

C. Defendant denied the allegations of discrimination and sexual harassment.

D. The parties wish to avoid the risks, uncertainties and expenses of continued litigation. Accordingly, the parties have agreed to settle this lawsuit. Neither Defendant's consent to the entry of this decree nor any of the terms set forth in it shall constitute or be construed as an admission of any Title VII violation. Both parties agree that this Consent Decree is being entered into for the sole purpose of compromising disputed claims without the necessity for protracted litigation.

E. The Commission and Defendant stipulate to the jurisdiction of the Court and the satisfaction of all administrative prerequisites. The parties further waive hearing and entry of findings of fact and conclusions of law on all issues.

IT IS ORDERED that:

1. This Consent Decree is entered in full and complete settlement of any and all claims arising out of or asserted in Civil Action No. H-97-3261 and the above-referenced Charges on behalf of Inocencio, Falls and Smith.
2. Defendant and all of its employees and/or agents associated with it agrees they will not engage in an employment practices which discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of such individual's sex and will not retaliate against any individual who has opposed any practice made an unlawful employment practice under Title VII or who has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding or hearing under Title VII.

3. Defendant and all of its employees and/or agents associated with them agrees that they will not engage in any employment practice which discriminates against female employees or other workers because of their sex (sexual harassment) in violation of Title VII.
4. Commencing immediately upon the entry of this Decree and for three years from the date of this Decree, Chelsea Walk North Apartments shall permit an EEOC representative to do an annual monitoring inspection on Defendant's premises at the EEOC's option. A monitoring inspection shall mean that the EEOC representative shall be permitted to speak with any Chelsea Walk employees, in a group and/or individually, during the monitoring inspection and shall be permitted to contact any employee who is not present at work on the day the EEOC representative conducts the monitoring inspection. If the monitoring is performed without notice to Chelsea Walk, it shall be performed by Kathy D. Boutchee. Should the monitoring be performed by some other person then Chelsea Walk shall be provided written notice by the EEOC of the date of the monitoring and Chelsea Walk will have the right to have a representative present. An investigator who has not previously been involved in this matter will be assigned to perform the monitoring if Kathy D. Boutchee does not perform the EEOC's monitoring.
5. Chelsea Walk shall provide annually, for three years from the entry of this Decree, an independent experienced training person or group who shall provide a program on employment discrimination, including the law relating to sexual

harassment, to all employees or other persons working at Chelsea Walk or any other Ren-AI Rents, Inc.'s apartment complexes. The first such training shall be completed not later than October 31, 1999. The training shall include distribution of the EEOC's Guidance on Sexual Harassment. Defendant shall submit to the EEOC at least thirty days in advance of the October 31, 1999 program the name of the program provider and a curriculum outline indicating the information to be addressed during the program and copies of all agendas and materials to be distributed at the training seminar. The training may be given by Kathrine B. Schmitt. If the training seminar is not administered by Kathrine B. Schmitt, the person who shall administer the training will be either an attorney board certified in labor and employment law or possess at least five years of experience in labor and employment law. No additional notification to the EEOC for subsequent trainings will be required unless the person or group providing the programs changes or there is a substantial change in the materials provided. Written acknowledgment of receipt of the training shall be obtained by Defendant from all individuals attending the training and retained among the employment records of Defendant.

6. Chelsea Walk agrees that it will revise its equal employment opportunity policy not later than October 31, 1999. The revised new policy shall include a declaration that Federal law prohibits discrimination against any employee or applicant for employment because of the individual's sex, race, color, religion, national origin, age or disability with respect to compensation, hiring or other

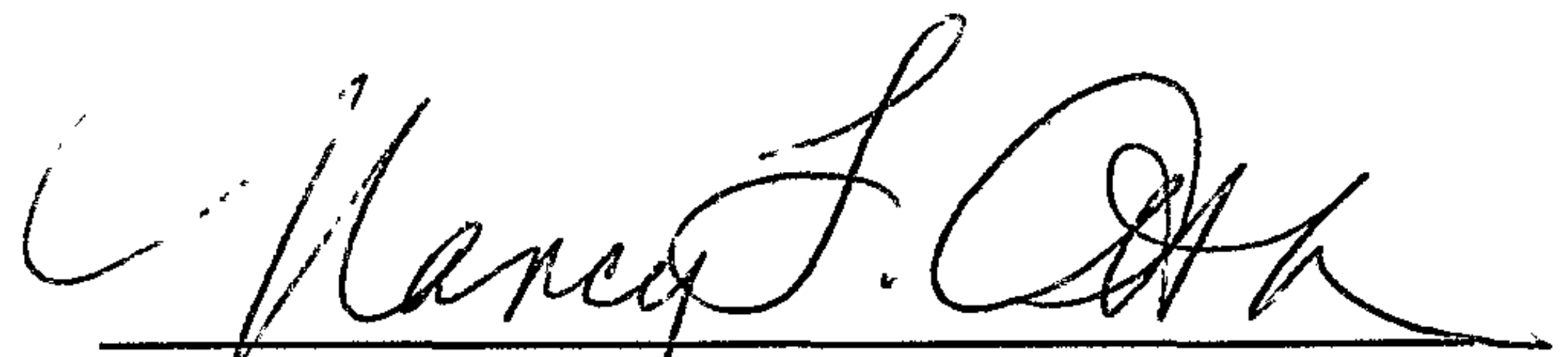
terms, conditions or privileges of employment. It will also identify by name, address and telephone number, the person to whom complaints about sexual harassment or discrimination shall be made. If the telephone number provided is not local then the policy should also state that the employee may call collect to make their complaint. The policy should also outline how the complaints will be investigated, their confidential nature and provide assurances against retaliation for making a complaint. The policy will also provide that the complaining employee will be notified of the resolution of the complaint.

7. Not later than October 31, 1999, Chelsea Walk agrees that it will provide to all current employees or other persons working at Chelsea Walk a copy of the revised equal employment opportunity policy outlined in the preceding paragraph and to new employees or to other workers during their first work week. Written acknowledgment of receipt of the policy shall be obtained by Defendant from all individuals receiving the it and retained among the employment records of Defendant.
8. Defendant agrees that within ten days after entry of this Decree it will conspicuously post the attached notice (Exhibit "A") in an area accessible to all employees or other persons working at Chelsea Walk for a period of three years from the date the decree is signed.
9. Defendant agrees that it will not employ Mohammad Lidawi in any capacity in the future.

10. Defendant agrees that it will provide neutral job references for Inocencio, Falls and Smith. All requests for information regarding them by potential employers shall be directed to Al Antonini only. The references shall provide each person's name, dates of employment and job title. All referrals for reference shall be made to Al Antonini.
11. Defendant agrees to pay the sum of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) in full and final settlement of the EEOC's lawsuit to provide monetary relief to Sandra Inocencio, Dawn Falls and Rose Smith. Said sums shall be paid within forty-five (45) days from June 30, 1999. The EEOC shall notify Chelsea Walk, not later than June 30, 1999 of the sum to be paid to each Charging Party and the address to which each check will be mailed. A copy of the checks disbursed to each of them shall be mailed to the EEOC's undersigned counsel of record.
12. Inocencio, Falls and Smith and the EEOC agree that they release, discharge, forgive, hold harmless and indemnify Chelsea Walk North Apartments, all officers, directors and employees past or present from any further claims arising out of this litigation.
13. Each party to this action shall bear their own costs and attorney's fees.
14. This Consent Decree shall be binding on Defendant and all of Defendant's successors-in-interest, and Defendant will notify all such successors-in-interest of the existence and terms of this Consent Decree.

15. This Decree shall remain in effect for three years form the date of signing. During the period that this Decree shall remain in effect, the Court shall retain jurisdiction to assure compliance with this Decree and to permit entry of such further orders or modifications as may be appropriate. The EEOC is specifically authorized to seek Court-ordered enforcement of this Decree in the event of a breach of any of the provisions herein.
16. Nothing in this Consent Decree shall be construed to preclude the Commission from filing a separate action under Title VII or any other statute which the Commission enforces in the future for any alleged violations by Defendant not resolved by this Decree.
17. Each signatory certifies that she is authorized to execute this document on behalf of the party or parties whom she represents.

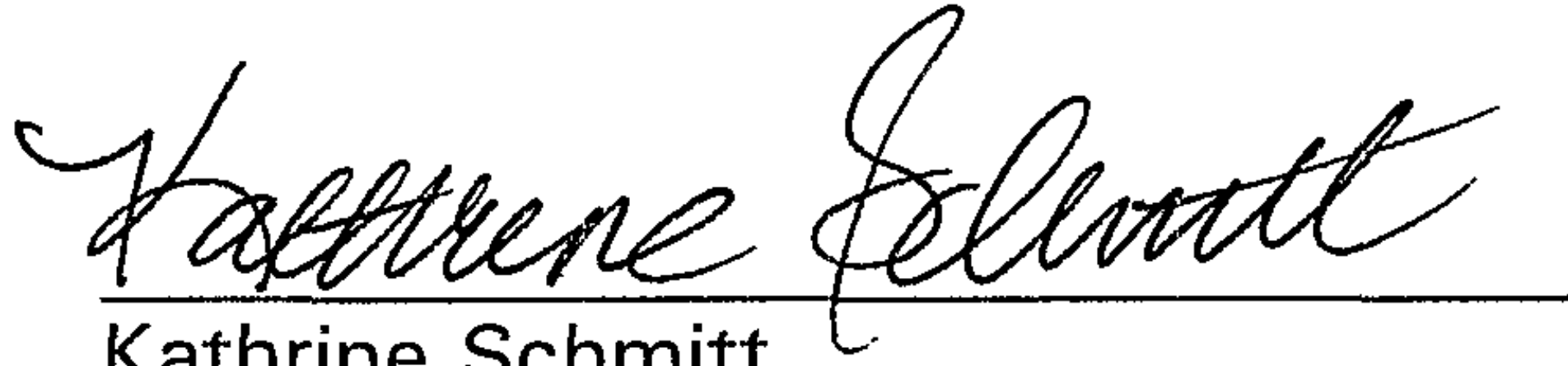
Signed this 4th day of August, 1999 at Houston,
Texas.



Nancy F. Atlas
United State District Judge

AGREED AND CONSENTED TO:

ATTORNEY FOR DEFENDANT
CHELSEA WALK NORTH APARTMENTS



Kathrine Schmitt

TBN: 00784272

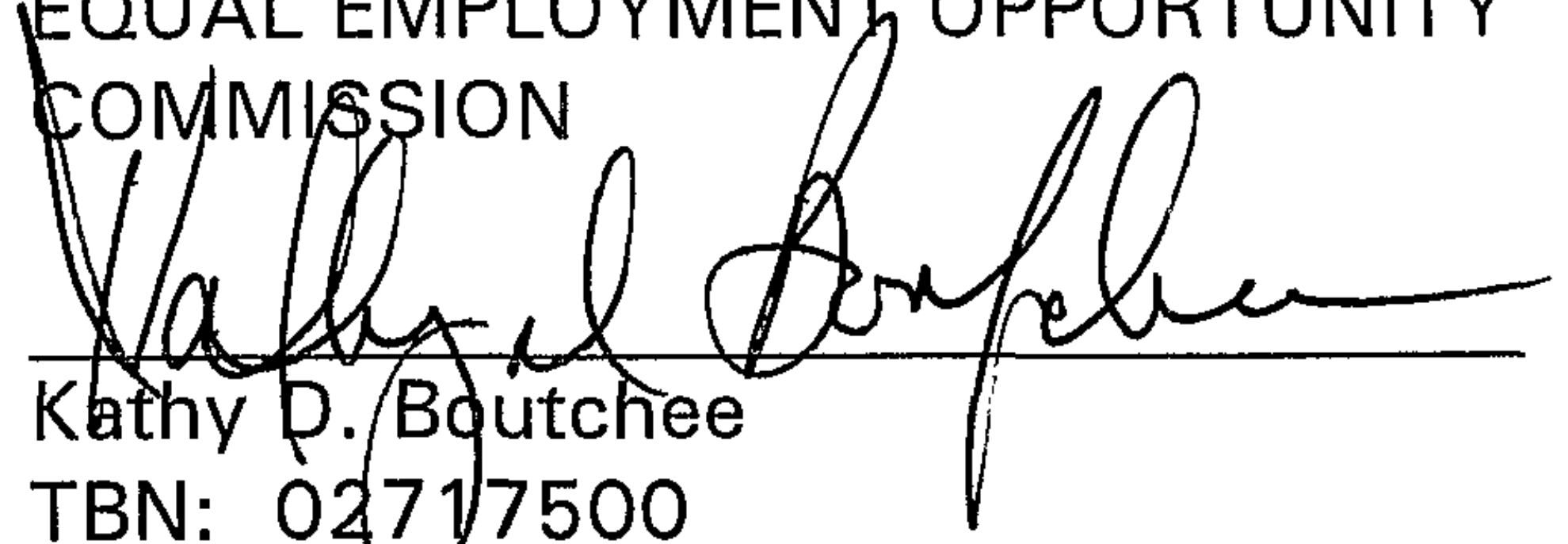
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Houston, Texas 77002

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ATTORNEY FOR PLAINTIFF
EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION



Kathy D. Boutchee

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NOTICE

AS REQUIRED UNDER THE TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED

THIS NOTICE TO ALL EMPLOYEES OF CHELSEA WALK NORTH APARTMENTS IS BEING POSTED REGARDING SEXUAL HARASSMENT AND DISCRIMINATION IN THE WORK PLACE AND TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED.

1. Federal law requires that there be no discrimination against any employee or applicant for employment because of the employee's sex, race, color, religion, national origin, age or disability with respect to compensation, hiring or other terms, conditions or privileges of employment.

2. CHELSEA WALK NORTH APARTMENTS supports and will comply with such Federal law in all respects and will not take any action against employees because they have exercised their rights under the law by filing charges with the Equal Employment Opportunity Commission (EEOC), providing information to the EEOC, and/or receiving compensation for the settlement of any sexual harassment or discrimination claim.

3. CHELSEA WALK NORTH APARTMENTS prohibits sexual harassment and will not engage in the practice of altering the terms and conditions of employment on the basis of sex.

4. Sexual harassment is expressly prohibited and constitutes an unlawful discriminatory employment practice. Such discriminatory employment practices will not be tolerated at CHELSEA WALK NORTH APARTMENTS.

5. Any employee who feels he/she is the target of such discrimination is advised to report this action promptly to K.B. Schmitt 713-2251255 (insert name, address & telephone #)

Lyric Center Suite 1540 440 Louisiana St Houston Texas

77002

SIGNED this 28 day of July, 1999.

/s/

This NOTICE shall be posted for three full years from date of signing.

EXHIBIT "A"