGE

A FINAL PLAT CONSISTING OF: 15.859 ACRE (690,800 SQUARE FEET) TRACT OF LAND SITUATED IN THE HUMPHRIES BRANCH SURVEY NUMBER 17, ABSTRACT NUMBER 6, CITY OF SEGUIN, GUADALUPE COUNTY, TEXAS; BEING ALL OF THAT CERTAIN CALLED 12.370 ACRE TRACT DESCRIBED IN INSTRUMENT TO US 90 WEST VENTURE GROUP, LLC RECORDED IN VOLUME 4131, PAGE 39 OF THE GUADALUPE COUNTY OFFICIAL PUBLIC RECORDS; BEING ALL OF THAT CERTAIN CALLED 3.3910 ACRE TRACT DESCRIBED IN INSTRUMENT TO SEGUIN MEDIA GROUP, LTD RECORDED IN VOLUME 4131, PAGE 39 OF THE GUADALUPE COUNTY OFFICIAL PUBLIC RECORDS.

1 - LOT 1-BLOCK

SCALE: 1" = 100'



**PAPE-DAWSON
ENGINEERS**

SAN ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.0000
TBPE FIRM REGISTRATION #470 | TDPLE FIRM REGISTRATION #10028800

DATE OF PRINT: May 6, 2022

LEGEND

AC	ACRE(S)	VOL	VOLUME
BLK	BLOCK	PG	PAGE(S)
DR	DEED RECORDS OF BEXAR COUNTY, TEXAS	ROW	RIGHT-OF-WAY
GCOPR	GUADALUPE COUNTY OFFICIAL PUBLIC RECORDS	(SURVEYOR)	FOUND 1/2" IRON ROD (UNLESS NOTED OTHERWISE)
		(TYPE I, II OR III)	SET 1/2" IRON ROD (PD)
			FOUND TxDOT MONUMENTATION
			FOUND MONUMENTATION

---+---+--- EXISTING CONTOURS

- ① 15' PUBLIC UTILITY EASEMENT
- ② 7.5' RIGHT-OF-WAY DEDICATION (0.30 ACRES)
- ③ VARIABLE WIDTH RIGHT-OF-WAY DEDICATION (0.073 ACRES)
- ④ 30' GAS EASEMENT PNG UTILITY COMPANY (VOL. 1619, PG. 508, GCOPR)
- ⑤ 20' ELECTRIC EASEMENT CITY OF SEGUIN DATED 12/12/13 (UNRECORDED)

CURVE TABLE

CURVE #	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	5789.60'	002°51'29"	S58°23'07"W	288.77'	288.80'

LINE TABLE

LINE #	BEARING	LENGTH
L1	N88°46'43"E	158.01'
L2	S11°30'43"E	159.65'
L3	S56°09'29"W	81.89'
L4	N00°53'57"W	180.27'
L5	N88°46'43"E	5.00'
L6	S18°58'16"E	49.23'

Maximum disturbed area limits
Temporary Construction easement
1.96 Acres (85,500 SF)

20' TCE
Doc.

CERTIFIED TO BE A TRUE
AND CORRECT COPY,
Guadalupe County Clerk
PAGE 2 OF 2

STATE OF TEXAS
COUNTY OF GUADALUPE
I do hereby certify that the foregoing is a true and correct copy as the same appears on FILE, AND RECORDED in the Official Public Record of Guadalupe County, Texas, on the date and time stamped thereon.

Teresa Kiel
TERESA KIEL
Guadalupe County Clerk
By *Mattison* Deputy

FEB 08 2023

SHEET 2 OF 2