

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
HELENA DIVISION

TRAVOIS, INC.,

Plaintiff,

vs.

GERRY WATNE, J.P.
CROWLEY, and BRUCE
BENS DAL,

Defendants.

CV 08-48-H-RKS

SETTLEMENT
AGREEMENT and
RELEASE

On this date, September 14, 2010, the above-named parties participated in good faith in a settlement conference before Magistrate Judge Ostby. As a result of said negotiation, all parties have agreed to fully and finally settle this case upon the terms set forth below.

1. Defendants agree to recommend to the Montana Board of Housing the following amendments to the 2011 QAP:

(a) Deletion of the One-Year Waiting Period and replacing it with the requirement that a second application will not be considered until the applicant's first project is fully leased and a compliance audit has been conducted which has revealed no significant problems.

(b) Five of the 10 points for community support will be deleted and the staff will no longer score community support. Market need will still be scored by the staff up to 5 points. The points threshold for submission to the Board will be reduced to 85 points. All letters of support will be submitted to the Board with the other relevant application materials.

2. The Defendants agree that Bob Gauthier will conduct a workshop for the Board members and staff so that they are more fully acquainted with "soft debt" aspects of financing. Mr. Gauthier will meet with David Bland in advance of conducting this workshop and will consider Mr. Bland's comments in preparing the workshop.

3. Defendants agree to offer to conduct workshops on LIHTC's for the Montana Tribal Housing Authority Coalition on an annual or biannual basis, as requested by the Coalition.

4. Defendants agree to hire, at their expense, Jeanne Peterson of the Resnick accounting firm and request her to review the Montana QAP and to make recommendations for improving the QAP, with particular attention to tribal interests. They further agree that her report will be put on the Board of Housing website and will be sent to persons on their listserv. Defendants will make an effort to ensure that

Montana tribal councils and tribal housing authorities are on the listserv. Comments on the reports will be requested and will be welcomed. The report and comments will be considered by the QAP working group which will meet in May 2011. The report and comments will be submitted to the Montana Board of Housing for its consideration.

5. If Jeanne Peterson is not available to review the QAP, Defendants agree that they will contact the NCSHA to recommend an appropriate reviewer. Defendants agree to submit that recommendation to the Plaintiff. Both parties must approve the recommendation, but such approvals may not be unreasonably withheld.


6. Plaintiff agrees that the commitments made above are full and adequate consideration for the full and final settlement of this action. Plaintiff hereby fully and finally releases any and all claims that were made or could have been made against Defendants in this action, whether asserted or unasserted, known or unknown, anticipated or unanticipated.

7. Defendants do not admit liability but specifically deny the same.

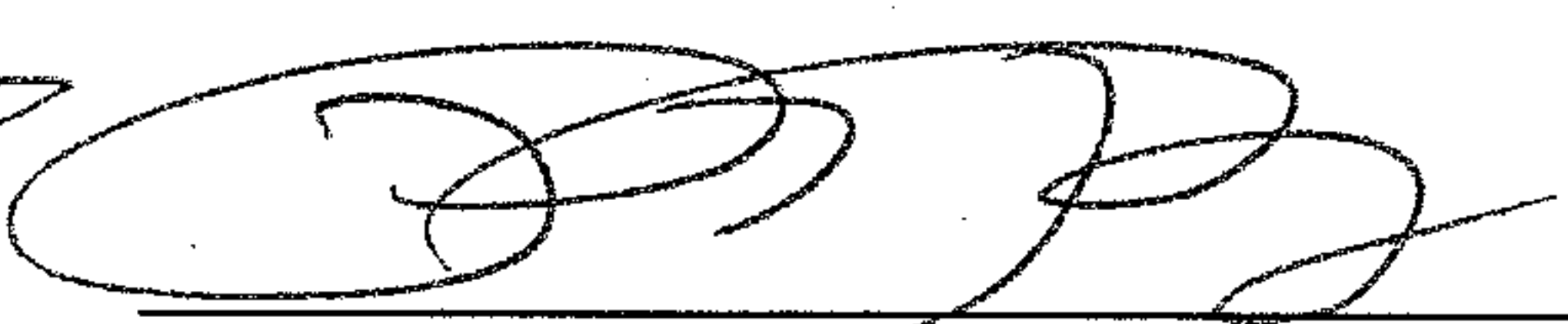
8. Each party will bear its own fees and costs.

9. The parties agree to submit to the Court within 7 days a Stipulation For Dismissal With Prejudice.

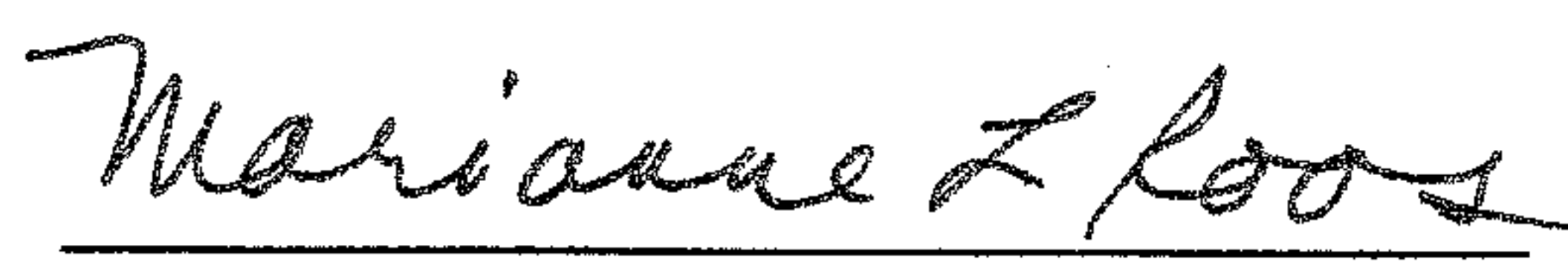
DATED this 14th day of September, 2010.



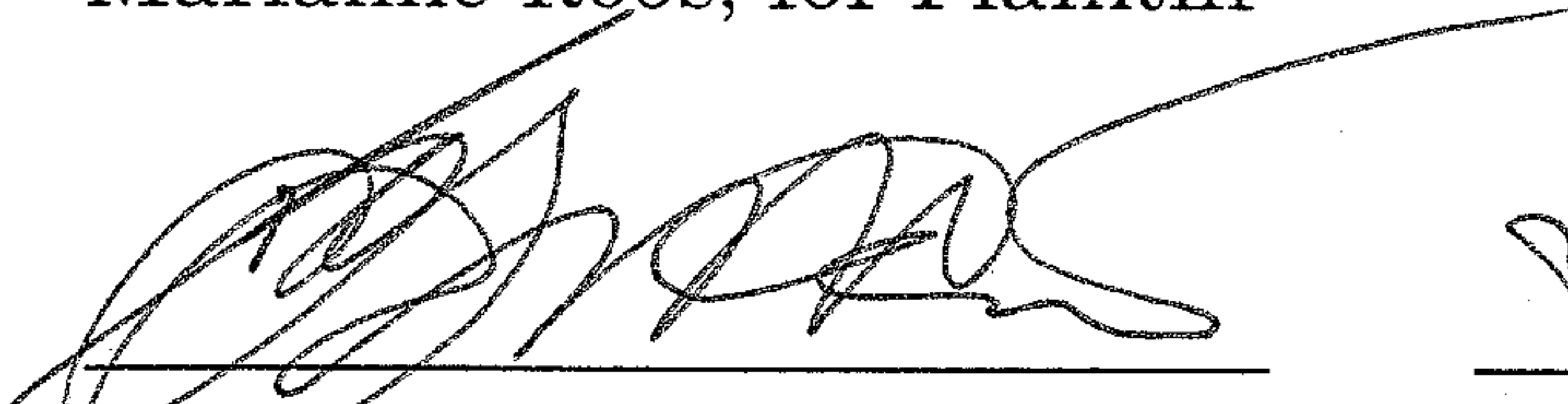
David Bland, for Plaintiff



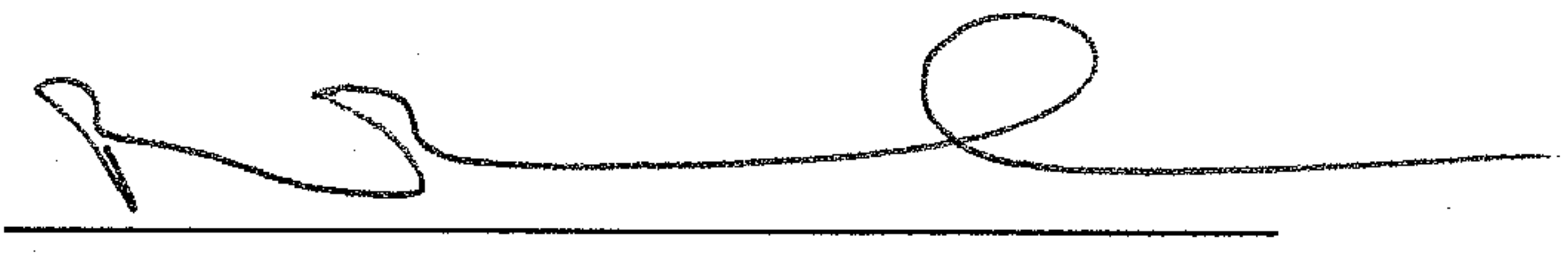
Robert L. Sterup
Counsel for Plaintiff



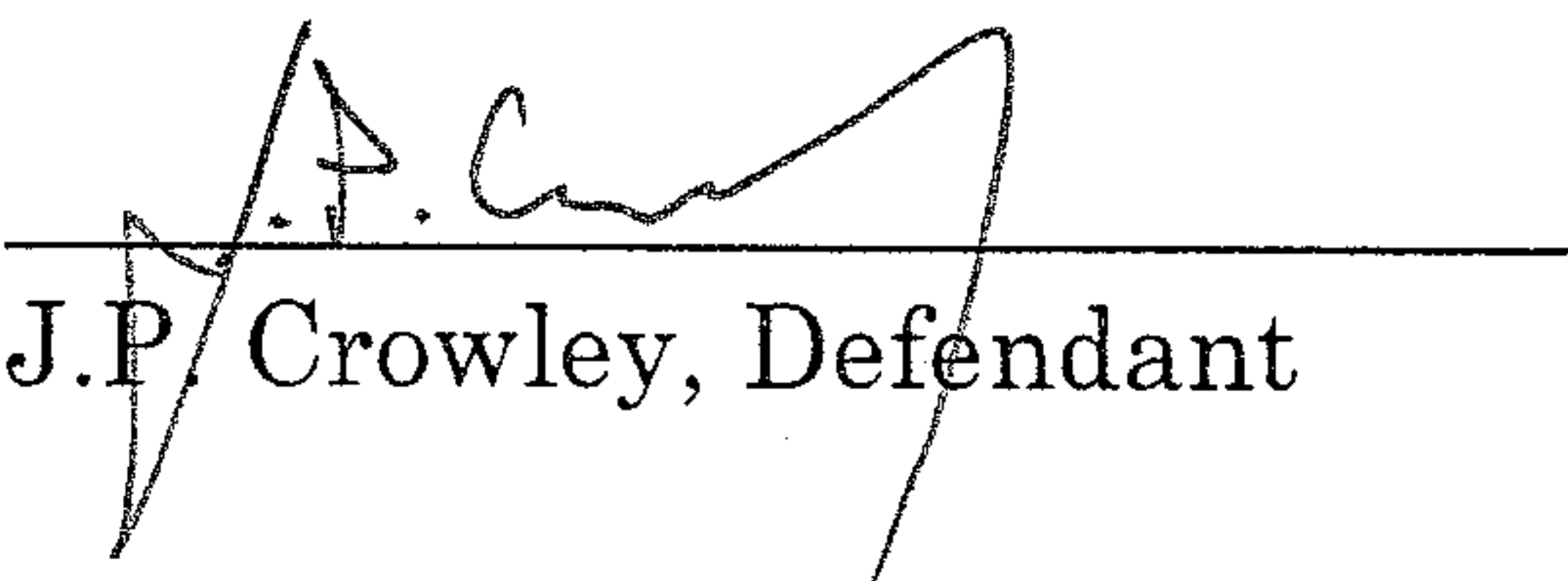
Marianne Roos, for Plaintiff



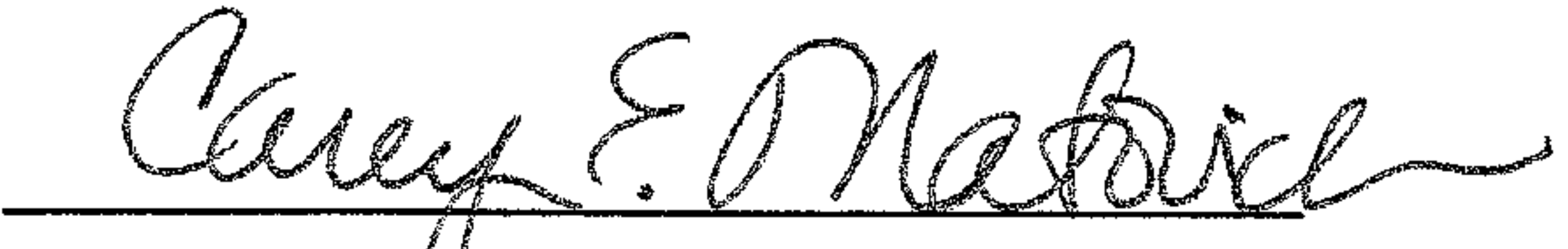
Gerry Watne, Defendant



Bruce Brensdal, Defendant



J.P. Crowley, Defendant



Carey E. Matovich
Counsel for Defendants