

LAW OFFICES

WOOTEN, BOYETT, THORNTON, CARPENTER & O'BRIEN

212 W NORTH STREET

P. O. DRAWER 277

TALLADEGA, ALABAMA 35160

(205) 362-0081

GEORGE F. WOOTEN
D. STANLEY THORNTON
B. CLARK CARPENTER, JR.
MICHAEL A. O'BRIEN
R. BLAKE LAZENBY

December 21, 1983

J. K. DIXON 1870-1984
BREWER DIXON 1898-1984
BYRON D. BOYETT 1920-1973

Mr. David Webster
Legal Services Corporation of Alabama
118 E. North Street
Talladega, Alabama 35160

Dear David:

Re: Housing Authority of City of Talladega, Alabama -
Utility Allowance

This will confirm the substance of our conversation which took place on Tuesday, December 20, 1983, at a meeting with the Board of Commissioners of the Housing Authority and will confirm my understanding of the principal items of a settlement agreement in connection with the above matter, the terms of said settlement being as follows:

1. A new utility allowance for water and gas went into effect on October 1, 1983, and a new electric utility allowance will go into effect on January 1, 1984; and all of the new allowances have been computed in accordance with applicable HUD regulations.

2. The Housing Authority will make available to you any information necessary for you to confirm the method used in the calculation of the new utility allowances during a period beginning February 1, 1981.

3. In the event excess charges have been paid by present tenants which would not have been charged to the tenants if the new allowances had been placed in effect in February 1, 1981, the excess amount paid by the tenant will be credited to each present tenant at the rate of 75% of the calculated excess charge.

Page 2
Mr. David Webster
December 21, 1983

4. The allowance credit set forth in the paragraph above will be applied over not more than the next twenty-four (24) month period, the first such credits to be applied on the first day of February, 1984.

5. The new electric utility allowance is scheduled to take effect on January 1, 1984. All new utility allowances will not be reduced by the Housing Authority for a period of twenty-four months beginning February 1, 1984.

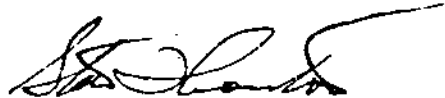
6. This agreement is made with the understanding that your office actually represents the tenant organizations of the various Housing Authorities owned and operated by the Housing Authority of the City of Talladega and that this settlement is on their behalf and the behalf of all present tenants.

In the event this letter accurately sets forth our settlement agreement, please execute the acknowledgment on the copy enclosed and return it to my office.

If you have any questions or suggestions for amendment, alteration or change in the agreement, please contact me immediately

Very truly yours,

WOOTEN, BOYETT, THORNTON,
CARPENTER & O'BRIEN

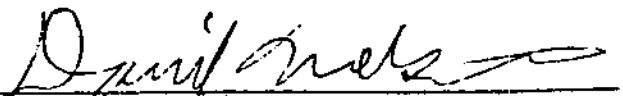


Stan Thornton

ST/mfp

I hereby acknowledge that the above agreement is satisfactory as amended by Attachments 1 and 2.

LEGAL SERVICES CORPORATION OF ALABAMA

By 
David Webster

ATTACHMENT 1

7. Paragraph number 6 should conclude, "...and the behalf of all present tenants, who chose to accept it."

8. A notice will be distributed to the tenants by the Tenant's Organization as attached.

9. Any tenant who leaves occupancy with the Housing Authority before the expiration of the 24 month credit period will be provided his full credit at the time of leaving.

ATTACHMENT 2

FROM: TENANTS ORGANIZATION OF THE TALLADEAGA HOUSING AUTHORITY
TO: TENANTS OF THE HOUSING AUTHORITY OF THE CITY OF TALLADEAGA

This is to advise you that the Tenant's Organization, represented by the Legal Services Corporation of Alabama, and the Housing Authority have reached an agreement about utility allowances. The agreement provides the following benefits for each tenant, who chooses to accept it:

1. A better utility allowance for gas went into effect on October 1, 1983. For most months the amount of gas each tenant can use before an excess is charged has increased. Because each tenant pays his/her electricity bill directly to Alabama Power Company, each tenant's rent has been reduced by a new electrical allowance that goes into effect on January 1, 1984. The water allowance remains the same as it has been found to have been properly set. The allowances have been determined according to the law covering utility allowances in Public Housing (24 CFR Sections 865.470 through 865.582). The new allowances will not be reduced for at least 24 months beginning February 1, 1984.

2. In addition to the above change in utility allowances, beginning February 1, 1984, current tenants will receive a rent credit to be paid over 24 months, or less, in equal installments determined as follows:

Each tenant will receive a credit amounting to 75% of the difference between what he/she actually paid in excess utility charges and what he/she would have paid had the new, October, 1983, allowances been in effect from February 1, 1981, (or date moved in if later) through September 30, 1983. The credit for electricity will be 75% of the difference between the rent credit given, and what would have been given had the new allowances been in effect from February 1, 1981, through December 31, 1983.

This agreement does not mean there will be no more charges for excess utility usage. Allowed use has increased, but if a tenant goes over the new amount there will be an excess charge. Please see the utility schedules posted in each office for different apartment sizes.

Each tenant's situation is different. You will soon receive a letter from the Housing Authority with additional information. This agreement is a compromise and the Housing Authority does not admit any wrong doing.

If you do accept this agreement, you will be asked to sign a release at the Housing Authority office. This means that in exchange for the benefits of the agreement, you are giving up your right to claim any other payments from the Housing Authority concerning excess utility charges paid in the past.

If you have any questions, you may get legal advice or contact the following Tenant Organization officers:

Ms. Katie Kelley (362-4751), Ms. Lillie Turner (362-8222), Ms. Dorothy Keith (362-7088), and Ms. Josie Kelley (362-7321).