

CAUSE NO. C2014-0522E

**Y.C. PARTNERS, LTD. D/B/A
YANTIS COMPANY**

V.

THE CITY OF NEW BRAUNFELS

V.

C3 ENVIRONMENTAL SPECIALTIES, LP AND HALFF ASSOCIATES, INC.

§ IN THE DISTRICT COURT

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COMAL COUNTY, TEXAS

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this ____ day of January, 2026, by, among, and between:

1. Y.C. Partners, Ltd. d/b/a Yantis Company ("Yantis")
2. C3 Environmental Specialties, L.P. ("C3")
3. The City of New Braunfels, Texas ("City")
4. Halff Associates, Inc. ("Halff")

These four parties to this Settlement Agreement are hereinafter referred to individually as a "Party" or collectively as the "Parties." The three parties to this Settlement Agreement other than the City are hereinafter referred to individually as a "Payor" or collectively as the "Payors."

WITNESSETH

WHEREAS, the Parties to this Settlement Agreement are the owner, general contractor, concrete block subcontractor, and project engineer involved in the North Tributary Regional Flood Control Project in the City of New Braunfels, Comal County, Texas (hereinafter, the "Project"); and

WHEREAS, during and following construction of the Project, disputes arose among and between the Parties regarding various obligations of the Parties to each other, all as more fully described in the pleadings on file in the above styled and numbered cause of action (the “*Litigation*”); and

WHEREAS, by agreement of the Parties, several mediations (the "Mediations") were held with Steve Nelson of SureTec Information Systems, Inc, as mediator (the "Mediator") for the purposes of facilitating the compromise and settlement of the disputes among and between the Parties; and

WHEREAS, agreement has been reached at or following the Mediations by, among, and between the Parties; and

WHEREAS, the Parties desire to document the terms and conditions of such settlement,

NOW, THEREFORE, for and in consideration of the mutual releases and agreements herein contained, the promises of payment herein provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the Parties hereto have agreed, and do hereby agree, to the following:

1. To facilitate the confidential payment and distribution of settlement funds, the Mediator will establish a non-interest bearing, escrow sub-account at Frost National Bank styled "SureTec Information Systems, Inc.– City of New Braunfels Mediation Special Escrow Account" (the Escrow Account"). The City and the Mediator shall provide all Payors with a taxpayer ID and W-9. The City shall furnish the Mediator with its Taxpayer ID and W-9.
2. Attached to each Payor's copy of this Settlement Agreement is a separate "Confidential Exhibit" which sets forth the amount that the Payor is to pay into the Escrow Account. The Parties understand that such individual amounts set forth on such Exhibits are to remain confidential and will not be disclosed by the Mediator, except as hereinafter set forth, without agreement of the Parties or an order of a court of competent jurisdiction. Attached to the City's copy of the Settlement Agreement is a separate "Exhibit" which sets forth the amount that the City is to receive from the Escrow Account. All Parties recognize that the City's copy of the Settlement Agreement and its Exhibit will be subject to disclosure under the Texas Public Information Act.
3. Payments into the Escrow Account shall be made payable to the order of such account. In the event that the Mediator receives conflicting demands from any Party, counsel for any Party, or insurer for any Party, or has reasonable uncertainty as to the entitlement to any money in escrow, the Mediator shall be entitled to interplead such funds, or the part thereof in question, in the registry of the District Court of Comal County, Texas and shall be entitled to recover from same all costs, attorneys' fees, and expenses associated with such interpleader.
4. Payments to the Escrow Account in accordance with the Confidential Exhibits shall be due, in good funds, on or before 31 days after receipt by the Payors of a W-9 from the City and final execution of this Settlement Agreement following approval of this Agreement by the New Braunfels City Council (the "Due Date"). Payment out of the Escrow Account to the City shall be made in accordance with the City's Exhibit as soon thereafter as Mediator can verify that funds are "good funds" and have been collected through banking channels, and that the full amount agreed by the City to be received by the City has been paid into the Escrow Account or that, pursuant to Section 5, the City has agreed to accept the funds paid into the Escrow Account notwithstanding a Payor's failure to make its payment in full into the Escrow Account.

5. The obligations of the Parties are several and not joint. In the event that any Payor shall fail to timely make its payment, or any part thereof, as provided in the applicable Confidential Exhibit, the City may elect, within 7 days after being informed of such non-payment, to either (1) have all funds returned to the Payors, this Settlement Agreement revoked, and the Litigation to continue, or (2) accept all funds paid into the Escrow Account, in which case this Settlement Agreement is irrevocable, remains in full force and effect, and is binding on all Parties in accordance with its terms, except that the City shall not be bound by Sections 7, 9, and 10 with respect to any Payor who did not fully pay in a timely manner. In that latter case, the Payor who did not fully pay in a timely manner shall remain obligated under all provisions of this Settlement Agreement, and such Payor's release of all other Parties shall be effective and binding. Upon either election by the City, the Mediator is authorized to disclose to the Parties the amounts paid and owed by any such Payor failing to fully pay in a timely manner.
6. Each Party acknowledges that the benefits it derives from this Settlement Agreement are good and valuable consideration, irrespective of the value or benefit any other Party derives. The fact that the consideration flowing to or from another Party is not known by all Parties shall not invalidate or impair the validity or enforceability of this Settlement Agreement in any way.
7. **With the exception of the reserved rights and obligations set forth in the immediately following Section (the “Reserved Rights”),** all Parties fully, finally, and mutually release, acquit, and forever discharge each other and each other's current, former and future respective agents, insurers, adjusters, design professionals, consultants, sub-consultants, subcontractors, sub-subcontractors, attorneys, employees, officers, partners, members, shareholders, parents, affiliates, successors, assigns, subsidiaries, principals, trustees, owners, managers, directors, and sureties of and from any and all disputes, claims, counterclaims, demands, warranties, claims of subrogation or indemnity, claims to any contract or subcontract balances or retainage, claims for attorney's fees or experts' fees, claims for common law or contractual indemnity, claim by additional insureds for defense or indemnity, claims for interest, complaints, and causes of action of any kind whatsoever, whether known or unknown, whether heretofore or hereafter accruing or arising, whether held by assignment or otherwise, whether for latent or patent defects, and whether sounding in tort, intentional tort, contract, express or implied warranty, or trespass, or arising by operation of law or statute, that any Party has, had, or may have against any other Party or Parties, in any way related to or arising out of the Project, including its design, construction, delays, alleged design errors, repairs, punchlist, and/or warranty work of the Project and the labor, services, material, and equipment furnished in connection therewith, and all of the contracts, subcontracts, design professional agreements, bonds, sub-subcontracts, purchase orders, payment applications, change orders, proposed change orders, consulting agreements, and engineering agreements thereunder, and the assignments of any claims thereunder,

and including the Litigation.

8. Reserved Rights:

- a. The obligations expressly undertaken or reaffirmed by any Party in this Settlement Agreement or in Confidential Exhibits are reserved and not released hereby.
- b. Insurance carriers who have accepted defense obligations are not released from their obligations to fund and/or reimburse defense and mediation fees/costs to their own named insureds through the conclusion of the mediation and settlement, subject to all policy, conditions, and limitations.
- c. Claims by any of the Parties against another Party with respect to any project other than the Project.

9. The Parties agree to dismiss, within ten business days of final disbursement of funds from the Escrow Account, with prejudice to their rights to re-file same, all claims, cross claims, counterclaims, and third party claims, except to the extent of any reserved rights asserted herein, in the Litigation against the other Parties who have complied with the provisions of this Settlement Agreement. Each Party shall bear its own costs of court, attorneys' fees, and experts' fees in the Litigation. Counsel for Yantis will prepare and circulate the Agreed Orders of Dismissal for approval and signature of other counsel.

10. This Settlement Agreement is a compromise and settlement of disputed claims and is being entered into solely to avoid the time, expense, uncertainty, and inconvenience of continued dispute, discussion, and litigation. Neither the execution of this Settlement Agreement nor anything stated herein, nor any amount paid hereunder, is to be construed or deemed as an admission of liability, culpability, or wrongdoing on the part of any Party to this Settlement Agreement. The Parties agree that they will not, at any time hereafter, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage the other Parties relating to the Project or this Settlement Agreement, it being recognized that there has been no finding of fault or wrongdoing. Notwithstanding the foregoing, nothing in this Agreement shall preclude the Parties from making truthful statements that are required by applicable law, regulation, or legal process.

11. The Parties represent and warrant that they own the claims released herein and have not assigned or otherwise transferred any claim or cause of action that they may have possessed against another Party in this Litigation to any person or entity not a Party to this Settlement Agreement. The signatories hereto warrant and represent that they have the full power and authority to bind the Party entity for which they have signed.

12. This Settlement Agreement constitutes a single, integrated, written contract expressing the entire understanding and agreement between the Parties. The terms of the Settlement Agreement, including its preambular clauses, are contractual and not merely recitals. There is no other agreement, written or oral, express or implied, between the Parties with respect to the subject matter of this Settlement Agreement. The Parties declare and represent that no promise, inducement or other agreement not expressly contained in this Settlement Agreement has been made by any other Party, counsel for any other Party, or by the Mediator.
13. Each Party adopts this Settlement Agreement as the product of a group drafting effort of counsel for all Parties, not to be construed more favorably for or against any Party to this Settlement Agreement. All Parties have been represented by independent counsel and have consulted same as to their decision to enter into this Settlement Agreement and the terms thereof.
14. Texas law, without regard to any law that would apply the law of any other state, shall govern the interpretation of this Settlement Agreement. Any disputes arising under this Settlement Agreement shall be heard in Comal County, Texas.
15. This Settlement Agreement may be executed in multiple facsimile counterparts, and with facsimile, scanned, or electronic signatures, and all such counterparts shall together be deemed to constitute one final agreement, as if each Party had signed one document. Each such counterpart or a facsimile copy thereof shall be deemed to be an original, binding the Parties subscribed thereto, and multiple signature pages or facsimile or scanned signature pages affixed by the Mediator to a single copy of this Settlement Agreement shall be deemed to be a fully executed original document. The absence of the Confidential Exhibits to the Settlement Agreement shall not invalidate it in any way.

IN WITNESS WHEREOF, this Settlement Agreement has been executed the date and year first above written.

RECOMMENDED ONLY FOR APPROVAL BY THE CITY OF NEW BRAUNFELS BY ITS REPRESENTATIVES APPEARING AT MEDIATION, BUT NOT BINDING UPON THE CITY OF NEW BRAUNFELS OR ANY OTHER PARTY UNLESS FORMALLY APPROVED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS AT A REGULAR OR SPECIAL CALLED MEETING.

By _____

Its: _____

APPROVED AND AGREED:

CITY OF NEW BRAUNFELS, TEXAS

BY _____

ITS _____

DATE: _____

ATTEST:

City Secretary

Y.C. PARTNERS, LTD. D/B/A YANTIS COMPANY

By _____

ITS _____

C-3 ENVIRONMENTAL SPECIALTIES, L.P.

BY _____

ITS _____

HALFF ASSOCIATES, INC.

BY _____

ITS _____

CONFIDENTIAL EXHIBIT TO PAYOR'S COPY

The Party signing below shall pay to the Escrow Account established under the Settlement Agreement to which this Exhibit is annexed, the sum of

_____.

Agreed: Party _____

By: _____
Its authorized representative or counsel of record

EXHIBIT TO CITY'S COPY

The City shall receive from the Escrow Account established under the Settlement Agreement to which this Exhibit is annexed, the sum of \$1,100,000.00.

Agreed: City of New Braunfels, Texas

By: _____
Its authorized representative or counsel of record