

1/10/97

50,732
E

NO. 96-CVO066

LISA HANKS,
PLAINTIFF

)(IN THE DISTRICT COURT

)(

vs.

)(122ND JUDICIAL DISTRICT

WILSHIRE-INDEPENDENT LIMITED

PARTNERSHIP D/B/A

INDEPENDENT MISSIONARY

VILLAGE APARTMENTS AND

PAULETTE DE ROUEN, MANAGER,)(

DEFENDANTS

)(GALVESTON COUNTY, TEXAS

FULL AND FINAL SETTLEMENT AND RELEASE AGREEMENT

I.
DEFINITIONS

1. "Plaintiff" shall mean the Plaintiff in the Lawsuit hereinafter defined, Lisa Hanks, a resident of the State of Texas.

2. "Lisa Hanks Entities" shall mean those persons and/or entities (whether now in existence or not), and which are or were formerly owned or controlled, in whole or in part, directly or indirectly, by Lisa Hanks, or any Lisa Hanks Derivative Claimant (as defined herein); and their respective entities, employers, employees, directors, shareholders, officers, assigns, predecessors, successors, attorneys, representatives or agent of such persons and/or entities.

3. "Lisa Hanks Derivative Claimants" shall mean any person or entity acting by, through, or under Lisa Hanks (including by reason of marriage or family relationships, any such person), or any of the Lisa Hanks Entities hereinabove defined.

4. "Defendant" shall mean the Defendant in the Lawsuit hereinafter defined, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, a Texas limited partnership with it's principal place of business at 7005 Little Bend, Hitchcock, Galveston County, Texas.

5. "Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities" shall mean those persons and/or entities (whether now in existence or not), and which are or were formerly owned or controlled, in whole or in part, directly or indirectly, by Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, or any Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimant (as defined herein); and their respective entities, employers, employees, directors, shareholders, officers, assigns, predecessors, successors, attorneys, representatives or agent of such persons and/or entities.

6. "Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants" shall mean any person or entity acting by, through, or under Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments (including by reason of marriage or family relationships, **any** such person), or any of the Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities hereinabove defined.

7. "**Defendant**" shall mean the Defendant in the Lawsuit hereinafter defined, Paulette De Rouen, Manager, an individual residing in Galveston County, Texas.

8. "Paulette De Rouen, Manager Entities" shall mean those persons and/or entities (whether now in existence or not), and which are or were formerly owned or controlled, in whole or in part, directly or indirectly, by Paulette De Rouen, Manager, or any Paulette De Rouen, Manager Derivative Claimant (as defined herein); and their respective entities, employers, employees, directors, shareholders, officers, assigns, predecessors, successors, attorneys, representatives or agent of such persons and/or entities.

9. "Paulette De Rouen, Manager Derivative Claimants" shall mean any person or entity acting by, through, or under Paulette De Rouen, Manager (including by reason of marriage or family

relationships, any such person), or any of the Paulette De Rouen, Manager Entities hereinabove defined.

10. "Lawsuit" shall mean that certain cause of action styled Lisa Hanks VS. Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager; Cause No. 96-CV0066, 122nd Judicial District Court, Galveston County, Texas.

11. "Plaintiff's Counsel" shall mean Stephen C. McIntyre, Gulf Coast Legal Foundation.

12. "Defendants' Counsel" shall mean Charles Tupper, Jr. and Jeff G. W. Kemp.

13. "Representatives" of a person or entity shall mean and include all of that person's or entity's past or present principals, agents, servants, employees, attorneys, consultants, experts, partners (both general and/or limited), equity participants, officers, directors, shareholders, parent companies, subsidiaries, affiliates, predecessors, successors, assigns, estates, beneficiaries, heirs, devisees, legatees, trustees, and personal representatives.

14. "Settlement Agreement" shall mean the Full and Final Settlement Agreement and Mutual Release dated 1/10, 1997, by and between the parties hereto.

I.

PARTIES

1. Plaintiff, Lisa Hanks
2. Lisa Hanks Entities and/or
3. Lisa Hanks Derivative Claimants
4. Defendant, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments
5. Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or
6. Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants
7. Defendant, Paulette De Rouen, Manager
8. Paulette De Rouen, Manager Entities and/or
9. Paulette De Rouen, Manager Derivative Claimants

II.
**CONTRACTUAL RECITALS AND
STATEMENT OF PURPOSE**

WHEREAS, Plaintiff has initiated the Lawsuit against Defendants, alleging various causes of action; and

WHEREAS, Defendants have jointly and severally denied, and continue to deny, all such allegations by Plaintiff, Lisa Hanks; and

WHEREAS, this Settlement Agreement, and the execution hereof, does not, and is not intended to be, construed to be, or is an admission of any fault or wrongdoing by or on behalf of Plaintiff, Defendants and/or their respective Entities and/or Derivative Claimants, all such claims having been expressly denied heretofore, and the parties continue to deny the same; and

WHEREAS, all provisions of this Settlement Agreement and Mutual Release are contractual in nature, and not mere recitals only; and

WHEREAS, the purpose of this Settlement Agreement and Mutual Release is to set forth and embody a negotiated compromise, settlement, and release, as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, and the incorporation of the above Recitals, the parties hereto agree as follows:

A. PERSONS AND ENTITIES BOUND BY THIS SETTLEMENT AGREEMENT

1. Plaintiff, Lisa Hanks understands and agrees that by execution hereof, she is binding herself, and her successors and assigns, to the terms of this Settlement Agreement, and is further binding her respective Entities and Derivative Claimants, as defined herein.

2. Defendant, Wilshire-Independent, Limited Partnership d/b/a Independent Missionary Village Apartments understands and agrees that by execution hereof, it is binding itself, and its successors and assigns, to the terms of this Settlement Agreement, and is

'further binding its respective Entities and Derivative Claimants, as defined herein.

3. Defendant, Paulette De Rouen, Manager understands and agrees that by execution hereof, she is binding herself, and her successors and assigns, to the terms of this Settlement Agreement, and is further binding her respective Entities and Derivative Claimants, as defined herein.

4. Plaintiff, Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants, represent and warrant that they have approved of all of the terms, conditions and covenants of this Settlement Agreement as evidenced by their duly authorized signatures to this Settlement Agreement. Plaintiff Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants jointly and severally warrant and represent that they are not aware of any person and/or entity other than the persons and entities listed herein which now, or formerly were, owned or controlled (in whole or in part, either directly or indirectly) by any of them which have, have had, or could have any actual or potential claim, demand, suit, cause of action, charge, or grievance, of any kind or character against Defendants, or any of them, and/or any of the respective Defendants' Entities and/or Derivative Claimants.

5. Defendant, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants, represent and warrant that they have approved of all of the terms, conditions and covenants of this Settlement Agreement as evidenced by their duly authorized signatures to this Settlement Agreement. Defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants jointly and severally warrant and represent that they are not aware

of any person and/or entity other than the persons and entities listed herein which now, or formerly were, owned or controlled (in whole or in part, either directly or indirectly) by any of them which have, have had, or could have any actual or potential claim, demand, suit, cause of action, charge, or grievance, of any kind or character against Plaintiff, or any of them, and/or any of the respective Plaintiff's Entities and/or Derivative Claimants.

6. Defendant, Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants, represent and warrant that they have approved of all of the terms, conditions and covenants of this Settlement Agreement as evidenced by their duly authorized signatures to this Settlement Agreement. Defendant Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants jointly and severally warrant and represent that they are not aware of any person and/or entity other than the persons and entities listed herein which now, or formerly were, owned or controlled (in whole or in part, either directly or indirectly) by any of them which have, have had, or could have any actual or potential claim, demand, suit, cause of action, charge, or grievance, of any kind or character against Plaintiff, or any of them, and/or any of the respective Plaintiff's Entities and/or Derivative Claimants.

B. Knowledge of Outstanding Claims

1. Plaintiff, Lisa Hanks, and the Entities and/or Derivative Claimants, jointly and severally warrant and represent that they are not aware of the existence of any actual or potential claim, demand, suit, cause of action, charge or grievance, which is not subject to and fully released by this Settlement Agreement, except for matters as may be expressly excluded in this Settlement Agreement, held by any person or entity against Defendants, or any of them, and/or any of their respective Entities and/or Derivative Claimants, whether unfounded or not, that concerns or relates in any way, directly or indirectly, to the Lawsuit. Plaintiff Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants

further warrant and represent that they are not aware of any other entity or person who may have any legal or equitable claim in the Lawsuit, or any right to participate in the negotiation or execution of this Settlement Agreement. Plaintiff Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants hereby expressly agree that they will protect, defend, indemnify and hold harmless forever Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, and their respective Entities and/or Derivative Claimants, of and from any and all further claims, demands, suits, cross-actions, third-party actions, causes of action, complaints, arbitration proceedings, suits or grievances of whatsoever kind or nature, losses, costs, expenses, attorney's fees, and damages of every kind and character that is brought by Plaintiff Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants, as defined in Section I herein, or by any Person(s) and/or entity(ies) claiming by, through or under any of them (hereinafter collectively referred to as "claims"), without regard to the cause or causes thereof, or the negligence or fault of any party or parties, whether such negligence be simple negligence or gross negligence, or whether such negligence be sole, joint, or concurrent; as such claims arise in regards to the Lawsuit. It is further the express intent of the parties that said obligation to protect, defend, indemnify and hold harmless shall include, but not be limited to, any claims arising out of, resulting from, or based upon: comparative fault; strict liability, tort; breach of contract, warranty, duty or obligation; breach or violation of any statute, rule or regulation; or fault of any kind or character that may be hereinafter or at any time be brought or asserted, directly or indirectly, against Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, or any of them, and/or their respective Entities and/or Derivative Claimants, whether the same is brought by Plaintiff Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants, or by

any person(s) and/or entity(ies) claiming by, through or under any of them for the purpose of enforcing or making further demands, claims for damages, or obligations in any way arising, either directly or indirectly, from or out of the Lawsuit, and/or this Settlement Agreement.

2. Defendant, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants, jointly and severally warrant and represent that they are not aware of the existence of any actual or potential claim, demand, suit, cause of action, charge or grievance, which is not subject to and fully released by this Settlement Agreement, except for matters as may be expressly excluded in this Settlement Agreement, held by any person or entity against Plaintiff, or any of them, and/or any of their respective Entities and/or Derivative Claimants, whether unfounded or not, that concerns or relates in any way, directly or indirectly, to the Lawsuit. Defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants further warrant and represent that they are not aware of any other entity or person who may have any legal or equitable claim in the Lawsuit, or any right to participate in the negotiation or execution of this Settlement Agreement. Defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants hereby expressly agree that they will protect, defend, indemnify and hold harmless forever Plaintiff, Lisa Hanks, and their respective Entities and/or Derivative Claimants, of and from any

and all further claims, demands, suits, cross-actions, third-party actions, causes of action, complaints, arbitration proceedings, suits or grievances of whatsoever kind or nature, losses, costs, expenses, attorney's fees, and damages of every kind and character that is brought by Defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants, as defined in Section I herein, or by any person(s) and/or entity(ies) claiming by, through or under any of them (hereinafter collectively referred to as "claims"), without regard to the cause or causes thereof, or the negligence or fault of any party or parties, whether such negligence be simple negligence or gross negligence, or whether such negligence be sole, joint, or concurrent; as such claims arise in regards to the Lawsuit. It is further the express intent of the parties that said obligation to protect, defend, indemnify and hold harmless shall include, but not be limited to, any claims arising out of, resulting from, or based upon: comparative fault; strict liability, tort; breach of contract, warranty, duty or obligation; breach or violation of any statute, rule or regulation; or fault of any kind or character that may be hereinafter or at any time be brought or asserted, directly or indirectly, against Plaintiff, Lisa Hanks, or any of them, and/or their respective Entities and/or Derivative Claimants, whether the same is brought by Defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants, or by any person(s) and/or entity(ices) claiming by, through or under any of them for the purpose of enforcing or making further demands, claims for damages, or obligations in any way arising, either directly or indirectly, from or out of the Lawsuit, and/or this

Settlement Agreement.

3. Defendant, Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants, jointly and severally warrant and represent that they are not aware of the existence of any actual or potential claim, demand, suit, cause of action, charge or grievance, which is not subject to and fully released by this Settlement Agreement, except for matters as may be expressly excluded in this Settlement Agreement, held by any person or entity against Plaintiff, or any of them, and/or any of their respective Entities and/or Derivative Claimants, whether unfounded or not, that concerns or relates in **any way**, directly or indirectly, to the Lawsuit. Defendant Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants further warrant and represent that they are not aware of any other entity or person who may have any legal or equitable claim in the Lawsuit, or any right to participate in the negotiation or execution of this Settlement Agreement. Defendant Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants hereby expressly agree that they will protect, defend, indemnify and hold harmless forever Plaintiff, Lisa Hanks, and their respective Entities and/or Derivative Claimants, of and from any and all further claims, demands, suits, cross-actions, third-party actions, causes of action, complaints, arbitration proceedings, suits or grievances of whatsoever kind or nature, losses, costs, expenses, attorney's fees, and damages of every kind and character that is brought by Defendant Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants, as defined in Section I herein, or by any person(s) and/or entity(ices) claiming by, through or under any of them (hereinafter collectively referred to as "**claims**"), without regard to the cause or causes thereof, or the negligence or fault of any party or parties, whether such negligence be simple negligence or gross negligence, or whether such negligence be sole, joint, or concurrent; as such claims arise

.in regards to the Lawsuit. It is further the express intent of the parties that said obligation to protect, defend, indemnify and hold harmless shall include, but not be limited to, any claims arising out of, resulting from, or based upon: comparative fault; strict liability, tort; breach of contract, warranty, duty or obligation; breach or violation of any statute, rule or regulation; or fault of any kind or character that may be hereinafter or at any time be brought or asserted, directly or indirectly, against Plaintiff, Lisa Hanks, or any of them, and/or their respective Entities and/or Derivative Claimants, whether the same is brought by Defendant Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants, or by any person(s) and/or **entity(ices)** claiming by, through or under any of them for the purpose of enforcing or making further demands, claims for damages, or obligations in any way arising - either directly or indirectly - from or out of the Lawsuit, and/or this Settlement Agreement.

4. Plaintiff, Lisa Hanks, and the Entities and/or Derivative Claimants, jointly and severally warrant and represent that they have not assigned, authorized or transferred (in any way, whether directly or indirectly) any claims, demands, suits, causes of action, charges, or grievances of any kind or character, which they had or may have had prior to and including the Effective Date against Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, or any of them, and/or their respective Entities and/or Derivative Claimants. Plaintiff, Lisa Hanks, Lisa Hanks Entities and/or Lisa Hanks Derivative Claimants do not have or own all or any part of any actual or potential claims, demands, suits, causes of action, charges, or grievances of any kind or character against Defendants, or any of them, and/or their respective Entities and/or Derivative Claimants which they contend, or may hereafter contend, is not subject to and released by this Settlement Agreement.

5. Defendant, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and the Entities and/or

Derivative Claimants, jointly and severally warrant and represent that they have not assigned, authorized or transferred (in any way, whether directly or indirectly) any claims, demands, suits, causes of action, charges, or grievances of any kind or character, which they had or may have had prior to and including the Effective Date against Plaintiff, Lisa Hanks and the Entities and/or Derivative Claimants. Defendant, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Entities and/or Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments Derivative Claimants do not have or own all or any part of any actual or potential claims, demands, suits, causes of action, charges, or grievances of any kind or character against Plaintiff, or any of them, and/or their respective Entities and/or Derivative Claimants which they contend, or may hereafter contend, is not subject to and released by this Settlement Agreement.

6. Defendant, Paulette De Rouen, Manager and the Entities and/or Derivative Claimants, jointly and severally warrant and represent that they have not assigned, authorized or transferred (in any way, whether directly or indirectly) any claims, demands, suits, causes of action, charges, or grievances of any kind or character, which they had or may have had prior to and including the Effective Date against Plaintiff, Lisa Hanks and the Entities and/or Derivative Claimants. Defendant, Paulette De Rouen, Manager, Paulette De Rouen, Manager Entities and/or Paulette De Rouen, Manager Derivative Claimants do not have or own all or any part of any actual or potential claims, demands, suits, causes of action, charges, or grievances of any kind or character against Plaintiff, or any of them, and/or their respective Entities and/or Derivative Claimants which they contend, or may hereafter contend, is not subject to and released by this Settlement Agreement.

C. CONSIDERATION PURSUANT TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

1. In consideration of the total sum of TWO HUNDRED FIFTY DOLLARS, (\$250.00), and other good and valuable consideration payable to Lisa Hanks, by Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, the receipt and sufficiency of which is hereby jointly and severally acknowledged by Plaintiff, Entities and Derivative Claimants, and in consideration of the mutual agreements', conditions, representations, warranties, recitals, covenants and statements of intention contained herein, Plaintiff, Lisa Hanks hereby accepts the above-referenced payment in full settlement, compromise and release of all claims as arising out of or in connection with the Lawsuit, pursuant to this Settlement Agreement, against Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, or any of them, and/or the respective Entities and Derivative Claimants, and does hereby make and execute this Settlement Agreement upon the terms and conditions set forth herein. Defendants shall tender such sum in the following manner:

(1) by tender of check or money order, and further, by the mutual agreement to certain amendments to the manager's manual by January 6, 1997, to the lease agreement of every current tenant of the defendant Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments upon renewal of the current leases, and to the house rules for every current tenant by posting a copy on the tenant bulletin board in the office by January 6, 1997 and by distributing the new

rules to each current tenant by January 6, 1997 to become effective in 30 days (by February 5, 1997), all as contained in Exhibits 1,2 and 3 attached hereto as if fully incorporated herein;

(2) Upon documenting the amendment of the rules of all current tenants, the counsel for the respective parties will sign and enter the Joint Motion for Dismissal With Prejudice and Agreed Order of Dismissal With Prejudice regarding all claims advanced in the Lawsuit, copies of which Motion and Agreed Order are attached hereto and incorporated herein for all purposes as Exhibits 4 and 5, respectively.

(3) Each party agrees to be solely responsible for the payment of their respective attorney's fees, court costs, expert witness fees, court reporter's fees, and all other expenses incurred on said party's behalf as a result of or in connection with the Lawsuit and/or this Settlement Agreement.

D. MUTUAL RELEASE

Plaintiff, Lisa Hanks, and Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, as well as the respective Entities and/or Derivative Claimants, hereby covenant, agree and consent to the following:

1. The intent of the parties hereto is that each person or entity executing this Settlement Agreement shall, by reason of such execution, be entirely free of any and all actual or potential claims, suits, demands, causes of action, charges or grievances of any kind or character, regardless of the nature or extent of the same, arising out of the-Lawsuit.

2. Plaintiff, Lisa Hanks, the Entities and/or Derivative Claimants, jointly and severally, do hereby fully and finally RELEASE, ACQUIT, **AND** FOREVER DISCHARGE Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager and the respective Entities and/or Derivative Claimants (and their representatives, as the same are hereinabove defined), and Plaintiff and Plaintiff's Entities and/or Derivative Claimants further covenant not to assert in any manner against any of such persons or entities released hereby, any and all actual or potential claims held by Plaintiff, Plaintiff's Entities and/or Derivative Claimants, against Defendants, or any of them, and/or their respective Entities and Derivative Claimants and/or any suits, demands, causes of action, charges or grievances of any kind or character whatsoever, heretofore or hereafter accruing for or because of any matter done, omitted or suffered to be done by any such party hereto prior to and including the date hereof, and in any manner (whether directly or indirectly) arising from or related to the Lawsuit.

3. Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, the Entities and/or Derivative Claimants, jointly and severally, do hereby fully and finally RELEASE, ACQUIT, **AND** FOREVER DISCHARGE Plaintiff, Lisa Hanks and the respective Entities and/or Derivative Claimants (and their representatives, as the same are hereinabove defined), and Defendants and Defendants' Entities and/or Derivative Claimants further covenant not to assert in any manner against any of such persons or entities released hereby, any and all actual or potential claims held by Defendants, Defendants' Entities and/or Derivative Claimants, against Plaintiff, or any of them, and/or their respective Entities and Derivative Claimants and/or any suits, demands, causes of action, charges or grievances of any kind or character whatsoever, heretofore or hereafter accruing for or because of any matter done, omitted or suffered to

be done by any such party hereto prior to and including the date hereof, and in any manner (whether directly or indirectly) arising from or related to the Lawsuit.

E. INUREMENT

It is understood and agreed that this Settlement Agreement shall inure to the benefit of Plaintiff, Lisa Hanks, as well as the Entities and Derivative Claimants and/or representatives (as the same are defined herein). No other person or entity is intended to benefit by or be deemed a third-party beneficiary of this Settlement Agreement.

F. EXPRESS DENIAL OF LIABILITIES

Plaintiff, Lisa Hanks, and Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager as well as the respective Entities and Derivative Claimants and/or representatives, understand and agree that no payment made nor released pursuant to the terms of the Settlement Agreement, or other consideration given shall be intended to be, nor shall be construed to be, an admission of liability and any and all such liability is expressly denied.

G. SEVERABILITY

If any one or more of the provisions of this Settlement Agreement, or the application of any such provision to any person, entity, or set of circumstances, shall be determined to be invalid, unlawful, or unenforceable to any extent at any time, the remainder of this Settlement Agreement, and the application of such provision to persons, entities, or circumstances other than those as to which it is determined to be invalid, unlawful, or unenforceable, shall not be affected, and shall continue to be enforceable to the fullest extent permitted by law. Any invalid, unlawful, or unenforceable provision hereof shall be reformed to the extent necessary to render it valid, lawful, and enforceable in a manner consistent with the intentions of the parties hereto regarding such provision.

H. EFFECTIVE DATE

This Settlement Agreement may be signed in counterparts, and each counterpart shall constitute an original. This Settlement Agreement will become effective upon delivery of each constituted original to Plaintiff's Counsel and Defendants' Counsel, respectively on 1/10, 1997.

I. ENTIRE AGREEMENT OF THE PARTIES

This Settlement Agreement constitutes the entire agreement and understanding of Plaintiff, Lisa Hanks and Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager and their respective Entities and Derivative Claimants and/or representatives, with respect to the transactions contemplated hereby, and supersedes all prior agreements, arrangements, and understandings related to the subject matter hereof, including but not limited to, the Lawsuit. No representations, warranties, recitals, covenants, or statements of intention have been made by, or on behalf of, any party hereto which is not embodied in this Settlement Agreement or in connection with the transactions contemplated hereby, and no party hereto shall be bound by, or liable for, any alleged representation, warranty, recital, covenant, or statement of intention not so set forth. All the terms, provisions, conditions, covenants, warranties, recitals, and statements of intention in this Settlement Agreement shall be binding upon, inure to the benefit of, and be enforceable by Plaintiff, Lisa Hanks and Defendants, Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments and Paulette De Rouen, Manager, or each of their respective Entities, Derivative Claimants and/or representatives.

J. GOVERNING LAW

This Settlement Agreement and Mutual Release shall be construed in accordance with the governing laws of the State of Texas. The obligations of the parties are performable, and venue for any legal action arising out of this Settlement Agreement and Mutual Release shall lie in Galveston County, Texas.

K. GENDER

The masculine includes the feminine and neuter, and the singular includes the plural (where applicable) to give effect to this Settlement Agreement.

L. FULL UNDERSTANDING AND AGREEMENT

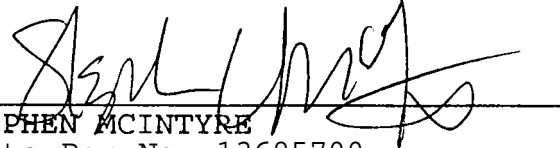
EACH RELEASING PERSON, ENTITY, OR PARTY WARRANTS THAT SUCH PARTY HAS READ THIS FULL AND FINAL SETTLEMENT AGREEMENT AND MUTUAL RELEASE (INCLUDING EXHIBITS) AND FULLY **UNDERSTANDS IT**. EACH PARTY WARRANTS THAT SUCH PARTY IS OF LEGAL COMPETENCE OR LEGAL CAPACITY, AND IS FREE, WITHOUT DURESS, TO EXECUTE THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE, AND THAT SUCH PARTY HAS DONE SO OF FREE WILL AND ACCORD, WITHOUT RELIANCE ON ANY REPRESENTATION OF ANY KIND OR CHARACTER NOT EXPRESSLY SET FORTH HEREIN.

IN WITNESS WHEREOF, the parties hereto have executed this Full and Final Settlement Agreement and Mutual Release on the dates set forth opposite their names, to be effective as of the 10th of January, 1997.

**APPROVED AS TO FORM
AND CONTENT:**

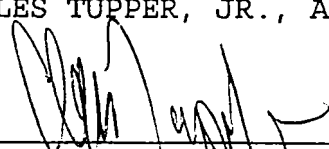
GULF COAST LEGAL FOUNDATION

BY: _____


STEPHEN MCINTYRE
State Bar No. 13685700
ATTORNEY FOR PLAINTIFF,
LISA HANKS

CHARLES TUPPER, JR., ATTORNEY AT LAW

BY: _____


CHARLES TUPPER, JR.
State Bar No. 20295000
ATTORNEY FOR DEFENDANTS,
WILSHIRE-INDEPENDENT LIMITED PARTNERSHIP D/B/A INDEPENDENT
MISSIONARY VILLAGE APARTMENTS AND PAULETTE DE ROUEN, MANAGER

BY: Jeff G. W. Kemp
JEFF G. W. KEMP

State Bar No. 11256150
ATTORNEY FOR DEFENDANTS,
WILSHIRE-INDEPENDENT LIMITED PARTNERSHIP D/B/A INDEPENDENT
MISSIONARY VILLAGE APARTMENTS AND PAULETTE DE ROUEN, MANAGER

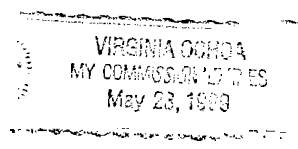
SIGNED THIS 10th day of January, 1997.

PLAINTIFF, LISA HANKS

Lisa Hanks
LISA HANKS

STATE OF TEXAS §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on January 10,
1997, by LISA HANKS.



Virginia Cochran
Notary Public, State of Texas

SIGNED THIS 6th day of January, 1997.

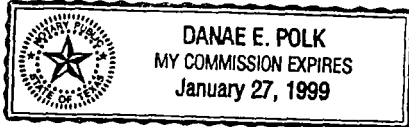
DEFENDANT, WILSHIRE-INDEPENDENT LIMITED PARTNERSHIP D/B/A INDEPENDENT MISSIONARY VILLAGE APARTMENTS, A TEXAS LIMITED PARTNERSHIP

By: Debbie Clark
DEBBIE CLARK, REGIONAL MANAGER of
Wilshire-Independent Limited Partnership
d/b/a Independent Missionary Village
Apartments

STATE OF TEXAS
COUNTY OF DALLAS

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§

This instrument was acknowledged before me on January 6 1997, by DEBBIE CLARK, REGIONAL MANAGER of Wilshire-Independent Limited Partnership d/b/a Independent Missionary Village Apartments.



Danae E. Polk
Notary Public, State of Texas

SIGNED THIS 6th day of January, 1997.

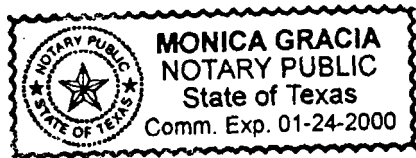
DEFENDANT, PAULETTE DE ROUEN, MANAGER

Paulette DeRouen
PAULETTE DE ROUEN, MANAGER

STATE OF TEXAS
COUNTY OF GALVESTON

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§

This instrument was acknowledged before me on January 8, 1997, by PAULETTE DE ROUEN.



Monica Gracia
Notary Public, State of Texas

This kind of problem will be handled expeditiously and, where possible, legal action will be avoided.

Actions constituting a non-rent, material non-compliance breach of lease may include, but are not limited to:

1. illegal pets
2. disruptive, disorderly conduct
3. excessivedebris, unsanitary conditions of apartmentand/or surrounding area
4. unapproved occupant(s)
5. termination of resident paid utilities due to non-payment

Prior to commencing legal action for these breaches, the Manager delivers a friendly written notice of specific violation with a date to rectify.

The following procedure illustrates the type of action which would be taken, prior to providing a resident with a 30 day notice to vacate, with regard to non-rent material non-compliance breach of lease:

1. Notice of Violation: Prepare the Initial and Friendly written notice of specific violation with a date to rectify.
2. Follow-up to Notice: If the violation is still in evidence, the Manager notes this and sends a second letter setting a meeting between the Resident and the Manager to discuss the violation personally.
3. Meeting: Manager makes it clear as to the violation and Resident signs that he has been made aware of the violation and again is provided with a date to rectify. A personal meeting report is completed and copies give to Resident, Manager and Property Supervisor.
4. Same Violation Repeated: Manager delivers a 30 day notice to vacate for Non-Rent Material Non-Compliance Breach of Lease.

If the Resident does not attend the set meeting and the violation is still in evidence, the Manager delivers the 30 day notice to vacate.

The meeting is documented. Should the same violation be repeated within the year of the Personal Meeting, the Manager may deliver the 30 day notice to vacate.

LEASE AGREEMENT

1. PARTIES AND DWELLING UNIT:

The parties to this Agreement are _____ referred to as the Landlord, and _____ referred to as the Tenant(s). The Landlord leases to the Tenant unit # _____, located at _____ in the project known as _____.

2. LENGTH OF TIME:

The initial term of this Agreement shall begin on the _____ day of _____, 19____ and end At midnight the day of _____, 19____. After the initial term ends, the Agreement will continue for successive month-to-month terms unless automatically terminated as permitted by Paragraph 23 of this Agreement. (You must give written move-out notice according to Paragraph 23 of this Agreement.)

3. RENT:

The Tenant agrees to pay \$ _____ for the pro-rated rental amount ending on _____ after that, the total rent will be \$ _____ per month. Of the total rent, \$ _____ shall be payable at the direction of HUD As Housing Assistance Payments.

Tenant agrees to pay a rent of \$ _____ per month. This amount is due on the 1st day of the month at the Manager's office located at _____. Tenant understands that this monthly rent is less than the (unsubsidized) market rent of \$ _____ due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the tenant assistance payment and is shown on the "Assistance Payment" line of the Certification and Recertification of Tenant Eligibility Form which is Attachment No. 3 to this Agreement.

4. CHANGES IN THE TENANT'S RENT:

The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:

- a. HUD or the contract Administrator (such as a Public housing agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
- b. HUD or the contract Administrator changes Any allowances for utilities or services considered in computing the Tenant's share of the rent;
- c. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the assistance payment be adjusted to reflect the change;
- d. changes in the Tenant's rent or assistance payments are required by HUD's recertification or subsidy termination procedures;
- e. HUD's procedures for computing the Tenant's assistance payment or rent charge; or
- f. the Tenant fails to provide information on his/her income, family composition, or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy program. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in Paragraph 11, 15, and 17. The notice will also instruct the Tenant to meet with the Landlord to execute an appropriate lease addendum. The notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. CHARGES FOR LATE PAYMENTS AND RETURNED CHECKS:

If the Tenant does NOT pay the full amount of the rent shown in Paragraph 3 by the end of the _____ day of the month, the Landlord may collect a fee of \$ _____ on the 6th day of the month. Thereafter, the Landlord may collect \$ _____ for each additional day the rent remains unpaid during the month it is due. The Landlord may terminate this Agreement for failure to pay late charges, as explained by Paragraph 23 under Non-Material Non-compliance Breach of Lease. The Landlord may collect a fee whenever a check is not honored for payment (Non-Sufficient Funds). This amount is _____ Rules & Regulations (see Attachment 5 of this Agreement). The Landlord may also require the Tenant to pay rent via a guaranteed form of payment such as a certified check or money order after they have bounced one check. The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.

6. **CONDITION OF DWELLING UNITS:**

By signing this agreement, the Tenant Acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that All appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment No. 4 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

7. **CHARGES FOR UTILITIES AND SERVICES:**

The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services paid by the Landlord and those paid by the Tenant.

A. The Tenant must pay for the utilities in Column 1. Payments should be made directly to the appropriate utility company. The total rent stipulated herein does not include the cost of the following Tenant-paid utility service(s), for which a utility allowance of \$_____ was provided. The Tenant shall not allow the utilities to be disconnected by any means, for which a utility allowance is paid, including non-payment of the bill, until the end of the lease term. A Tenant who allows their utilities to be disconnected will be considered in breach of lease material non-compliance. The items in column (2) are included in the Tenant's rent.

Put "X" by any Utility Tenant Pays Directly	Type of Utility	Put "X" by any Utility Included In Tenant's Rent
(1)		(2)
_____	HEAT	_____
_____	COOLING	_____
_____	LIGHTS/ELECTRIC	_____
_____	COOKING	_____
_____	HOT WATER	_____
_____	WATER/SEWER	_____
_____	TRASH REMOVAL	_____
_____	OTHER (specify)	_____

b. On the date the rent is due the Tenant agrees to pay the Landlord the Additional - nt shown in Column (3) below. The Landlord certifies that HUD has authorized him/her to collect the type of charges specified and that the amounts shown do not exceed the amounts Authorized by HUD.

(3)

parking	\$ _____
Other (specify)	\$ _____
_____	\$ _____

8. **SECURITY DEPOSITS:**

The Tenant has a security deposit of \$_____ with the Landlord. The Landlord will hold this security deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures.

- A. The Tenant will be eligible for a refund of the security deposit only IF THE TENANT PROVIDED THE LANDLORD WITH THE 30-DAY WRITTEN NOTICE OF INTENT TO MOVE AND A FORWARDING ADDRESS REQUIRED BY PARAGRAPH 23, UNLESS THE TENANT WAS UNABLE TO GIVE THE NOTICE FOR REASONS BEYOND HIS/HER CONTROL.
- B. After the Tenant has moved from the unit, the Landlord will inspect the unit and complete a Vacant Unit or Move-out Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.
- C. The Landlord will refund to the Tenant the amount of the Security Deposit plus interest, less any amount needed to pay the costs of:
 1. unpaid rent;
 2. damages that are not due to normal wear and tear and are not listed on the unit Inspection Report;
 3. charges for late payment of rent and returned checks, as described in Paragraph 5; and
 4. charges for unreturned keys, as described in Paragraph 9.
- D. The Landlord agrees to refund the amount computed in Paragraph 8c within 30 days after the tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.

8. SECURITY DEPOSITS: - continued

- e. If this unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of the Agreement.
- f. The Tenant understands that the Landlord will not count the security deposit toward the last month's rent or toward repair charges owed by the Tenant in accordance with Paragraph 11, prior to a Tenant vacating their apartment.

9. KEYS AND LOCKS:

The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant for each key not returned. (See Attachment No. 7)

10. MAINTENANCE:

- a. The Landlord agrees to:
 - 1. regularly clean all common areas of the property;
 - 2. maintain the common areas and facilities in a safe condition;
 - 3. arrange for collection and removal of trash and garbage;
 - 4. maintain all equipment and appliances in a safe and working order;
 - 5. make necessary repairs within reasonable promptness;
 - 6. maintain exterior lighting in good working order;
 - 7. provide extermination services, as necessary; and
 - 8. maintain grounds and shrubs.
- b. The Tenant agrees to:
 - 1. keep this unit clean;
 - 2. use all appliances, fixtures and equipment in a safe manner;
 - 3. not litter the grounds or common areas of the project;
 - 4. not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
 - 5. give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment and any other part of the unit or related facilities; and
 - 6. remove garbage and other waste from the unit in a clean and safe manner.

11. DAMAGES:

Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant is obligated to pay

- a. the cost of all repairs within 30 days after receipt of the Landlord's demand of the repair charges; and
- b. rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period during this time, and the Tenant agrees to pay the HUD approved market rent rather than the Tenant rent shown in Paragraph 3 of this Agreement.

12. RESTRICTIONS ON ALTERATIONS:

The Tenant agrees not to do any of the following without first obtaining the Landlord's written permission:

- a. change or remove any part of the appliances, fixtures or equipment in the unit;
- b. paint or install wallpaper or contact paper in the unit;
- c. attach awnings or window guards in the unit;
- d. attach or place any fixtures, signs, or fences on the building(s), the common areas, or the project grounds;
- e. attach any shelves, screen doors, or other permanent improvements in the unit;
- f. install washing machines, dryers, fans, heaters or air conditioners in the unit; or
- g. place any aerials, antennas or other electrical connections on the unit

13. GENERAL RESTRICTIONS:

The Tenant ~~will~~ live in the unit and the unit met be Tenant's only place of residence. Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed herein and on the Certification and Recertification of Tenant Eligibility form.

The Tenant agrees to permit other individual4 to reside in the unit only after obtaining the prior written approval of the Landlord. The Tenant agrees not to:

- a. sublet or assign the unit, or any part of the unit;
- b. use the unit for unlawful purposee;
- c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
- d. have pets or animals of any kind in the unit without prior written permission of the Landlord; or
- e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of radio, phonograph, television or musical instrument et a level which will not disturb the neighbors.

Visitors may visit in the unit for a period not to exceed fourteen (14) consecutive days. The name(s) and age(o) and length of visit of those who will visit in the unit for more than 14 days must be submitted in writing on a permission form provided by management. The Management will determine if permission is granted. Any tenant housing a person not listed as a member of the household on the certification and Recertification of Resident Eligibility form who occupies the unit for more than 14 consecutive days, without the written permission, shall be considered in material non-compliance with the terms of the lease agreement. (Rev. 8/96) The guest will be allowed to remain until a decision is made by management. The tenant will be provided a written notice to have the guest leave within 48 hours if permission is not granted. The failure of the guest to leave after the 48 hour notice shall be considered in material non-compliance with the terms of the lease agreement.

14. RULES:

The Tenant agrees to obey the House Rules which is Attachment No. 5 to this Agreement. The Tenant agrees to obey additional rules established after the effective date of the Agreement if:

- a. the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
- b. the Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.

15. REGULARLY SCHEDULED RECERTIFICATIONS:

Every year around the day of _____, or approximately 90 days prior to your anniversary, the Landlord will request the Tenant to report the income and composition of the Tenants' household and to supply any other information required by HUD for the purpose of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of the information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information supplied by the Tenant's rent and assistance payment, if any.

- a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multifamily subsidy programs.
 1. Require the Tenant to pay the higher HUD approved market rent for the unit.
 2. Implement any increase in rent resulting from the recertification processing without providing the 30 day notice otherwise required by Paragraph 4 of this Agreement.
- b. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

REGULARLY SCHEDULED RECERTIFICATIONS:

- a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.
1. Any household member moves out of the unit.
 2. An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
 3. The household's income cumulatively increases by \$40 or more a month.
- b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of certification process. The Tenant has 30 days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent.
- c. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy program.
- d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

17. TERMINATION OF ASSISTANCE:

- a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.
1. The Tenant does not provide the Landlord with the information or reports required by Paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.
 1. The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment No. 3.
- b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the 10 calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.
- c. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

18. TENANT OBLIGATION TO REPAY:

If the Tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by Paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid or the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

19. SIZE OF DWELLING:

The Tenant understands that HUD requires the Landlord to assign units according to the size of the household and the age and sex of the household members. If the Tenant is or becomes ineligible for the unit, and the required size unit becomes available, the Tenant agrees:

- a. to move within 30 days after the Landlord notifies him/her that a unit of the required size is available within the project; or
- b. to remain in the same unit and pay the HUD-approved market rent;

19. **SIZE OF DWELLING: - Continued**

0. that w a designated handicap unit is being occ d by a non-handicapped person family, as defined in the HUD Handbooks, and another suitable sized vacant non-handicapped unit becomes available in the project; the non-handicapped person or family agrees to vacate the handicapped unit within 30 calendar days of request, and move, at their own expense, to the other suitable sized vacant unit in the project.

20. **ACCESS BY LANDLORD:**

The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit and to enter the unit only after receiving the Tenant's consent to do so, except when emergency situations make such notices impossible or except under Paragraph (c) below.

- a. The Tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections. Written notices will be provided for inspections and Management-initiated repairs except in emergencies. The Tenant agrees that oral notices are sufficient to provide notice when responding to a Tenant-requested repair.
- b. After the Tenant has given notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective Tenants during reasonable hours, after obtaining the Tenant's written consent, which the Tenant agrees shall not be unreasonably withheld.
- c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.
- d. The Tenant agrees to permit pest control persons to enter the unit for spraying. Tenant will be given at least one day written notice of the date & approximate time of day when exterminating will be performed. (Rev. 3/96)

11. **DISCRIMINATION PROHIBITED:**

The Landlord agrees not to discriminate based upon race, color, religion, creed, national origin, sex, age, handicap, membership in a class, such as unmarried mothers/fathers or recipients of public assistance or because there are children in the family.

22. **CHANGE IN RENTAL AGREEMENT:**

The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change(s) will go into effect. If the Tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in Paragraph 13.

23. **TERMINATION OF TENANCY:**

- a. To terminate this Agreement, the Tenant must give the Landlord 30 days written notice before moving from the unit. If the Tenant does not give the full 30 days notice, the Tenant shall be liable for rent up to the end of the 30 days for which notice was required or to the date the unit is re-rented, whichever date comes first.
- b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement. The Landlord may terminate this Agreement only for:
1. the Tenant's material non-compliance with the terms of this agreement;
 2. the Tenant's material failure to carry out obligations under any State Landlord and Tenant act; or
 3. any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants; any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; any criminal activity that threatens the health, or safety of any on-site property management staff responsible for managing the premises; or any drug-related criminal activity on or near such premises, engaged in by a tenant, any member of the tenant's household, or any guest or other person under the tenant's control shall be grounds for termination of tenancy (See Attachment No. 1); or
 4. expiration of the Section 8 Housing Assistance Payments contract between the Owner and HUD, or

23. TERMINATION OF TENANCY: - continued

5. ~~c~~ ~~l~~ good cause, which includes but is not limited to the Tenant's refusal to accept the Landlord's proposed change to this Agreement. Terminations for "other good cause" may only be effective at the end of any initial or successive term.

The term "material non-compliance" with the lease includes: (1) one or more substantial violation* of the lease; (2) repeated minor violations of the lease that: (a) disrupt the livability of the project, (b) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, (c) interfere with the management of the project, or (d) have an adverse financial effect on the project; (3) failure of the tenant to timely supply ~~the~~ ~~required~~ information on the income and composition, or eligibility factors, of the tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information collection Agencies), or to knowingly provide incomplete or inaccurate information; and (4) non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under state law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under state law constitutes a minor violation.

- c. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant a written notice of the proposed termination. If the Landlord is terminating this agreement for "other good cause", the termination notice must be mailed to the Tenant. And hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and Local law. Any HUD-required notice period may run concurrently with any notice period required by state or local law. All to-nation notices must:
1. specify the data this Agreement will be terminated;
 2. state the grounds for termination with enough detail for the Tenant to prepare a defense;
 3. advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin either on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
 4. advise the Tenant of his/her right to defend the action in court.
- d. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by Paragraph c.

24. HAZARDS:

The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts to do anything that will increase the project's insurance premiums. Such action constitutes a material non-compliance. If the unit is damaged by fire, wind or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

Owner will not be liable to any resident, guest, or occupant for personal injury or for damage to or loss of their personal property (furniture, jewelry, clothing, etc.) from fire, flood, water leaks, rain, hail, ice, snow, smoke, lightning, wind, explosions, interruption of utilities or other occurrences unless such illness, injury, loss or damage is caused by negligence of owner. Residents are strongly urged to secure their own insurance to protect against all of the above. Owner will furnish smoke detectors and locks as required by statute. Repair requests for same must be in writing. Except as required by statute, owner is not required to furnish additional smoke detectors, security guards or patrols, security gates or fences or other forms of security. Resident agrees to exercise due care for the safety and security of family members and guests in the resident's apartment. Resident acknowledges that any security measures provided should not and will not be treated by resident as a guarantee against crime. Residents, resident's guests or occupants may not disable, disconnect or remove batteries from smoke detectors. (See Smoke Detector Addendum Attachment No. 2)

25. PENALTIES FOR SUBMITTING FALSE INFORMATION:

If the Tenant deliberately submits false information regarding income, family composition or other data on which the Tenant's eligibility or rent is determined, the Landlord may, with HUD approval, require the Tenant to pay the higher, HUD-approved market rent for as long as the Tenant remains in the project. In addition the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$5,000 and imprisonment up to two (2) years.

26. REPAIRS AND MALFUNCTIONS:

Resident agrees to request all repairs and services in writing to owner's designated representative, except in an emergency when telephone calls will be accepted. Resident may not make repairs except by owner's written approval. Owner shall have the right to temporarily turn off equipment and interrupt utilities to avoid damage to property

26. REPAIRS AND MALFUNCTIONS: - continued

or to perform repairs or maintenance which require such interruption. In case of malfunction of utilities or damage by fire, water, or similar cause, resident shall notify owner's representative as soon as possible on a business day. Owner shall act with diligence in making repairs and reconnection; and the lease shall continue and the rent shall not abate during such periods. If fire or catastrophic damages to the premises are substantial in the reasonable judgment of owner, owner may terminate this lease within a reasonable time by giving written notice to resident. If the lease is so terminated, rent shall be pro-rated and the balance refunded along with all deposit(s), less lawful deductions.

27. CONTENTS OF THIS AGREEMENT:

This Agreement and its Attachments make up the entire agreement between the Tenant and the Landlord regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

28. ATTACHMENTS TO THE AGREEMENT:

The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that those Attachments are part of this Agreement.

- A. Attachment No. 1 - Drug Free Housing
- B. Attachment No. 2 - Smoke Detectors
- C. Attachment No. 3 - Form HUD 50059, Certification and Recertification of Tenant Eligibility and Recertification Procedures Agreement
- D. Attachment No. 4 - Wit Inspection Report Move-in/Move-out Report
- E. Attachment No. 5 - Rules and Regulations
- F. Attachment No. 6 - Pro-occupancy Check sheet
- G. Attachment No. 7 - Cost List of Charges
- H. Attachment No. 8 - Disclosure of Information on Lead-Based Paint
 - Yes
 - Tested for Lead-Based Paint - Negative

29. SIGNATURES:

_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Manager/Owner Representative	Date

Management would like you to be aware of some important Rules and Regulations for the safety of yourself, your family, guests and your property. All residents, guests and occupants shall comply with these rules which shall be considered a part of your lease agreement.

1. **RENTAL PAYMENTS** - Rent payments are to be made in full on or before the first day of each month. Rent not received by the close of business on the 5th day of the month will be subject to a late charge of \$_____. All accounts must be paid in full by the 5th day of the month or eviction proceedings will begin. You may pay by check, money order, or cashier's check. We ask that no payments be made in cash.
- a. **RETURNED CHECKS** - The resident will pay a \$_____ NSF fee for each returned check, plus initial late charges. The resident may be required to pay with a money order or cashier's check thereafter.
3. **MOVE-OUT NOTICE** - Residents are required to give the manager 4 30-day written notice of their intention to move. Notices of less than 30 days may result in deduction⁴ for unpaid rent.
4. **WINDOW COVERINGS** - All window covering⁴ must be white or backed in white to give a uniform appearance to the property. NO FOIL SHOULD BE USED ON THE WINDOWS.
5. **SIGNS** -
 1. Residents are not permitted to post, paint, or place signs, advertisements, notices or decorations in the common areas.
 2. A resident shall be asked to immediately remove any item placed on the outside of their apartment or in their windows if management informs the resident in writing that it has made a decision in good faith that the item is considered unsightly, obscene or promotes gang or criminal activity. The reason for removal will be included in the written notice. The resident shall immediately remove the item and if the resident refuses, then management may remove it and return it to the resident.
 3. A resident who disagrees with Management's decision may protest by requesting a meeting with management to discuss the reasonableness of the decision. The meeting must be scheduled within 10 days of the notice. While the protest is pending, the resident may reinstall the item whereupon management may decide to follow the normal procedures for alleged breach of the lease contract by the resident.
6. **ANTENNAS** - No exterior antenna or exterior satellite dishes of any kind may be installed by individual residents.
7. **PARKING AREA AND PARKING** - The parking area will not be used for any purpose other than parking. Open parking (spaces unassigned) are available for residents and their guests. Any vehicles parked in any other areas, i.e. lawn, sidewalk, fire lanes, or around the dumpster area will be towed at owner's expense. Any inoperable or unregistered vehicle, camper, boat or trailer will not be allowed on the property. A notice will be issued, and if not removed within the determined amount of time on the notice, the vehicle will be towed at owner's risk and expense. No washing or repairing of any vehicle is allowed on the property except the repair of a flat tire. Management will not be responsible for any vehicle or its contents. No vehicles, i.e. U-Haul, Rent-a-car, etc. are allowed on the lawns or walks.
9. **TRASH** - Trash, newspapers and other disposable items are to be securely tied in a plastic bag and disposed in the dumpster provided. If you have any bulk trash items, such as an old mattress, chair, etc., please contact the manager to make arrangements for removal. Littering of the common areas is prohibited.
9. **EXTERIOR PATIOS, AND COMMON AREAS** - Personal items of residents such as brooms, mops, bicycles must be kept inside and out of view. Any personal articles found on the property will be discarded. A warning letter will be sent to any resident responsible for not properly storing belongings or disposing of any trash. The storage of kerosene, gasoline, explosive materials, or tires is strictly prohibited anywhere on the premises. No outdoor grilling is allowed in the apartments, breezeways, balconies or around the common interior areas of the building. Please contact your manager for designated areas for grilling. Coals must be properly disposed of in trash receptacles. No hot grills are to be left unattended.
10. **COMMON AREAS AND BREEZEWAYS** - No glass containers or consumption of alcoholic beverages is allowed in the common areas. No criminal activities, loud noise or threats of any kind are permitted on the premises.
11. **CHILDREN** - We welcome children at our community, but for safety reasons, children are not permitted to play in the puking areas. No child should be left unattended, and please do not allow your children to create disturbances that would bother your neighbors.
12. **PERSONAL PROPERTY DAMAGE** - Management is not responsible for damage or theft to a resident's personal property. We encourage you to obtain renter's insurance to cover any items stolen or damaged by fire, smoke, water, hail, lightning or other disasters.

- 13. UTILITIES - In all occupied units, electricity must remain on at All times (excluding power outages or other electrical problems). Lack of electricity in an apartment constitutes a health hazard.
- 14. TRAFFIC - The speed limit throughout the property is 10 mph. All motor vehicles will be operated in a safe, quiet, And • ubdusd manner while entering or exiting the Apartment community so As not to create A hazard or a nuisance for the Residents.
- 15. EMERGENCIES - In case of an • 00%0000 such as x(x)ll @ 000000, •0000 0000 0000 cause property damage, sewer stoppage, loss of hot water or electrical shortage, please notify the on-site manager by telephoning _____ immediately.
- 16. LOCKS, LOCK-OUTS - changing of locks or the installation of additional locks is not permitted without written authorization from management. No duplication of keys is permitted. If you are locked out of your apartment and require assistance after office hours to gain entry, a charge of \$_____ will be assessed to you at that time. Residents with excessive lock-outs (more than 3 times) during business hours will be cbuged \$10.00. Management reserves the right to maintain access to each unit for emergency purposes.
- 17. MAINTENANCE - Requests for maintenance repairs must be made in writing to the on-site manager. We will attempt to respond to routine requests for service within a 24 hour period. All Apartments are subject to periodic inspections and maintenance procedures. Residents are not encouraged to perform repairs to their apartments. Please help us keep the apartments and grounds in good condition by advising the on-mite manager of any problems or needed repairs you notice in and around your apartment. All damages to the apartment, building, landscaping, or parking lot which are caused by the resident or his/her children or the resident's guests are the sole responsibility of the resident. Alterations to the Apartment without prior written authorization from the on-site manager will not be allowed. Water beds are allowed on the ground floor only. Please only use small nails when hanging pictures. No drilling or installation of ceiling hooks is permitted. Periodically check your &or lacks and window latches to be ours they are working properly. No maintenance repairs will be performed if management cannot gain access or in some cases, the area is neglectfully unclean.
- 18. PLUMBING PROBLEMS - The following items are the main reason for sewer stoppage: paper towels, sanitary napkins, disposable diapers, grease, newspaper. OR foreign objects. These items will not pass through into the saver system and will cause a back-up in your apartment or possibly other apartments. The resident will be charged per the cost list of charges for Any of the Above mentioned sewer problem(s) Cleared by either our maintenance staff or A contractor. Please report all plumbing related matters to the office in a timely manner so we CM prevent any major problems.
- 19. VISITORS - Visitors and guests of the Resident are bound by all the rules and regulations of this community. Residents Are responsible for the actions of their guests. Visitors may reside in the unit for a period not to exceed fourteen (14) consecutive days. The name(s) And age(s) of visitors who will reside in the unit for more than 14 days must be submitted in writing on a permission form provided by management.
- 20. EXTERMINATION - Any resident refusing scheduled extermination of their apartment, not allowing access or not prepared for treatment will be charged \$10.00.
- 21. CURFEWS - The property presently has a _____ imposed curfew of _____ to _____ for children under _____ years of age.
- 22. Abide by posted Swimming Pool Rules And Regulations.

Management reserves the right to make changes to the rules and regulations whioh it considers in the beat. interest of the community and its residents.

I, _____, by my signature hereunder, accept these ruler and regulations as a part of my lease.

Resident's Signature

Date

Resident's Signature

Date

Resident's Signature

Date

Resident's signature

Date

Owner/Owner's Representative

Date