

granted permission to join the lawsuit as additional named plaintiffs by the court's order of July 25, 1996. The court also granted Plaintiff Maldonado's Motion for Leave to File a First Amended Complaint on July 25, 1996.

3. Plaintiffs assert that the Housing Authority violated federal law and the United States Constitution in denying their applications for a conventional public housing apartment. The Housing Authority denies that it has violated Plaintiffs' constitutional rights or misapplied federal law.

4. Plaintiffs and the Housing Authority desire to compromise and settle all claims and causes of action of any kind that either of them may now have against the other arising out of the facts asserted in Plaintiffs' First Amended Complaint in Civil Action No. A-96-CA-330-SC.

5. In consideration of the foregoing recitals and the mutual promises and covenants contained in this document:

- a. The Housing Authority, its agents, servants, attorneys, and employees hereby release and forever discharge Plaintiffs from every claim or cause of action of any kind whatsoever, at common law, statutory, or otherwise; known or unknown; and now existing, that the Housing Authority has or may have against Plaintiffs, directly or indirectly arising out of the facts asserted in Plaintiffs' First Amended Complaint in Civil Action No. A-96-CA-330-SC.

b. Plaintiffs hereby release the Housing Authority and its agents, servants, and employees and all natural or corporate persons in privity with one or more of them, from every claim or cause of action of any kind whatsoever, at common law, statutory or otherwise, known or unknown, and now existing, that they have or may have against the Housing Authority, directly or indirectly arising out of the facts asserted in Plaintiffs' First Amended Complaint in Civil Action No. A-96-CA-330-SC.

6. Plaintiffs and the Housing Authority expressly understand and agree that the terms of this agreement are contractual and not mere recitals; that the agreements contained here and the consideration conferred by this agreement are to compromise disputed claims, avoid litigation, and buy peace; that no release or other consideration given shall be construed as an admission of liability; that the Housing Authority expressly denies any wrongful action or liability on its part to Plaintiffs; and that Plaintiffs expressly deny any liability on their part to the Housing Authority.

7. Plaintiffs and the Housing Authority agree:

a. Plaintiffs will present to the federal court, within ten days of the signing of this agreement, a motion and an agreed order dismissing their lawsuit with prejudice to their right to refile it. Plaintiffs and the Housing Authority hereby

authorize their attorneys to execute a motion to dismiss Plaintiffs' lawsuit pending in federal court (Civil Action No. A-96-CA-330-SC).

b. The Housing Authority will modify its occupancy policies on tenant selection by implementing and making the following changes to its Occupancy Manual, as revised in October 1996, no later than January 31, 1997:

(i) The following language will be added to the last paragraph under ¶14C at the bottom of page 33:

Likewise, an arrest or conviction is not in and of itself a basis for denial of assistance but may be taken into consideration as a factor in determining whether the conduct occurred.

(ii) Paragraph 15 on page 34 entitled "**Unfavorable or Derogatory Family Information**" has been revised to provide for consideration of mitigating circumstances in the event of the receipt of unfavorable information, without regard to when the unfavorable conduct occurred, and no further revision is required.

(iii) The Housing Authority will inform applicants who request a hearing that the hearing officer will give consideration

to the time, nature and extent of the conduct and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects, such as (1) rehabilitation; (2) participation in or willingness to participate in social services or other appropriate counseling service programs and the availability of such programs; (3) willingness to attempt to increase family income; and (4) evidence of repayment of debt.

- c. The Housing Authority will pay damages to Plaintiffs, as full settlement for personal losses, no later than December 31, 1996, as follows: \$1,500.00 to Plaintiff Freddie Maldonado; \$1,500.00 to Plaintiff Rachel Rangel; and \$1,500.00 to Plaintiff Mary Ruiz.
- d. The Housing Authority will pay attorney's fees to Legal Aid of Central Texas in the amount of \$4,450.00 on or before December 31, 1996.
 - (i) Any amount not paid by December 31, 1996, shall bear interest at an annual rate of ten percent;
 - (ii) If payment is not made by December 31, 1996, Legal Aid of Central Texas may sue to collect

and enforce this agreement and the Housing Authority shall be liable for reasonable attorney's fees incurred in collecting the attorney's fees and enforcing this agreement.

- e. The Housing Authority will offer Plaintiffs Maldonado, Rangel and Ruiz an appropriate bedroom size apartment, at an apartment complex selected by the Housing Authority in accordance with its HUD-approved tenant assignment policy, by December 31, 1996.
- f. The Housing Authority will grant new hearings to those applicants for conventional public housing or Section 8 housing who have been previously denied by Defendant Hyacinth Onyekanne, as the hearing officer, for alleged criminal history or drug-related criminal history and who make a written request for a hearing by January 15, 1997. The hearing request must be directed to Brenda Jo Cox at the Housing Authority's main office and will be held before an impartial hearing officer and not the hearing officer who previously upheld the denial of the application.

8. The parties understand that the Housing Authority reserves the discretion to alter the policies described in Paragraph 7 as allowed by law.

9. Plaintiffs and the Housing Authority understand and agree that each of them will bear court costs, and other litigation costs in this cause to the extent that they have been paid by such party and that neither Plaintiffs nor the Housing Authority will reimburse the other party for any such costs.

10. The undersigned Housing Authority or designated representative of the Housing Authority warrants that he has read this settlement and release agreement; that he fully understands it to be a compromise, settlement, and release of all claims, known or unknown, present or future, that the Housing Authority has or may have against Plaintiffs arising out of the facts asserted in Plaintiffs' First Amended Complaint against the Housing Authority in Civil Action No. A-96-CA-330-SC; and that he is authorized to execute this settlement and release agreement on behalf of the Housing Authority.

11. Plaintiffs warrant that they have read this settlement and release agreement; that they fully understand it to be a compromise, settlement, and release of all claims, known or unknown, present or future, that they have or may have against the Housing Authority arising out of the facts asserted in Plaintiffs' First Amended Complaint in Civil Action No. A-96-CA-330-SC; that they are each of legal age and are legally competent to execute this settlement and release agreement; and that they do so of their own free will and accord without reliance on any representation of any kind or character not expressly stated here.

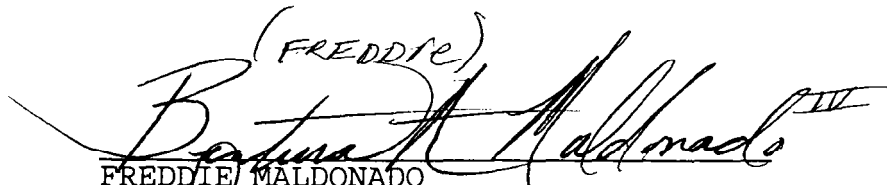
12. Notwithstanding any of the foregoing language in this settlement and release, the parties understand and agree that neither Plaintiffs nor the Housing Authority is granting the other party a release of any claims that may arise in the future relative to Plaintiffs' applications for public housing or participation as tenants in the Housing Authority's conventional public housing program.


13. Plaintiffs and the Housing Authority understand and agree that this document sets forth the entire settlement and release agreement between them; that no oral understanding, statement, promise, or inducement contrary to the terms of this settlement and release agreement exists; and that this settlement and release agreement cannot be changed or terminated orally.

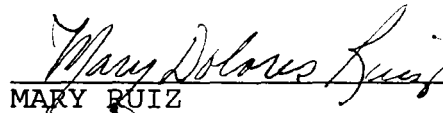
14. Plaintiffs and the Housing Authority understand and agree that this settlement and release agreement shall inure to the benefit of and be binding on each party's heirs, executors, administrators, receivers, successors, custodians, trustees, and assigns. In any action to enforce this settlement agreement, the prevailing party may recover reasonable attorney's fees and costs of court.

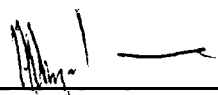
15. This settlement and release agreement is being executed in one original to be kept by the Housing Authority. This settlement and release agreement shall be effective when all Plaintiffs and the designated representatives of the Housing Authority have all signed.

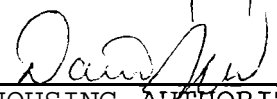
EXECUTED by

(FREDDIE)

FREDDIE MALDONADO
on Dec 17, 1996


RACHEL RANGEL
on Dec 18, 1996

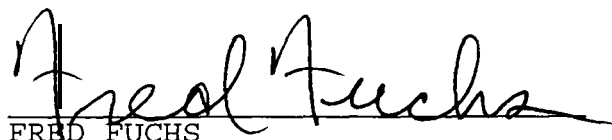

MARY RUIZ
on December 18, 1996


HYACINTH ONYEKANNE as Director of
Housing Management for the Housing
Authority of the City of Austin
on 12/17/96, 1996


HOUSING AUTHORITY OF THE CITY OF
AUSTIN BY JIM PERSON, BOARD
CHAIRPERSON AND DESIGNATED
REPRESENTATIVE
on Dec 17, 1996, 1996

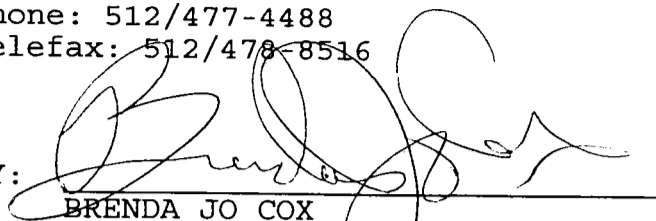
APPROVED:

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