

SETTLEMENT AGREEMENT REPLACEMENT PLAN

1. Definitions:

A. GHA shall mean the Galveston Housing Authority, its successors and assigns, present and future officers and commissioners, attorneys, employees, agents, and subsidiaries or affiliates.

B. HUD shall mean the United States Department of Housing and Urban Development.

C. LSLA shall mean Lone Star Legal Aid on behalf of its clients who are displaced tenants of public housing located in Galveston, Texas and who were forced to evacuate their homes in anticipation of Hurricane Ike making landfall.

D. Low Income Families shall mean families whose incomes are between 0 and 80 percent of median income for Galveston, Texas, as determined by HUD with adjustments for family size, and who are eligible for public housing.

E. Replacement Housing shall mean 569 units of public housing located in the City of Galveston to be developed by GHA for Low Income Families.

F. Displaced Residents shall mean those tenants who were residing in GHA public housing on September 12, 2008, and who were forced to evacuate.

2. Replacement Plan:

A. As part of its long term redevelopment plan, GHA intends to demolish the multi-family developments known as Oleander Homes, Palm Terrace Addition, Magnolia Homes, Cedar Terrace, and Cedar Terrace Addition.

B. In conjunction with its demolition plans, GHA shall provide Replacement Housing on a 1 for 1 basis, and in the same bedroom size configurations as existed on September 12, 2008, for the 569 residential units subject to its Annual Contributions Contracts with HUD as of September 12, 2008 and comprising the following developments: Oleander Homes, Palm Terrace Addition, Magnolia Homes, Cedar Terrace, and Cedar Terrace Addition.

C. GHA anticipates that Replacement Housing shall be ready for occupancy within 3 to 5 years.

3. Displaced Residents:

A. GHA shall issue Displaced Residents tenant protection vouchers as provided by demolition rules and regulations when it begins demolition of the public housing developments.

B. Displaced Residents shall be given first preference to return to GHA repaired housing as it becomes available.

C. Displaced Residents shall be given first preference to return to Replacement Housing as it becomes available.

4. Consultation:

GHA and LSLA agree to schedule meetings and consultations on at least a quarterly basis regarding planning and implementation of demolition and Replacement Housing.