CONCILIATION AGREEMENT

The United States
Department of Housing and Urban Development

and

Complainant:
Maria Rivera
1360 East D Street, unit 10B
Ontario, CA 91764

and

Respondents / Recipients:
Ontario Townhouses Limited Partnership
8403 Colesville Road, Suite 400
Silver Spring, MD 20910

and

Edgewood Management Corporation
8403 Colesville Road, Suite 400
Silver Spring, MD 20910

Effective Date of Agreement: 12-18-2007

Expiration Date of Agreement: 12-18-2012

HUD Title VIII Case No.: 09-06-1238-8
HUD Title VI Case No.: 09-06-1238-6

HUD Date Filed: June 28, 2006

M.R.
Maria Rivera

Jack Murray

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I. GENERAL PROVISIONS

1. On June 28, 2006, Maria Rivera (hereinafter "the Complainant") filed a complaint under Sections 804(a), 804(b), and 818 of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (hereinafter the "Fair Housing Act" or "Act")(42 U.S.C. 3600 et seq.) and Title VI of the Civil Rights Act (42 U.S.C. 2000d et seq.) against the Respondent property owner, Ontario Townhouses Limited Partnership, A California Limited Partnership, Respondent property management company, Edgewood Management Corporation (hereinafter collectively "Ontario/Edgewood"), and Hollie Meeks, the resident manager of Ontario Townhouses from January 17, 2006 to September 10, 2007. Ontario/Edgewood having been named in and served with a copy of said complaint, and the Secretary of the United States Department of Housing and Urban Development (hereinafter "the Department" or "HUD"), having undertaken a preliminary investigation of said complaint, herein agree that the complaint be resolved under the following terms and conditions. In her complaint, the Complainant, who is Hispanic, alleges that she was threatened with eviction in retaliation for filing a previous complaint of discrimination on the basis of her national origin with HUD and because she informed other tenants of their rights to contact Fair Housing and Equal Opportunity to file claims of discrimination. Ontario/Edgewood deny all of Complainant's allegations. According to a 2006 survey by the U.S. Census Bureau, the City of Ontario has a population which is 9.2% African American and 58.5% Hispanic, however 41% of the tenants at the complex were African Americans as of July 2007.

2. The Parties to this Conciliation Agreement (hereinafter collectively "the Parties") are the United States Department of Housing and Urban Development (hereinafter "the Department" or "HUD"), Complainant Maria Rivera, Respondent Edgewood Management Corporation, and Respondent Ontario Townhouses Limited Partnership.

3. The Parties acknowledge that this Conciliation Agreement is a voluntary and full settlement of any claims that have been or could have been asserted by Complainant, including those contained in the disputed complaint. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement. The Parties have read and fully understand the significance of the terms set forth herein.

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4. It is understood that Ontario/Edgewood deny any violation of law or any wrongdoing whatsoever, and that this Agreement does not constitute an admission of any liability or wrongdoing by Ontario/Edgewood or evidence of a determination by the Department of any violation of Title VIII, Title VI, or any other federal or state law. By entering into this Agreement, the Parties intend to resolve any and all claims by Complainants against Ontario/Edgewood, including, but not limited to, those contained in or relating to the complaint in any way.

5. Nothing in this Agreement releases the Complainant from any future obligations under the Lease Agreement and the House Rules and Regulations. Additionally, for the Complainants who seek to move back into Ontario Townhouses: Complainants agree to comply with all terms of the Lease Agreement and the House Rules and Regulations. Complainants further agree to pay their rent on time every month and to submit all necessary documentation for certification and recertification in a timely fashion pursuant to HUD requirements.

6. The Parties agree that, in the interest of concluding this matter, this Agreement may be executed by the Parties' signatures on separate pages. The separate signed pages will be attached to the body of the Agreement to constitute one document. Both the original and faxed signature pages will be retained in the official case file.

7. This Agreement will become effective on the date it is signed by the Director, Office of Fair Housing and Equal Opportunity. The Director, acting on behalf of the Secretary, retains authority to approve or disapprove this Agreement.

8. The term of this Agreement shall be for five (5) years from its effective date.

9. This Agreement is binding upon the U.S. Department of Housing and Urban Development, the Complainant and their successors and assigns, and Ontario/Edgewood and their employees, heirs, successors and assigns.

10. Pursuant to Section 810(b)(4) of the Fair Housing Act, this Agreement shall become a public document. However, the Department will hold confidential all information of a personal or financial nature concerning Parties to this Agreement that is not contained in the body of the Agreement.

M. R.
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Rivera

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11. No amendment to, modification of, or waiver of any provision of this Agreement shall be effective unless all the following conditions are met: (a) all signatories to the Agreement are notified in advance of the proposed amendment, modification, or waiver; (b) the amendment, modification, or waiver is in writing; and (c) the amendment, modification, or waiver is approved and signed by the Complainant, Ontario/Edgewood, and the Director, Office of Fair Housing and Equal Opportunity. Any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

II. RELEASE

12. In exchange for Ontario/Edgewood's compliance with the provisions of this Agreement, the Complainant hereby forever waives, releases, and covenants not to sue Ontario/Edgewood and their heirs, executors, assigns, agents, employees, insurers, attorneys, or pursue any administrative action or civil action against Ontario/Edgewood, with respect to any and all claims, damages, costs, and injuries of whatever nature whether presently known or unknown, including those arising out of the subject matter of HUD case numbers 09-06-1238-8, and 09-06-1238-6 or which could have been filed in any action or suit arising from said subject matter.

13. This release does not apply to any rights arising from any party's failure to comply with the terms of this Agreement or to other complaints or matters of compliance which may be pending with the Department.

III. RELEASE AND WAIVER OF PRESENT AND FUTURE CLAIMS

14. Complainant understands and agrees this Agreement shall act as a release and waiver of any present and future claims they may have with regard to the claims, damages and/or injuries arising out of or referred to in HUD case numbers 09-06-1238-8 and 09-06-1238-6 otherwise related to the subject matter therein. Complainant expressly waives all rights under Section 1542 of California Civil Code. Section 1542 provides:

> A general release does not extend to claims, which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete general release, Complainant and Ontario/Edgewood expressly

M. R.
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acknowledge that this Agreement is intended to include and does include in its effect, without limitation, all claims which Complainant does not know or suspect to exist in her favor, or as could be brought by Complainant against Ontario/Edgewood. Complainant and Ontario/Edgewood acknowledge and agree that this Agreement contemplates and provides for the extinguishment of any such claims or other causes of action.

Maria Rivera
Complainant

Ontario/Edgewood

IV. NON-RETALIATION

15. Ontario/Edgewood agree not to retaliate against or interfere with Complainant, or any other persons, on account of their having filed, or aided in the filing of the complaint which led to this Agreement or in the exercise of any right under Title VIII, or on account of their having aided or encouraged any other person in the exercise or enjoyment of their rights under Title VIII. This provision, however, will not impair Ontario/Edgewood's rights to exercise any rights and remedies that they might otherwise have against the Complainants resulting from any violation by Complainants or other occupants of the unit of any terms or provisions of the applicable lease.

V. RELIEF FOR THE COMPLAINANT

16. Ontario/Edgewood agree to tender the amount of $5,000 (five thousand dollars) directly to the Complainant. Said payment is for her alleged damages and is to be made payable to "Maria Rivera" and tendered personally or mailed to the Complainant within ten (10) days of the effective date of this Agreement. A photo copy of the check shall be forwarded to the attention of the U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, 600 Harrison Street, Third Floor, San Francisco, CA 94107-1300.

17. Effective immediately, Ontario/Edgewood agree to rent to the Complainant the second available subsidized three-bedroom unit apartments at Ontario Townhouses that becomes available, if she is eligible to rent it. It is understood that in order for the Complainant to be eligible for tenancy, she must meet all of the program requirements and submit all of the required documentation and certifications to determine eligibility by the required deadlines. Complainant agrees to comply with all terms of the Lease Agreement and the House Rules and Regulations. Complainant further agrees to pay her rent on time every

M. R.
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month and to submit all necessary documentation for certification and recertification in a timely fashion pursuant to HUD requirements.

18. Ontario/Edgewood acknowledges that resident manager, Hollie Meeks, has been terminated and will not be rehired.

19. Complainants personally agree to keep the settlement information confidential (even though it is a public document).

20. All Parties agree, represent and warrant that all settlement discussions and matters leading up to the settlement are strictly confidential and do no constitute and shall not be construed as an admission of any wrongdoing, violation of law, or breach of any agreement, duty or obligation owed by Ontario/Edgewood.

21. As a further material consideration of Ontario/Edgewood entering into this Agreement, Complainants shall refrain from making any disparaging comments about Ontario/Edgewood, as to the disputed issues being settled here.

VI. ACTIONS IN THE PUBLIC INTEREST

22. Within ninety (90) days of the effective date of this Agreement, Ontario/Edgewood agree to develop a checklist which identifies all documentation required to be submitted by tenants for recertification and applicants for tenancy to determine housing subsidy eligibility (e.g., income verification forms, birth certificate, six contiguous months of checking account statements, etc.). The checklist shall identify each document the tenant or applicant submitted to management and the date it was submitted. The checklist will be signed and dated by the resident manager or a supervisory official for Ontario/Edgewood certifying the submission of the documents and the time and date they were submitted. An automated time and date stamp may be used. A copy of the signed checklist shall be given to the applicant or tenant upon Ontario/Edgewood's receipt of the eligibility or recertification documents from the applicant or tenant. A signed and dated copy of the checklist shall be given to the applicant or tenant each time the applicant or tenant submits eligibility or recertification documents to Ontario/Edgewood.

23. Within five days of developing the checklist referred to in paragraph 22 above, Ontario/Edgewood agree to submit the checklist to the Department for approval.

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Maria Rivera

Jack Murray

24. Within thirty (30) days of the Department approving the checklist referred to in paragraph 22 above, Ontario/Edgewood shall notify all tenants in writing of the policy pertaining to the checklist.

25. Effective immediately, Ontario/Edgewood will provide oral interpretation services to LEP persons in their language of proficiency when needed. The following methods of oral interpretation are acceptable: interpretation by bilingual staff, hiring or contracting interpreters and telephone interpreter services. If an LEP person requests to use their own interpreter, then they shall be allowed to do so at their own expense.

26. Within thirty (30) days of the effective date of this Agreement, Ontario/Edgewood agree to notify all tenants in writing of the LEP policy identified in paragraph 25 above.

27. Ontario/Edgewood will display and maintain a fair housing poster (as described in Part 110.25 of Title 24 of the Code of Federal Regulations) in English and Spanish and other languages for which Ontario/Edgewood determine there is a significant need. Said posters shall be prominently displayed so as to be readily apparent to all persons seeking housing accommodations. Ontario/Edgewood will provide a statement of compliance with this item, and a photograph or statement of all places notices are posted within sixty (60) days of the effective date of this Agreement.

28. Within one-hundred eighty (180) days of the effective date of this Agreement, Ontario/Edgewood agree to have the new resident manager of Ontario Townhouses and all other staff who work in the management office participate in a three hour fair housing law training course. Title VIII shall be included in the training. The training is to be provided by a fair housing organization or an attorney who is experienced in fair housing law. Ontario/Edgewood shall pay for any cost of the training course. Ontario/Edgewood shall complete the form attached as Exhibit I to this Agreement when the training is completed.

VII. COMPLIANCE

29. Complainant and Ontario/Edgewood agree that the Department shall monitor compliance with the terms and conditions specified in this Agreement. As a part of such monitoring, the Department may require written reports concerning compliance, inspect the premises, interview witnesses, have access to the entire current tenant files and entire applicant file to examine and copy pertinent records that Ontario/Edgewood maintain at any reasonable time during the term of this Agreement.

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30. The Parties agree that should the Department have reasonable cause to believe Ontario/Edgewood have breached this agreement, the Department shall refer the matter to the Attorney General of the U.S. Department of Justice for enforcement of the terms of the Agreement, pursuant to 42 U.S.C. 3610. The Parties further agree that should the Complainant breach this Agreement, Ontario/Edgewood may pursue any rights and remedies they may have against Complainant arising from such breach including, but not limited to, the filing of an unlawful detainer lawsuit for violations of the lease or the resident rules and regulations or other suits as may be appropriate under the circumstances.

31. Complainant understands and agrees that any and all tax liability that may become due because of said Agreement is her sole responsibility, and that she will pay any taxes, penalties, or interest on that amount or she will pay for failure to withhold or report taxable income based on her treatment of this amount as non-taxable. Ontario/Edgewood make no representations as to the federal, state and/or local tax consequences to Complainant of said Agreement, and Complainant acknowledges and agrees that she is solely responsible for any and all taxes, penalties and/or fines levied against Ontario/Edgewood by federal, state and/or local taxing authorities for Ontario/Edgewood's failure to withhold and/or deduct such federal, state and/or local taxes from the settlement payment identified in paragraph 16 above. In addition, Complainant understands and agrees that neither Ontario/Edgewood nor any other individual or entity released by this Agreement has any duty to defend or indemnify her against any claim that appropriate taxes were not paid and/or appropriate withholdings were not made from all or part of the sums paid hereunder.

VIII. REPORTS AND RECORD KEEPING

32. This Agreement contains specific actions that are required of the Complainant and Ontario/Edgewood. These actions must be completed within the specified timeframes and the Department must verify satisfactory completion. It is understood that this Agreement may serve as the Parties' sole notice of the required contents and deadlines. Failure to provide documentation of compliance with the terms of this Agreement constitutes a breach of the Agreement, and may result in referral of the matter to the Attorney General of the U.S. Department of Justice for enforcement proceedings without further notice.

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33. With regard to paragraph 28, Ontario/Edgewood will provide to the Department a certification of attendance, as identified in the certification form which is part of this Agreement, within ten (10) days of the completion of such training.

34. The Parties agree that the Department shall be solely responsible for determining whether the Ontario/Edgewood are in compliance with the terms of this Agreement.

35. As directed by this Agreement, all required certifications and documentation of Compliance in paragraphs 22, 23, 24, 25, 26, 27, 28, 29, and 30 must be submitted to:

U.S. Department of Housing and Urban Development
Fair Housing Enforcement Center
ATTENTION: CONCILIATION REVIEW
San Francisco Regional Office – Region IX
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1300

36. This Agreement does not in any way limit or restrict the Department's authority to investigate any subsequent complaints, outside the scope of the current Agreement, involving Ontario/Edgewood made pursuant to Title VIII or any other authority within the Department's jurisdiction.

IX. INTEGRATION

37. This Agreement memorializes and constitutes the entire agreement and understanding between the Parties and supersedes and replaces all prior negotiations, proposed agreements and agreements between the Parties, whether written or unwritten. The Parties acknowledge that no person or entity, nor an agent or attorney of any person or entity, has made any promises, representations, or warranties whatsoever, express or implied, which are not expressly contained in this Agreement, and the Parties further acknowledge that they have not executed this Agreement in reliance upon any collateral promise, representation, warranty, or in reliance upon any belief as to any fact or matter not expressly recited in this Agreement.

M. R.
Maria Rivera

Jack Murray

SIGNATURE PAGE

These signatures attest to the approval and acceptance of this Agreement.

Maria Rivera 12-6-07

Maria Rivera
Complainant

Date

SIGNATURE PAGE

These signatures attest to the approval and acceptance of this Agreement.

Jack H. Murray, CPM
President and CEO
Edgewood
8403 Colesville Road, Suite 400
Silver Spring, MD 20910

Ontario Townhouses Limited Partnership
8403 Colesville Road, Suite 400
Silver Spring, MD 20910

SIGNATURE PAGE

RECOMMEND APPROVAL OF THIS AGREEMENT:

Jerry T. Cullinen 12/18/07
Date

Jerry T. Cullinen
Investigator Lead
Enforcement Branch, South
Office of Fair Housing and Equal Opportunity

Ralph L. Douglass 12/18/07
Date

Ralph L. Douglass
Chief
Enforcement Branch, South
Office of Fair Housing and Equal Opportunity

David T. Quezada 12-18-2007
Date

David T. Quezada
Director,
Los Angeles Program Center
Office of Fair Housing and Equal Opportunity

Charles E. Hauptman 12-18-2007
Date

Charles E. Hauptman
Director
Office of Fair Housing and Equal Opportunity