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Subject: Update

Milam and the City were in a mediation all day yesterday (they claim 11 hours). They have not indicated any deal terms beyond what we have already been told. They claim that they are close, but nothing is final yet. They have sent around an email stating that it is close enough, they may want to continue the depositions set for tomorrow and asked for suggested dates.

Still nothing concrete on any settlement. My last communication to them yesterday was that I would ask you about your willingness to get paid through a second (near in time) escrow disposing of the property, and I thought you might be ok with that, subject to appropriate protections and you would probably want (1) compensation for your litigation costs and (2) some kind of statement from the City clearing your name. So they are aware of what it will likely take for you to go quietly.

I just got off the phone with Terry Coffing. They are very close to a deal, but not signed yet. The basic parameters are: \$4.5 million paid to the City (interestingly, this is exactly the amount of the COH's budget deficit for this year). \$250,000 upon execution of the agreement, balance paid at closing of the BLM sale. There would be another extension of the BLM sale not to exceed 45 days. This is to buy time for Milam to get a sale arranged with a buyer.

[REDACTED]

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