

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

JOE TORRES and EUFRASIO ARMIJO,
on their own behalf and on behalf of
a class of similarly situated persons,

Plaintiffs,

vs.

No. CIV-07-00328 MCA/WDS

VALENCIA COUNTY BOARD OF
COMMISSIONERS; CORNELL COMPANIES,
INC.; MICHAEL OLIVER,
in his individual and official capacities; and
DAVID GRIEGO,

Defendants.

STIPULATION OF SETTLEMENT

Plaintiffs Joe Torres and Eufrasio Armijo, individually and on behalf of the settlement class defined herein (hereinafter, "Plaintiffs"); Defendants Valencia County Board of Commissioners and Michael Oliver (hereinafter "Valencia County Defendants"); and Defendants Cornell Companies, Inc. and David Griego (hereinafter "Cornell Defendants") (Plaintiffs, Valencia County Defendants, and Cornell Defendants are hereinafter collectively referred to as "the Parties"), by and through their respective counsel, below-signed, hereby enter into the following Stipulation of Settlement ("Stipulation of Settlement" or "Agreement").

I.

RECITALS

On April 3, 2007, Plaintiffs, on behalf of themselves and all persons similarly situated, filed a complaint in the above-captioned matter in which they challenged certain practices of Defendants, including the strip search of certain detainees at the Valencia County Detention Center, and sought damages and declaratory and injunctive relief. Plaintiffs allege that they were each unlawfully subjected to a strip search performed pursuant to the policies, practices and customs of Defendants of conducting strip searches of all incoming pre-arraignment detainees. Plaintiffs allege that these strip searches were performed without regard to the nature of the alleged offenses for which Plaintiffs had been arrested, and without Defendants having a reasonable belief that the Plaintiffs possessed weapons or contraband, or that there existed facts supporting a reasonable belief that the search would produce contraband or weapons.

Plaintiffs sought damages for civil rights violations under 42 U.S.C. § 1983, and for claims arising under the New Mexico Tort Claims Act. Plaintiffs additionally sought a judgment declaring that Defendants must cease the activities described herein and enjoining Defendants from any further strip searches of pre-arraignment detainees without individualized reasonable suspicion. Plaintiffs brought this action on their own behalf and on behalf of a class of similarly situated individuals.

The Cornell Defendants operated the Valencia County Detention Center, under a contract with Valencia County, up to December 31, 2004. Thereafter, the Valencia County Defendants took over operation of the detention center. Defendants contend that not all incoming pre-

arraignment detainees were subjected to strip searches. Defendants further contend that the search policies at the Valencia County Detention Center were and are reasonably related to legitimate penological interests in deterring the introduction of weapons, drugs and other contraband into the detention center. Defendants submit that the detention center policies are entitled to deference under the law, and that the policies should not be found to violate the Constitution or any state law. Defendants further deny that the searches of Plaintiffs violated any state or federal law.

The Parties engaged in extensive discovery which included production of a voluminous database containing information regarding all persons booked into and detained at the Valencia County Detention Center from April 3, 2004 to present, production of other relevant documents, preparation of and responses to interrogatories and requests for admissions, and depositions of the parties and key witnesses.

On June 24, June 25, and September 22, 2008, the Parties engaged in three days of mediation sessions with experienced mediator Bruce Hall, and, following mediation, continued negotiations until they arrived at this agreed Stipulation of Settlement which, subject to the approval of the Court, settles this action in the manner and upon the terms set forth below and fully resolves the dispute.

The Parties have agreed that this Stipulation of Settlement is for settlement purposes only, and neither the fact of, nor any provision contained in this Stipulation of Settlement or its exhibits, nor any action taken hereunder, shall constitute, be construed as, or be admissible in evidence as any admission of the validity of any claim or any fact alleged by Plaintiffs in this

action or in any other pending or future action, as an admission of any wrongdoing, fault, violation of law, or liability of any kind on the part of Defendants, or as an admission by any of the Plaintiffs of the validity of any fact or defense asserted against them in this action or in any other action. Defendants deny all allegations of wrongdoing and deny any liability to Plaintiffs or to any other class members. The Parties have agreed that, in order to avoid long and costly litigation, this controversy should be settled pursuant to the terms of this Stipulation of Settlement, subject to the approval of the Court.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the Parties, as follows.

II.

DEFINITIONS

1. "Administrator" means a claims administrator as appointed by the Parties and approved by the Court to review and determine the validity and amount of claims submitted by "SCMs" (as defined in Definition 14 below), according to the procedures set forth herein. The selection of the Administrator and the terms and conditions of the administration agreement shall be subject to mutual approval by counsel for the Parties, and all Parties shall cooperate in good faith.

2. The "Bar Date" is the date established by the Court by which any SCM who wishes to receive payment pursuant to the Stipulation of Settlement must file his/her Claim Form(s), objections to this Stipulation of Settlement, or request to be excluded from the class

(opt-out). The Parties agree to propose to the Court that the Bar Date be 45 days prior to the date of the final fairness hearing.

3. "Charge List" means the list of charges attached hereto as Exhibit 4.

4. The "Claim Form" is the form required to be used to make a claim for payment under this settlement. A copy of the proposed Claim Form is attached as Exhibit 1.

5. "Class Counsel" means, collectively, Robert R. Rothstein, John C. Bienvenu and Mark H. Donatelli of the Law Offices of Rothstein, Donatelli, Hughes, Dahlstrom, Schoenburg & Bienvenu, LLP; and Michael R. Griego of Griego, Guggino & Associates.

6. The "Class Notice" means the notice in a form substantially similar to that attached hereto as Exhibit 2 (Notice by Mail), and the summary notice substantially in the form attached hereto as Exhibit 3 to be published in newspapers identified in Paragraph 50 herein, and posted in the Valencia County Detention Center and announced on radio as referenced in Paragraph 51 herein.

7. The "Class Period" is April 3, 2004 through April 3, 2007.

8. The "Database" is the information to be provided in hard copy and/or electronic form by the Defendants to the Administrator and Class Counsel no later than thirty (30) days from the Parties' selection of the Administrator. The Database includes, to the extent practicable, the name, last known addresses, date of birth, Social Security Number, date(s) of arrest and charges of all SCMs booked into the Valencia County Detention Center during the Class Period; date(s) of booking(s), housing(s) and first appearance(s) of each member of the

class. The Database shall not be provided by the Administrator or Class Counsel to any parties or to any SCMs.

9. The "Effective Date" means the date upon which a judgment entered by the Court approving the Stipulation of Settlement becomes final. The judgment will be deemed final only upon expiration of the time to appeal or, if a Notice of Appeal is filed, upon exhaustion of all appeals and petitions for writs of certiorari.

10. "Non-VDW Offense" means an offense not listed on the Charge List (Exhibit 4.)

11. "VDW Offense" means an offense which appears on the Charge List (Exhibit 4.)

12. An "Opt-Out" is any potential Settlement Class Member who files a timely request for exclusion as specified in Paragraph 44.

13. "Released Persons" means Defendants and their past, present, and future owners, officers, officials, directors, stockholders, insurers, third-party administrators, attorneys, agents, servants, representatives, employees, parent companies, subsidiaries, affiliates, partners, predecessors and successors in interest, assigns, and any and all other persons, firms, corporations or other entities with whom any of the former have been, are now, or may hereafter be affiliated.

14. A "Settlement Class Member" ("SCM") means any member of the Settlement Class including representatives, successors and assigns, who does not file a valid and timely Request for Exclusion as provided in Paragraph 44 of this Stipulation of Settlement.

15. "Settlement Class" means all persons arrested on a non-VDW Offense who were strip searched without reasonable suspicion during the Class Period at the Valencia County Detention Center prior to arraignment.

16. "Strip search" means a search conducted of a person in conjunction with the person's intake or booking, or admission to the general population, by a corrections officer, in which the person was required to remove all of his or her clothing, including underwear, in the presence of the corrections officer.

17. "Verified claims" means claims that are made in writing on the Claim Forms and that are signed under oath by the SCM.

18. "VCDC" means the Valencia County Detention Center in Los Lunas, New Mexico.

III.

TERMS AND EFFECT OF STIPULATION OF SETTLEMENT

19. The Parties agree solely for the purposes of this settlement that this lawsuit shall proceed as a class action, with the Settlement Class as defined in Paragraph 15, and that attorneys for the Class are Class Counsel defined in Paragraph 5; but if such settlement fails to be approved by the Court or for any other reason specifically contemplated by the terms of this Stipulation of Settlement, then this Stipulation of Settlement is hereby withdrawn.

20. SCMs who comply with the requirements set forth in this Stipulation of Settlement will be paid specified sums determined by the process set forth herein in full satisfaction of all claims against Released Persons.

21. The Parties hereto stipulate and agree that the strip search policies at the VCDC were changed effective December 5, 2006 as a result of Plaintiffs' and Class Counsel's efforts preceding this lawsuit and that the request for equitable relief was thereby rendered moot.

22. The Stipulation of Settlement, as of the Effective Date, resolves in full all claims against the Released Persons by all of the SCMs, including without limitation the named Plaintiffs, involving the alleged violation of SCMs' rights, including their Fourth Amendment rights, Fourteenth Amendment rights, Eighth Amendment rights, rights under the New Mexico Constitution, or rights under any other federal, state or local law, regulation, duty, or obligation, which are based upon or could be based upon or arise from the facts alleged in the lawsuit (collectively referred to as "Claims"). When the Stipulation of Settlement is final, as of the Effective Date, all SCMs, including the named Plaintiffs, hereby irrevocably release all Claims.

23. The Parties agree that the Court, by preliminarily approving the Stipulation of Settlement, will be certifying the class as defined in Paragraph 15 as the Settlement Class, subject to final approval of the Settlement at the fairness hearing, and that the Court shall retain exclusive and continuing jurisdiction of the action, Parties, SCMs, and the Administrator to interpret and enforce the terms, conditions and obligations under this Agreement.

24. As of the Effective Date of this Stipulation of Settlement, the SCMs, including the named Plaintiffs, hereby waive any and all rights to pursue, initiate, prosecute, or commence any action or proceeding before any court, administrative agency, arbitrator or other tribunal, or to file any complaint with regard to acts of commission or omission by the Released Persons respecting such SCMs with respect to any strip search by Defendants that occurred during the Class Period.

25. This Stipulation of Settlement together with its exhibits contains all the terms and

conditions agreed upon by the Parties hereto regarding the subject matter of the instant proceeding, and no oral agreement entered into at any time nor any written agreement entered into prior to the execution of this Stipulation shall be deemed to exist, or to bind the Parties hereto, or to vary the terms and conditions contained herein, except as expressly provided herein.

26. Each SCM shall be deemed to have submitted to the jurisdiction of the Court.

27. No Opt-Out shall share in any monetary benefits provided by this Stipulation of Settlement.

28. This settlement is subject to and conditioned upon the final approval of this Stipulation of Settlement and the issuance of the final order and judgment of dismissal by the Court, providing the below specified relief, which relief shall be pursuant to the terms and conditions of this Stipulation of Settlement and the Parties' performance of their continuing rights and obligations hereunder. The order and judgment will be deemed final only upon expiration of the time to appeal, or if a Notice of Appeal is filed, upon exhaustion of all appeals and petitions for writs of certiorari. Such final order and judgment shall:

- a. Dismiss with prejudice all Claims in the action as to the Released Persons including all claims for declaratory and injunctive relief;
- b. Order that all SCMs are enjoined from asserting against any Released Person, any and all claims which the SCMs had, has, or may have in the future arising out of the facts alleged in the Complaint, including the Claims;

- c. Release each Released Person from the claims which any SCM has, had or may have in the future, against such Released Person arising out of the facts alleged in the Complaint, including the Claims;
- d. Determine that this Stipulation of Settlement is entered into in good faith, is reasonable, fair and adequate, and in the best interest of the Class; and
- e. Reserve the Court's continuing and exclusive jurisdiction over the Parties to this Stipulation of Settlement, including Defendants and SCMs, to administer, supervise, construe and enforce the Stipulation of Settlement in accordance with the terms for the mutual benefit of all the Parties.

29. The Parties will take all necessary and appropriate steps to obtain preliminary approval of the Stipulation of Settlement, final approval of the Settlement, and dismissal of the action with prejudice. If the Court finally approves this Stipulation of Settlement, and if there is an appeal from such decision, Defendants will not oppose Plaintiffs' efforts to defend the Stipulation of Settlement.

IV.

RESOLUTION AND PAYMENT OF CLAIMS FOR DAMAGES

30. The settlement amount, which shall be used to pay all Verified Claims of SCMs, administrative costs, incentive bonuses to Class Representatives, and attorneys' fees and costs, is \$3,300,000.00 (Three Million Three Hundred Thousand Dollars) ("Settlement Fund"). The Cornell Defendants (by Cornell Companies, Inc.) shall contribute \$1,155,000, and the Valencia County Defendants shall contribute \$2,145,000, to the Settlement Fund. Neither the Cornell

Defendants nor the Valencia County Defendants shall be responsible for all or any portion of the other's payment obligation under this settlement, and neither may be held jointly or severally liable for the payment obligation of the other. Plaintiffs and SCMs shall have no right to seek any portion of the Settlement Fund from the Cornell Defendants or the Valencia County Defendants other than these Defendants' payment obligations of \$1,155,000 and \$2,145,000, respectively. Furthermore, neither the Cornell Defendants nor the Valencia County Defendants shall have the right to seek additional payment from each other in relation to this settlement, and the Defendants hereby release any and all claims they may have against each other for indemnity, contribution, subrogation and the like. In the event of a default in the payment obligation hereunder by one of the Defendants, this settlement shall remain in full force and effect between Plaintiffs/SCMs and the non-defaulting Defendant(s), and the Plaintiffs reserve the right to enforce this Stipulation of Settlement against the defaulting Defendant(s).

The Settlement Fund will be distributed as follows, subject to approval of the Court:

- a. \$85,000.00 will be allocated for payment to Plaintiffs collectively (\$42,500 to each of the two Plaintiffs) to acknowledge their participation and efforts in this lawsuit in securing damages for personal injury for SCMs or otherwise. This amount is separate and apart from any payment due for their individual claims as SCMs and shall be paid within ten days of the Effective Date. Defendants agree not to contest Plaintiffs' request for approval of this payment to Plaintiffs. In the event the Court approves

less than this amount, the balance remaining in the Settlement Fund will be added to the amount allocated to pay Verified Claims.

- b. \$1,100,000.00 will be allocated for payment of Plaintiffs' attorneys' fees, gross receipts tax on Plaintiffs' attorneys' fees, and Plaintiffs' litigation expenses and costs through the date that this settlement becomes final, to be paid within ten days of the Effective Date. Defendants agree not to contest Plaintiffs' request for approval of this amount for fees, gross receipts tax, and litigation expenses. In the event the Court approves less than this amount, the balance remaining in the Settlement Fund will be added to the amount allocated to pay verified claims.
- c. Actual costs of claims administration, providing notice to the Class, and processing and administering the Settlement of SCMs' claims will be paid from the Settlement Fund. Invoices for services provided by the Administrator shall be approved first by Class Counsel and then by Defendants' counsel, and then paid by check from the Settlement Fund.
- d. The balance of the Settlement Fund, after payment of all amounts enumerated above, will be distributed, pro-rata as described in Paragraph 33 below, among the SCMs who timely file qualifying Claim Forms, as soon as practicable after the Effective Date.

- e. Any balance remaining in the Settlement Fund after payment of all claims shall be disbursed to a charity or charities as agreed to by the Parties, with all interest accrued thereon.

31. Within 30 days of complete execution of this Stipulation of Settlement, Defendants will transmit by wire transfer or certified funds their portion of the Settlement Fund to the Administrator or the Administrator's designee for deposit in an interest-bearing qualified settlement fund. All interest earned on the Settlement Fund through the date of final approval by the United States District Court of the terms of this Stipulation of Settlement, shall inure to the benefit of the Defendants and shall be refunded to Defendants at the conclusion of the claims administration in proportion to the Defendants' contribution to the Settlement Fund (35% to the Cornell Defendants and 65% to the Valencia County Defendants). All interest earned on the Settlement Fund after the date of final approval shall inure to the benefit of the SCMs. If preliminary or final approval is denied or Defendants validly elect to rescind this agreement pursuant to Paragraph 47 below, then all of the Settlement Funds and accrued interest shall revert to Defendants. The amount of the original Settlement Funds shall be repaid to the Defendants that made the actual settlement payment and the interest shall be repaid in proportion to Defendants' contributions as set forth above.

32. In conjunction with their Motion for Preliminary Approval, the Parties agree to request the Court to approve the Parties' selection of the Administrator and to appoint the Administrator as an officer of the Court for the purpose of implementing the terms of this Stipulation of Settlement. The Administrator shall be subject to judicial immunity to the fullest

extent permitted by law. The Administrator shall be subject to the jurisdiction of the Court with respect to any dispute arising between the Administrator and the Parties regarding the implementation of the terms and conditions of the administration agreement. The Administrator shall report to Class Counsel and to counsel for Defendants on a regular basis the number of Claim Forms received, including the number of claims approved and the number of claims rejected. In addition, the Administrator shall respond timely to reasonable requests from Class Counsel and counsel for Defendants for information regarding the status of the claims.

V.

**PROCEDURES FOR RECEIVING
PAYMENT UNDER THIS STIPULATION OF SETTLEMENT**

33. All SCMs who were strip searched during the Class Period, prior to arraignment, at the VCDC following arrests on a Non-VDW Offense, shall be entitled to receive a pro-rata share of the funds allocated for payment of SCM claims, pursuant to the following plan of allocation or other plan of allocation as may be approved by the Court: An SCM who was strip searched on one occasion, prior to arraignment, at the VCDC following an arrest on a Non-VDW offense, shall be entitled to one share from the funds allocated for payment of SCM claims. In the event an SCM was strip searched on more than one occasion, prior to arraignment, at the VCDC following arrests on a Non-VDW Offense, then the SCM shall be entitled to an additional share equal to 25% of the SCM's first share. No SCM shall receive compensation from the fund for more than two strip searches; the payment received by each SCM shall be in full satisfaction

of each and every claim of such SCM (including the Claims) for all instances in which he or she was strip searched at the VCDC during the Class Period.

34. If the Administrator receives Claim Forms identifying information substantially different from that on the Database so that the Administrator is unable to determine if the persons submitting the Claim Forms are SCMs or are otherwise entitled to payment, the Administrator shall forward copies of the Claim Forms to Defendants' counsel and Class Counsel who shall consult in an attempt to agree on the eligibility of the questioned claimants to receive payments. If Defendants' counsel and Class Counsel cannot agree, the Administrator will notify the claimant(s) that additional information must be submitted to be postmarked or received within 14 days to substantiate their eligibility. If information is submitted, the Administrator will be responsible for making the determination of eligibility. If no information is received, the claimant(s) will be excluded.

35. If Defendants' counsel or Class Counsel have specific information indicating that a person submitting a Claim Form is not a SCM, they shall consult in an attempt to agree on the eligibility of the questioned claimant. If Defendants' counsel and Class Counsel cannot agree, they shall submit the information to the Administrator who will be responsible for making the determination of eligibility. The Administrator may request that the questioned claimant submit additional information to determine eligibility.

36. If the Administrator receives Claim Forms from persons whom it cannot locate on the Database, it will notify the persons submitting the Claim Forms that they are not on the Database and request that such persons submit information to substantiate their eligibility to be

postmarked or received within 14 days. If no further information is timely provided, the claimants will be ineligible. If further information is provided, the Administrator will determine eligibility.

37. The Parties expressly agree that the funds paid herein are not intended to be payment for economic damages or for punitive damages, but are intended to be payment for damages on account of alleged personal injuries, including but not limited to bodily injury, mental and emotional distress, and pain and suffering, arising from an occurrence, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended. Despite the Parties' intentions, Defendants make no representations regarding the taxability or non-taxability of any payments made hereunder, and the Parties agree that Defendants shall not be responsible for payment of any taxes on the amounts paid hereunder to Plaintiffs, SCMs, the Administrator or Class Counsel. All payment of taxes or other assessments to local, state or federal authorities on the amounts paid under this Agreement, if any, shall be the sole responsibility of Plaintiffs, SCMs, the Administrator and Class Counsel with respect to their portion of the Settlement Funds.

38. Any SCM who fails to submit a Claim Form completed in accordance with the instructions contained therein by the Bar Date or any other Court mandated extension, shall be forever barred from receiving any payment pursuant to the Stipulation of Settlement. Such SCM shall in all other respects be bound by all of the terms of the Stipulation of Settlement, and the judgment entered herein, including but not limited to the release of all Released Persons of all claims resolved herein.

39. To receive payment, an SCM shall be required to submit to the Administrator an executed Claim Form signed under penalty of perjury with questions completed in accordance with the instructions provided. All Claim Forms must be submitted by the Bar Date unless such period is extended by order of the Court.

40. The Claim Form shall be submitted by first class mail and shall be deemed submitted upon the date of the postmark thereon or the date of receipt, whichever is earlier.

41. SCMs who submit valid and timely claims and whose names appear on the Database will be paid by mail at the address specified on the Claim Form as soon as practicable after the Effective Date.

42. The Administrator shall determine whether or not a person who has submitted a Claim Form is an SCM and shall reject claims by persons who are not SCMs. The Administrator will determine the dollar amount of each payment to an eligible SCM based upon the Administrator's review of the SCMs' responses to questions on the Claim Form, the number of claims and the funds available in the settlement fund.

43. For any Claim Form that the Administrator determines to be invalid or incorrect, the Administrator will provide written notice to the SCM that will include procedures and time limits for seeking reconsideration of the Administrator's determination. If the SCM timely and properly contests the Administrator's determination of the validity or correctness of the Claim Form, the Administrator will reconsider the Claim Form and make a second determination. If the Administrator determines a second time that the Claim Form is invalid or incorrect the Administrator will notify the SCM of his or her right to appeal to the District Court within fifteen

days of notice of the Administrator's second determination. The District Court's written decision on appeal from the Administrator's second determination will be final and unappealable.

VI.

EXCLUSION FROM THE SETTLEMENT CLASS

44. Any potential SCM who wishes to be excluded from the Settlement Class must submit a request to be excluded from the class in the form attached hereto as Exhibit 5 to the Administrator, so that it is postmarked or otherwise delivered on or before the Bar Date or as the Court may otherwise direct.

45. Any potential SCM who does not timely file a Request for Exclusion shall conclusively be deemed to have become an SCM and to be bound by this Stipulation of Settlement and all subsequent proceedings, orders and judgments herein.

46. Any SCM who does not elect to be excluded from the Settlement Class may, but need not, enter an appearance through his or her own attorney.

47. The Administrator will report all Opt-Out elections to all counsel upon receipt, and will determine and report to counsel for the Parties not later than ten (10) days after the Bar Date the total number of timely and valid Opt-Out elections. If the total number of potential SCMs submitting timely and valid Opt-Out elections equals or exceeds the number stated in a separate confidential letter, then either or both of the Defendants, in their sole discretion, may rescind their acceptance of this Agreement, in which case the Agreement will be rendered null and void and of no effect but only as to the Defendant(s) who exercise its/their right to rescission. To exercise this right of rescission, the Defendant(s) must serve on the Administrator and Class

Counsel a written notice of rescission not later than thirty (30) days after its/their receipt of the Administrator's report to counsel of the totals of valid and timely Opt-Out elections received. In the event the Defendant(s) validly and timely exercise its/their right of rescission, the funds deposited by that/those Defendant(s) pursuant to Paragraph 31 herein, together with any interest earned thereon, will be returned to that/those Defendant(s), less any expenses, fees and costs incurred by the Administrator.

VII.

OBJECTING TO THE PROPOSED SETTLEMENT

48. Any SCM who does not elect to be excluded from the Settlement Class may, but need not, submit comments or objections to the proposed settlement. The Court will enter an appropriate order setting forth the procedure for SCMs to submit comments or objections to the proposed settlement.

VIII.

NOTICE

49. Notice to SCMs shall be by first class mail, postage prepaid, to all individuals whose addresses are on record in the Database and any other databases and records maintained by Defendants or to such other, better addressees identified by the Administrator, and by publication and broadcast as set forth below. All notices and information provided to SCMs shall be in English and Spanish. Any notice to any of the parties hereto shall be given by serving notice to their respective counsel at the mailing or email address set forth in the signature

line of this Stipulation, or at such other address as may be validly provided in writing to all parties hereto.

50. The Administrator shall cause to be published in English and Spanish languages, in three newspapers to be determined by the Parties in consultation with the Administrator, twice a week in each of six consecutive weeks, notices in a form substantially similar to that attached hereto as Exhibit 3, describing this settlement, the claims procedure and the procedure to object and/or to Opt-Out of the settlement. Notices in a form substantially similar to that attached hereto as Exhibit 3 shall also be posted in the VCDC.

51. Announcements summarizing the proposed settlement in English and Spanish will be made on four radio stations to be determined by the Parties in consultation with the Administrator, seven times during a week, during six successive weeks.

IX. ADMINISTRATIVE COSTS

52. All reasonable costs incurred in the administration of this Stipulation of Settlement, including but not limited to the fees of the Administrator, costs of disseminating notice to SCMs, costs of receiving and evaluating claims, and any additional administration fees, will be paid from the Settlement Fund. Following preliminary Court approval of the Stipulation of Settlement, the Administrator shall submit monthly invoices to Class Counsel and Counsel for the Defendants for services rendered and for expense reimbursement. All invoices will indicate the dates upon which services were performed, the titles of the employees performing the services, the number of hours worked by each such employee for each date, the hourly rate for

each such employee, and the total fee for the services performed. The hourly rates shall be in accordance with the agreement between the Parties and the Claims Administrator.

X.
DISPUTE RESOLUTION

53. The Parties may bring an issue directly before the District Court when exigent facts or circumstances require immediate District Court action to prevent a violation of the terms of this Agreement, which otherwise would be without meaningful remedy.

XI.
GOVERNING LAW

54. This Agreement will be subject to, governed by, and construed and enforced pursuant to the laws of New Mexico.

XII.
ENTIRE AGREEMENT

55. The terms of this Agreement and its attachments are the exclusive and final expression of all agreements by Plaintiffs and Defendants with respect to full and final settlement of this matter,. The Parties have entered into this Agreement based solely upon its terms and not in reliance upon any representations or promises other than those contained in this Agreement. The terms of this Agreement may not be contradicted either by evidence of any prior or contemporaneous agreement or by the use of any form of extrinsic evidence whatsoever in any judicial, administrative, or other legal proceeding involving this Agreement.

Dated: December 15, 2008

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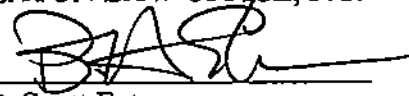
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Dated: DEC. 17, 2008

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