

Dear Dee and Woody:

I want to thank both of you for our meeting yesterday and the very constructive proposal to end the Duranguito litigation. We can now turn our collective attention to working on a resolution beneficial to all the citizens of El Paso. Yours and Woody's interest in El Paso is well evident and I believe you will have every reason to be proud of the eventual outcome.

So that there are no misunderstandings, I am going to set out my view of the terms of a settlement agreement, which will include the matters we discussed yesterday:

- The photo map with MPC and MPC Plaza, including the road from Santa Fe St. to Chihuahua St. that you gave me is an acceptable depiction of the area on which the City will build the Multi-Purpose Center and the Multipurpose Plaza.
- The properties in Duranguito that will be preserved from demolition are: 306, W. Overland Avenue (The Mansion); 305, 309, 311, 315, 321, 323, 325, 327 Chihuahua Street; 215 and 301 W. Paisano Drive; and 325 S. Santa Fe Street; and the Trost fire house at the northwest corner of S. Santa Fe Street and W. Paisano Drive. All these properties are shown on the photo map. The City will terminate all demolition permits for these properties.
- Chihuahua Street will remain a public street in order to provide access to the properties on the west and east sides that are being preserved.
- Half the width of W. Overland Ave. will be retained in front of 306 W. Overland Ave. and 305 Chihuahua St. so that there is access to these two buildings from the street.
- We would like to discuss repairs to the properties at 305, 309 and 315 Chihuahua St. and 215 W. Paisano Dr. that was caused by the partial demolition on September 12, 2017. These buildings are being preserved from demolition and need to be repaired and sealed so that they are not permanently damaged by the elements.
- In order to permanently protect the buildings being preserved, we ask the City to adopt an ordinance establishing a local H-overlay district that will include all the property described in the citizens' petition that was presented to City Council excepting the properties on which the MPC and MPC Plaza will be constructed. We believe it important that the City join with the County in recommending that the area covered by the local H-overlay district also be designated as a National Register District to make tax credits available to owners of property in this area, and the City will ensure that there are no legal impediments in the municipal code that would obstruct this effort. This is a critical feature since tax credits will make these properties extremely attractive to investors and help insure long term investment in the downtown.
- We would like to discuss moving the Chinese laundry building to another site. The City owns several vacant lots on Chihuahua St. that could be suitable. The Chinese laundry is important to the El Paso Chinese community and should be preserved in some form, though we will consider the new information you provided in making the assessment.

- The City and Dr. Max Grossman will take steps to jointly dismiss all pending litigation in El Paso as well as the appellate cases pending in the 3rd Court of Appeals and the 2nd Court of Appeals. Each party will pay its attorneys' fees and costs.
- The City and Dr. Grossman will issue a mutually agreed joint press release announcing the terms of the settlement. All parties will refrain from making any post settlement statements to any media outlet or to any organization that contradict or question any statement made in the joint press release or cast aspersions on any person associated with the Duranguito litigation.
- The City and Dr. Grossman will prepare a formal settlement agreement as soon as possible that incorporates the above terms. The formal settlement agreement shall be presented to City Council for approval at the first regular City Council meeting in April, 2018. Mayor Margo agrees to recommend to City Council that the formal settlement agreement be approved. In the interim neither the City nor Dr. Grossman will take any actions that are inconsistent with the foregoing terms.

Yours truly,

A handwritten signature in black ink, appearing to read "J.P. Bryan". The signature is fluid and cursive, with the first name "J.P." and the last name "Bryan" clearly distinguishable.

J.P. Bryan