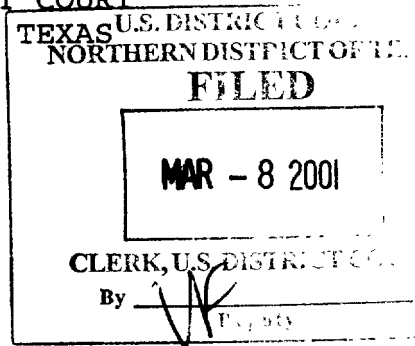


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



DEBRA WALKER, et al.,)
)
 Plaintiffs,)
)
 v.)
)
 UNITED STATES DEPARTMENT OF)
 HOUSING AND URBAN)
 DEVELOPMENT, et al.,)
)
 Defendants.)
 _____)

Civil Action No.
CA-3-85-1210-R



SETTLEMENT STIPULATION AND ORDER

WHEREAS, this action has been pending for more than fifteen years, and

WHEREAS, the parties hereto have agreed upon the means set forth herein fully and finally to resolve this action without the burdens of further litigation, and

WHEREAS, the parties hereto acknowledge that the provision of the funding of Section 8 vouchers, and the funding of extraordinary fees in connection with such vouchers, by HUD pursuant hereto subsequent to Federal Fiscal Year 2001 are subject to the availability of appropriations and other contingencies as set forth herein, and

WHEREAS, the parties have entered into this Settlement Stipulation and Order ("Order") to supplant the Modified Remedial Order Affecting HUD entered on December 5, 1997 (the "Modified

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Remedial Order"), and all other remedial orders and agreements in this action, NOW, THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by and between Plaintiffs and Defendant United States Department of Housing and Urban Development ("HUD"), by their undersigned counsel, as follows:

Part I: RELIEF TO THE PLAINTIFF CLASS

Section 8 Vouchers

1. HUD shall provide a total of 3,205 Section 8 vouchers (the "Vouchers") to the Dallas Housing Authority ("DHA"), in its capacity as a Section 8 Administrator, pursuant to the terms and procedures set forth in this Order. As an administrative matter, this process will be implemented as follows: subject to the provisions of ¶ 4, below, HUD will increase DHA's adjusted baseline number of Section 8 voucher units (the "Vouchers") by a total of 3,205 in accordance applicable law and regulations for renewal of expiring consolidated Annual Contribution Contract (ACC) funding increments, pursuant to 24 C.F.R. § 982.102. The Vouchers will be administered by DHA in its capacity as a Section 8 Administrator pursuant to its Section 8 voucher ACC with HUD in accordance with the terms in this Order.
2. HUD shall provide DHA with funding for not fewer than 2,100 of the 3,205 Vouchers within 90 days of the effective date

of this Order, pursuant to the administrative process set forth in ¶ 1, above. HUD may provide this funding from moneys already reserved in connection with this action.

3. HUD shall provide the funding for the remainder of the Vouchers on or before December 5, 2007. HUD may provide the funding for the remainder of the Vouchers at such rate as HUD, in its sole discretion, deems appropriate.
4. As an administrative matter, all reservations of units pursuant to this order will be in addition to the 11,526 units that constitute DHA's adjusted baseline number of units as of December 31, 2000, apart from the 1,605 units previously reserved for DHA pursuant to the Modified Remedial Order in this case (for a total baseline of 13,131 units). Reservation of 3,205 units pursuant to this order will not reduce the reservation of additional Section 8 units that otherwise would be made to DHA. Funding for the Vouchers shall be renewed in accordance applicable law and regulations for renewal of expiring consolidated ACC funding increments, pursuant to 24 C.F.R. § 982.102. Pursuant to HUD's current regulations, the Vouchers funded pursuant to this Order shall be included in the baseline number of vouchers used for calculation of voucher renewal funding. HUD may, in its sole discretion, reduce DHA's baseline by one voucher for each Voucher that is not used in compliance

with of the terms of this Order. Once a class member who has received a Voucher ceases to participate in the Section 8 program, the Voucher shall no longer be subject to the requirements of this Order but shall be subject only to the requirements of the ACC and the statutes and regulations that govern the Section 8 program.

5. The Vouchers are to be awarded by DHA solely to class members that receive an offer of a unit in a "predominantly white area." Such an offer is deemed by the plaintiff class to constitute a racially desegregative housing opportunity. As used in this Order, the term "predominantly white area" means either:

- A. A census tract that, according to the most recent decennial census, (i) has a black population at or below the average black population of the City of Dallas, (ii) has no public housing, and (iii) has a poverty rate at or below the average for the City of Dallas; or

- B. A census tract that the plaintiffs and DHA agree should be treated as a predominantly white area.

Fair Market Rent Exception

6. Within 90 days of the effective date of this Order, HUD will authorize DHA to establish Section 8 payment standard amounts of up to 125% of the Fair Market Rent ("FMR") for

each Voucher and for each bedroom size for class member families that move to, and occupy dwelling units in, predominantly white areas. HUD authorizes the applicable higher payment standard amount to remain in effect for any Voucher held by any class member as long as the Voucher is used in compliance with the terms of ¶ 5 of this Order .

Mobility Counseling Funding

7. HUD will provide an aggregate total of \$4.8 million to DHA for initial and follow-up mobility counseling to class members. HUD has previously provided \$300,000 to DHA for this purpose. Within 90 days of the effective date of this Order, HUD will make available \$4.5 million to DHA for mobility counseling to class members. If DHA has failed to spend any of this money by December 7, 2007, HUD may recapture the entire amount of any such unspent funds.

Regional Opportunity Counseling Funds

8. Within 90 days of the effective date of this Order, HUD will make available the \$1.9 million remaining in DHA's Regional Opportunity Counseling ("ROC") grant outstanding as of December 15, 2000. These funds shall be used for mobility counseling and no longer will be subject to the regulatory and other requirements of the ROC program, including the requirement that DHA retain a nonprofit organization to administer the funds. Such ROC funds shall be made

available to DHA subject to the requirement that the funds be used solely for mobility counseling for members of the class in this case and in accordance with the terms of this Order. This funding may be treated by DHA in the same way it treats the funds pursuant to ¶ 7, above. If DHA has failed to spend any of this money by December 7, 2007, HUD may recapture the entire amount of any such unspent funds.

Additional Administrative Fees

9. HUD will grant DHA a one-time payment of an additional \$1000 in administrative fees (extraordinary fees) for each of the 3,205 Vouchers provided for in this Order. This money shall be provided on a per-voucher basis in accordance with HUD rules, regulations, and procedures relating to the payment of Section 8 administrative fees after DHA, in its Section 8 program year-end statement, notifies HUD that a lease to which a voucher hereunder applies has been executed. These extraordinary fees may be used for the following three purposes, or for such other purposes as HUD, in its sole discretion, permits. First, DHA may use the extraordinary fees to pay per-unit bonuses to landlords of units in a predominantly white area who agree to participate, for the first time, in the Section 8 voucher program. Second, DHA may use the extraordinary fees to assist class members in the payment of apartment lease application fees. Third, DHA

may use the extraordinary fees to pay for mobility counseling for class members.

10. HUD hereby authorizes DHA to use its Section 8 administrative fee reserves, if any, to assist class members with security deposits, moving expenses, and utility deposits.
11. Until HUD determines that it has met its obligations under this Order, HUD shall send a report to all parties on or before November 15th of each year setting forth the total number of Vouchers allocated, and funds released to DHA hereunder.

Part II: Conditions and Release and Termination of the Litigation

12. HUD is not responsible for the performance of any other party in this action pursuant to this Order or to any other Consent Decree, order, or agreement in this action. It is expressly agreed among the parties to this Order that HUD is not, and shall not be, responsible for ensuring that class members are offered or are placed in housing consistent with the terms of ¶ 5, above.
13. Nothing in this agreement shall be construed to require HUD to provide additional funding, other than that which is expressly agreed to herein. HUD's duty to discharge the obligations imposed upon it by the express terms of this Order is subject to the availability of funding from

Congress for any purpose for which funding is required, and to the existence of statutory authority authorizing the acts necessary for performance by HUD of its obligations under this Order. HUD shall not be found to be in violation of this Order on account of any failure to perform any obligation imposed upon HUD by the terms of this Order that results (i) from the unavailability of funding from Congress necessary for performance, or (ii) from the modification or revocation of statutory authority, that is necessary for such performance by HUD. If HUD does not commit funding for a total of 3,205 Vouchers by December 5, 2007, and the funding of extraordinary fees in connection with such Vouchers, then the exclusive remedy to which the plaintiffs shall be entitled is to seek a court order requiring HUD to commit the funding to DHA for the outstanding balance of such Vouchers and to provide the funding of extraordinary fees in connection with such Vouchers. If HUD does not comply with the requirements of ¶¶ 2, 6, 7 and 8 of this Order within 90 days after the effective date hereof, then the exclusive remedy to which the plaintiffs shall be entitled is to seek a court order requiring HUD to comply with the specific obligations of these paragraphs; provided, however, that plaintiffs must exercise the right to seek such a court order within 45 days after the deadline

hereunder for performance of the specific obligations of these paragraphs by HUD, i.e., within 135 days after the effective date hereof.

14. The plaintiffs and all of the class members, and each of them, and their heirs, administrators, successors, or assigns (together, the "Releasers"), hereby release and forever discharge HUD and any component, division, agency, or establishment of HUD, and all HUD officials administrators, employees, agents, attorneys, or successors thereof (together the "Releasees"), from any and all claims and causes of action, known or unknown, which plaintiffs have, or could have been asserted, by reason of, or with respect to, or in connection with, or which arise out of, any of the matters alleged at any time in this action, including, without limitation, any claim of race-based discrimination in housing programs funded by HUD, and any of the matters alleged in the Complaint, the Amended Complaint, the Second Amended Complaint, the Notice served upon HUD by plaintiffs on August 3, 2000, or in any other pleading, motion, or other paper served or filed by plaintiffs, which the Releasers, or any of them have against the Releasees, or any of them.
15. The plaintiffs and all of the class members, and each of them, are hereby forever barred and enjoined from

prosecuting any claims or causes of action that are described in the preceding paragraph.

16. Nothing contained in this Order shall:

- A. Impose on HUD any duty, obligation, or requirement to produce any particular result other than to perform the specific obligations that are imposed on HUD by the explicit terms of this Order; or
- B. Impose on HUD any duty, obligation or requirement the performance of which would be inconsistent with law, rules, or regulations at the time of such performance;
- C. Impose on HUD any duty, obligation or requirement to award, grant, or otherwise make available to the plaintiffs or any other party any benefits under any program administered by HUD except as specifically and explicitly set forth herein; or
- D. Alter the parties' agreement that the funding provided by HUD pursuant to this Order is the sole and exclusive funding to be provided by HUD in this action, and such funding is not subject to modification without HUD's consent, notwithstanding any other provision hereof or of any other Consent Decree or agreement in this action.

17. This Order is not and shall not be construed as an admission by HUD of the truth of any allegation or the validity of any

claim asserted at any time in this action, or of HUD's liability in connection with any matter set forth in any document served or filed by the plaintiffs, nor is this Order a concession or an admission of any fault or omission or failure to act, or in any statement, written document, or report heretofore issued, filed or made by HUD, nor shall any of the terms hereof, or any statement made or document written by any party in the settlement negotiations pertaining hereto, be offered or received in evidence or in any way referred to in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to consummate or enforce this Order, nor shall they be construed by anyone for any purpose whatsoever as an admission or presumption of any wrongdoing on the part of HUD, nor an admission by HUD that the consideration to be given hereunder represents the relief which could be recovered after trial.

18. No default by any person or party in the performance of any of the covenants or obligations under this Order, or any judgment or order entered in connection herewith, shall affect the injunction against prosecution of actions against HUD or the discharge and release of HUD, or any other provision of this Part of this Order.
19. In the event of any alleged default by any party in the

performance of any of such party's obligations under this Order, or any judgment or order in connection therewith, the parties agree that the following procedure shall apply before relief is sought from the Court:

- A. The party seeking enforcement of a provision of this Order shall serve on all other parties a written notice that describes with particularity the term(s) of the Order that are alleged to have been violated, the specific errors or omissions upon which the alleged violation is based, and the corrective action sought. The party alleging the violation shall not inform the Court of his allegation at that time.
 - B. The parties shall make their best efforts to resolve the matter in dispute without the Court's involvement. If requested to do so, the party seeking enforcement shall provide to an opposing party any information and materials available to the party seeking enforcement that support the allegation of a violation in the notice.
 - C. The party who served the notice of violation pursuant to subparagraph (A), above, may not move for enforcement of this Order until at least forty-five days after the date on which it served the notice.
20. Contemporaneously with the execution hereof, the parties

shall file a joint motion for the approval and entry of this Order pursuant to Rule 23(e) of the Federal Rules of Civil Procedure.

21. This Order, the entry of which is a condition precedent to any obligation of any party hereunder, shall be effective upon the approval, execution, and entry hereof by the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure. The date of such entry shall be the "effective date" of this Order. If this Order is finally disapproved by any court, or in the event that it fails to become effective or is modified for any reason whatsoever without the consent of HUD, or if it is finally reversed or modified on appeal, this Order shall be null and void, shall have no further force and effect, and shall not be used in this action or in any other action or proceeding, and this Order and all court proceedings pursuant to Rule 23(e), Fed. R. Civ. P., and all negotiations, filings, and statements made in connection herewith shall be without prejudice to any person or party, shall not be deemed or construed to be an admission by any party of any fact, matter, or proposition, and shall not be used in any manner or for any purpose in any subsequent proceeding in this action or in any other action, whether judicial or administrative.
22. The terms of the numbered paragraphs of this Order

constitute the entire agreement of the parties, and no statement, remark, agreement, or understanding, oral or written, which is not contained herein, shall be recognized or enforced, nor does the Order reflect any agreed-upon purpose other than the desire of the parties to reach a full and final conclusion of this action as between the parties and to resolve this matter without the time and expense of further litigation. Each party has entered into this Order after consultation with its attorneys and after an independent investigation of any relevant facts, and no party has relied upon the representations of any other party except those set forth herein.

23. Upon the entry of this Order by the Court, all pending motions by the plaintiffs against HUD, if any, shall be deemed withdrawn with prejudice, and HUD's Motion to Substitute ¶ A.6 Plan, filed August 20, 1999, shall be deemed withdrawn. Plaintiffs agree not to file the Notice served upon HUD on August 3, 2000. All parties agree that the relief set forth in this Order constitutes a full and complete satisfaction of each and every one of the claims made in that Notice.
24. The provisions of this Order shall constitute the entirety of HUD's obligations in this action. This Order supersedes the Modified Remedial Order and any other prior order or

agreement in this action that imposed any obligation upon HUD (together, the "Remedial Orders"). The Remedial Orders are hereby vacated and their terms, in their entirety, are null and void. All obligations heretofore imposed upon HUD pursuant to this action are deemed fully and completely satisfied hereby, and such obligations are replaced in their entirety by the obligations contained in this Order.

25. The performance of the specific obligations undertaken by HUD pursuant to this Order shall constitute full and final performance of any and all of HUD's obligations in this action. If HUD performs the specific obligations undertaken pursuant hereto by providing (i) the funding authority to DHA for all of the Vouchers, and (ii) all of the other funds as set forth herein, on or before December 5, 2007, then:
- A. HUD's obligations in this action shall be deemed fully and finally completed;
 - B. plaintiffs shall not be entitled to, and shall not seek, any additional relief against HUD;
 - C. plaintiffs shall not be entitled to, and shall not seek, any extension, continuation, or renewal of the jurisdiction of the Court over the above-captioned action.
26. The provisions of ¶¶ 24 and 25, above, shall not affect HUD's obligations under ¶¶ 10, 11, 12 and 13 of the Agreed

Order Concerning Revitalization of Roseland Homes, entered on March 10, 2000; provided, however, that, if HUD does not comply with the requirements of ¶¶ 10, 11, 12 and 13 of the Agreed Order Concerning Revitalization of Roseland Homes, then the exclusive remedy to which the plaintiffs shall be entitled is to seek a court order requiring HUD to comply with the specific obligations of these paragraphs.

27. In full and final settlement of any and all claims for attorneys' fees, expenses or costs by the plaintiffs against HUD in this action, and subject to the terms of ¶ 14, above, HUD shall pay \$72,000 to the undersigned counsel for the plaintiffs.
28. Class counsel who is signatory hereto hereby represents, warrants, and guarantees that he is duly authorized to execute this Order on behalf of the plaintiffs, the class members, and all of their counsel.
29. This action shall immediately be fully and finally dismissed with prejudice as against HUD. Accordingly, pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure, the above-captioned action, as against HUD, is hereby dismissed with prejudice and, except as specifically set forth herein, without attorneys' fees, expenses or costs. The Clerk is hereby directed immediately to enter Judgment in accordance with this paragraph.

Respectfully submitted,

Dated: JAN. 18, 2001



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Dated: 1/18/01


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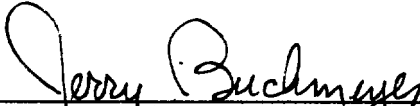
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ATTORNEYS FOR DEFENDANT UNITED
STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

APPROVED AND
SO ORDERED:

Dated: 8 MARCH 2001



JERRY BUCHMEYER, CHIEF JUDGE
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

