

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between

Delores Rich
(Complainant)
6180 Lucille Avenue, St. Louis, MO 63136
and

Naomi Henderson
(Complainant)
3708 Kosciusko, Apt. 204, St. Louis, MO 63118
and

Meon Henderson
(Complainant)
3644 Kosciusko, Apt. 106, St. Louis, MO 63118
and

Shante Beene
(Complainant)
3710 Kosciusko, Apt. 205, St. Louis, MO 63118
and

Geraldine Robinson
(Complainant)
3648 Kosciusko, Apt. 102, St. Louis, MO 63118
and

Cynthia Dixon
(Complainant)
3237 Itaska, Apt. A, St. Louis, MO 63111
and

Mischelle Jones
(Complainant)
3648 Kosciusko, Apt. 202, St. Louis, MO 63118
and

Kimberly Porter, Property Manager
Ridge Crest Apartments
(Respondent)
3648 Kosciusko, Ste. 105, St. Louis, MO 63118
and

Dalmark Management Group, LLC
c/o Robert Allen, Registered Agent
(Respondent)
4001 Blue Parkway, Ste. 101, Kansas City, MO 64130
and

Ridge Crest Apartments, L.P.
c/o C T Corporation System, Registered Agent
(Respondent)
120 South Central Ave., Clayton, MO 63105
and

Argent Ridge Crest, Inc.
do Robert Allen, Registered Agent
(Respondent)
4001 Blue Parkway, Ste. 101, Kansas City, MO 64130

Approved by the FHEO Regional Director on behalf of the United States Department of
Housing and Urban Development

FHEO CASE NUMBERS:

07-06-0897-8
07-06-0903-8
07-06-0905-8
07-06-0910-8
07-07-0182-8
07-07-0346-8
07-07-0725-8

A. PARTIES AND SUBJECT PROPERTY

- Delores Rich (**Complainant, Familial Status and Retaliation**)
- Naomi Henderson (**Complainant, Familial Status**)
- Meon Henderson (**Complainant, Familial Status**)
- Shante Beene (**Complainant, Familial Status**)
- Geraldine Robinson (**Complainant, Familial Status**)
- Cynthia Dixon (**Complainant, Familial Status**)
- Mischelle Jones (**Complainant, Retaliation**)

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(The individual Complainants are referred to jointly as the "Complainants.")

- Kimberly Porter; Dalmark Management Group, LLC; Ridge Crest Apartments, L.P.; and Argent Ridge Crest, Inc. (**Respondents**).
- Description of Subject Property: Ridge Crest Apartments (hereinafter "Ridge Crest") is a project based Section 8 property consisting of 84 units. The property is part of the Low Income Housing Tax Credit program governed under Section 42 of the Internal Revenue Code. The subject property ("Property") is located at 3640-48 Kosciusko Street, St. Louis, Missouri 63118.

B. STATEMENT OF FACTS

Complainants Delores Rich, Naomi Henderson, Meon Henderson, Shante Beene, Geraldine Robinson, Cynthia Dixon, and Mischelle Jones filed complaints (the "Complaints") on or about September 18, 2006; September 19, 2006; September 19, 2006; September 22, 2006; January 5, 2007; March 9, 2007; and August 10, 2007, respectively, with the United States Department of Housing and Urban Development ("the Department" or "HUD"). Six of the complaints were subsequently amended on various dates, the most recent of which was on or about September 4, 2007, to reflect the proper respondents, representatives, bases, allegations, and aggrieved persons. Complainants allege Respondents committed discriminatory housing practices on the basis of familial status and retaliation in violation of §§ 804(a), (b), and (c) and 818 of the Fair Housing Act as amended in 1988, 42 U.S.C. §§ 3601 *et seq.* (2007) (hereinafter, the "Act").

Respondents deny having discriminated against Complainants but agree to settle the claims in the underlying actions by entering into this Conciliation Agreement.

C. TERM OF AGREEMENT

1. This Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the parties to it for a period of four (4) years from the effective date of the Agreement.

D. EFFECTIVE DATE

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the Department, through the Fair Housing and Equal Opportunity (FHEO) Regional Director, or her designee.
3. This Agreement shall become effective on the date on which it is approved by the FHEO Regional Director (400 State Avenue, Gateway Tower II, Room 400, Kansas City, Kansas 66101).

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E. GENERAL PROVISIONS

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaints. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.
5. The Respondents acknowledge that they have an affirmative duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Act. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement and a statutory violation of the Act.
6. This Agreement, after it has been approved by the FHEO Regional Director, or her designee, is binding upon (a) Respondents Kimberly Porter, Dalmark Management Group, LLC, Ridge Crest Apartments, L.P., and Argent Ridge Crest, Inc., their employees, heirs, successors and assigns and all others in active concert with them in the ownership or operation of Ridge Crest, and (b) the Complainants and aggrieved persons identified in the Complaints.
7. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director, or her designee, it is a public document.
8. The parties agree that pursuant to this Agreement, HUD has not made and will not make any written finding, and the Respondents have not made and are not making any admission, that the Respondents have violated the Act, HUD's regulations implementing the Act, or any other law or regulation with respect to the matters alleged in the Complaints. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Act, or any other complaint within the Department's jurisdiction.
9. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the 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 FHEO Regional Director, provided, however, that any provision of paragraphs 18-50 of this Agreement of general applicability may be modified by Respondents and HUD without approval of the Complainants to carry out the purposes of those paragraphs.
10. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, the original executed signature pages to be attached to the body of the Agreement to constitute one document.

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11. Complainants Delores Rich, Naomi Henderson, Meon Henderson, Shante Beene, Geraldine Robinson, Cynthia Dixon, and Mischelle Jones hereby forever waive, release, and covenant not to sue the Department or Respondents Kimberly Porter, Dalmark Management Group, LLC, Ridge Crest Apartments, L.P., and Argent Ridge Crest, Inc., and their heirs, executors, assigns, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 07-06-0897-8, 07-06-0903-8, 07-06-0905-8, 07-06-0910-8, 07-07-0182-8, 07-07-0346-8, and 07-07-0725-8 or which could have been filed in any action or suit arising from said subject matter. Complainants agree to cooperate in good faith with the Respondents to carry out the spirit and terms of this Agreement

12. Respondents Kimberly Porter, Dalmark Management Group, LLC, Ridge Crest Apartments, L.P., and Argent Ridge Crest, Inc. hereby forever waive, release, and covenant not to sue the Department or Complainants Delores Rich, Naomi Henderson, Meon Henderson, Shante Beene, Geraldine Robinson, Cynthia Dixon, and Mischelle Jones and their successors, assigns, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 07-06-0897-8, 07-06-0903-8, 07-06-0905-8, 07-06-0910-8, 07-07-0182-8, 07-07-0346-8, and 07-07-0725-8 or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANTS

13. Respondents shall pay the individual Complainants the following amounts for damages suffered as a result of Respondents' alleged discriminatory practices:

Delores Rich	\$16,000
Meon Henderson	\$16,000
Naomi Henderson	\$12,000
Shante Beene	\$12,000
Geraldine Robinson	\$12,000
Cynthia Dixon	\$12,000
Mischelle Jones	\$ 3,000

14. Respondents will pay said monies within five (5) business days of the effective date of this Agreement, by sending via Federal Express or certified mail a certified or cashier's check payable to the individual Complainants at the following addresses:

Delores Rich 6180 Lucille Avenue St. Louis, MO 63136	Shante Beene 3710 Kosciusko, Apt. 205 St. Louis, MO 63118
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Naomi Henderson 3708 Kosciusko, Apt. 204 St. Louis, MO 63118	Geraldine Robinson 3648 Kosciusko, Apt. 102 St. Louis, MO 63118
Meon Henderson 3644 Kosciusko, Apt. 106 St. Louis, MO 63118	Cynthia Dixon 3237 Itaska, Apt. A St. Louis, MO 63111
Mischelle Jones 3648 Kosciusko, Apt. 202 St. Louis, MO 63118	

15. Though Respondents share responsibility for making said payments, the person or legal entity making actual payment will be decided by and among Respondents, for purposes of expediency.
16. Within one hundred eighty (180) days of the effective date of this Agreement, Respondents agree to remove, or have removed, to the extent legally permissible, any and all negative credit reporting items, rental information, and/or eviction judgments from the credit, rental, and court records of Complainants Delores Rich and Meon Henderson. Removal of an eviction judgment shall mean that the court either vacates the judgment or declares the judgment satisfied. Respondents will pursue all reasonable means necessary to revise these records in accordance with the law, including submitting written requests and documentation to the relevant courts and the three major credit reporting agencies (Equifax, Experian, and Trans Union).
17. Within twenty (20) days of the effective date of this Agreement, Respondents agree to recalculate Complainant Mischelle Jones' portion of her rent to ensure it meets the requirements of 24 C.F.R. Part 5 (2007) and Housing Handbook 4350.3, *Occupancy Requirements of Subsidized Multifamily Housing Programs*. Respondents agree that a person familiar with rent calculations, not on the property management team at the Property, will meet with Ms. Jones, recalculate her portion of the rent, and explain the rent recalculation to her. Such recalculation will include a review of Complainant Jones' portion of her rent from July 1, 2007, through the effective date of this Agreement. Should the recalculation show that Complainant Jones owed or owes less than previously calculated, Respondents will adjust the amount Complainant Jones owes accordingly.

G. PAYMENTS TO OTHER CURRENT AND FORMER TENANTS

18. **Compensation Fund.** Within fifteen (15) days of the effective date of this Agreement, Respondents shall deposit into an interest bearing escrow account the sum of \$15,000 for the purpose of compensating current and former tenant families, other than the Complainants, who lived at the Property between

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December 1, 2005 and the effective date of this Agreement (hereinafter, the "Compensation Period") and who had children between the ages of 8 and 17 in their legal custody during the Compensation Period (hereinafter, "Other Tenant Families"), and who may be identified through the procedures set forth in this Section. Such escrow account will be referred to as the "Compensation Fund."

19. **Notice to Other Tenant Families.** Within forty (40) days of the effective date of this Agreement, the Respondents will cause a letter (the "Notice Letter," Attachment A hereto) to be sent by both regular mail and certified mail, return receipt requested, to each of the Other Tenant Families, notifying them, among other matters, of the \$15,000 Compensation Fund and the requirements they must fulfill should they wish to share in the proceeds of the Compensation Fund, to include sending required submissions to Respondents postmarked no later than 5:00 p.m. on February 11, 2008. The Respondents will also place such Notice Letter on or under the doors of all Other Tenant Families living at the property. The Respondents will use all reasonable efforts to notify each Other Tenant Family, to include identifying the proper address for and notifying all Other Tenant Families who have moved from the property. Respondents will provide a copy of all proposed Notice Letters and attached Compensation Forms, explained below, to the FHEO Regional Director at least ten (10) days prior to sending said items to the Other Tenant Families.
20. **Allocation of Points to Other Tenant Families.** Each of the Other Tenant Families who meet the requirements set out in the Notice Letter will receive a pro rata share of the funds in the Compensation Fund. To determine the pro rata share, each Other Tenant Family will receive points as follows: One (1) point for each full month the Other Tenant Family resided at the Property from December 2005 until the effective date of the Agreement, multiplied by the number of children between the ages of 8 and 17 in the Other Tenant Family.¹ Such allocation of points and an explanation of how the Other Tenant Family's share of the Compensation Fund will be calculated shall be provided to the Other Tenant Families in the Notice Letter. The Notice Letter will also inform the Other Tenant Families of the approximate number of identified Other Tenant Families who may be entitled to a share of the Compensation Fund.
21. **Calculation of Tenant Share of Compensation Fund.** The pro rata share for each Other Tenant Family shall be based on a comparison of its total points to the total number of points awarded to all Other Tenant Families, in the following proportion:

$$\frac{X}{Y} = \frac{\text{Individual Other Tenant Family's Share of Compensation Fund}}{\$15,000^2}$$

¹ In order for a month to count as a point, the Other Tenant Family must have had child(ren) of the relevant age residing with them and in their legal custody during the specified month.

² The total amount in the Compensation Fund shall include \$15,000 plus interest accrued.

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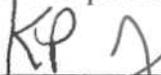
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where X equals the total number of points awarded to an individual Other Tenant Family and Y equals the sum of all points awarded to all Other Tenant Families.

22. **Compensation Form.** The Notice Letter will include an attached document (the "Compensation Form," a sample copy of which is Attachment B hereto) containing the name and address of the head of household for each respective Other Tenant Family, a schedule of the points to be awarded to each Other Tenant Family according to the information available to the Respondents (specifying the number of relevant children, their birthdates, and the dates of tenancy at Ridge Crest), and a release clause, indicating that, upon execution of the Compensation Form and payment from the Compensation Fund, the members of each of the respective Other Tenant Families release all of their claims for any violation of the anti-discrimination laws, including the Federal Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, relating to the terms of the Community Policies and the Respondents' enforcement policies and practices during the Compensation Period. Any Other Tenant Family that disagrees with any information appearing in the Compensation Form shall be notified that they have until February 4, 2008, to provide documentation to the appointed Ombudsman, defined below, to support their claim. Respondents shall consider the additional documentation and adjust the Other Tenant Family's total points if satisfactory documentation is provided by them. The Notice Letter sent via certified mail shall include a postage prepaid envelope in which the Compensation Form may be mailed to the Ombudsman. As indicated in paragraph 19 above, all Compensation Forms must be signed and submitted to the Ombudsman by close of business on February 11, 2008, or with a postmark no later than 5:00 p.m. on February 11, 2008.

23. **Ombudsman.** Within fifteen (15) days of the effective date of this Agreement, the Respondents will submit to the FHEO Regional Director for her approval the name, address, and contact information of a designated person (the "Ombudsman") to serve as a liaison with the Other Tenant Families. The Ombudsman will assist in connection with distributing the Notice Letter and the Compensation Form, collecting and maintaining the completed Compensation Form, maintaining records (e.g., Notice Letters, return receipt cards, documentations of conversations with Other Tenant Families, and additional information provided by Other Tenant Families), and addressing questions that arise in connection with the administration of the Compensation Fund, among other matters. The Ombudsman will not be a member of the management team at the Property. In the Notice Letter, the Other Tenant Families will be provided with the Ombudsman's name and a toll-free phone number at which they can contact the Ombudsman during regular business hours, or where they may leave messages for the Ombudsman to contact them. The Ombudsman will respond to calls within a reasonable period (1-2 business days). Respondents agree that the Ombudsman will schedule a non-mandatory meeting with Other Tenant Families, at the property or within three miles of the property, to be scheduled approximately 20 days after the Notice Letter is sent to the Other Tenant Families. The purpose of the meeting will be to answer Other Tenant Family questions and assist with and collect the Compensation Forms. The Notice Letter will provide

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the relevant details, location, time, and purpose of the meeting. Members of the management team from the property will not attend the meeting.

24. By April 10, 2008, Respondents will provide the FHEO Regional Director a copy of all completed Compensation Forms and any additional documentation submitted by Other Tenant Families and a listing of all Other Tenant Families who did not respond to the Notice Letter or could not be located. On the same date, Respondents will provide the FHEO Regional Director with a complete written list of Other Tenant Families who have properly executed and submitted the Compensation Form and who will receive compensation from the Compensation Fund, with the final calculation of points for each family and their share of the Compensation Fund, calculated in accordance with this Agreement (the "Compensation List"). The Compensation List will specifically set out such items as the Other Tenant Family's dates of tenancy at Ridge Crest, the number of relevant children in the Other Tenant Family, and the children's birthdates.
25. Within ten (10) days after review and written approval by HUD of the Compensation List, Respondents will send payment to all Other Tenant Families. Respondents shall make such payment by certified or cashier's check via certified mail to the same address as on the Notice Letter, unless the Other Tenant Family has provided a more current address. Should HUD and Respondents disagree on any items or calculations on the Compensation List, HUD will provide relevant documentation and the basis for its position to the Respondents prior to them sending out payment, in an effort to resolve the dispute. Respondents will reasonably consider HUD's position and any documentation submitted by HUD.
26. No amount shall be paid out of the Compensation Fund before the potential recipient has signed the Compensation Form releasing the Respondents, upon payment from the Compensation Fund, of all claims for any violation of the anti-discrimination laws, including the Federal Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, involving their enforcement policies and practices of the Community Rules during the Compensation Period.
27. Nothing in this Section shall preclude the Department from making its own efforts to locate and provide notice to Other Tenant Families concerning the Compensation Fund. Should Respondents experience difficulty or delays in identifying and notifying Other Tenant Families or other similar issues, the FHEO Regional Director may agree to appropriate extensions of deadlines as necessary to fulfill the spirit of this section of the Agreement. Any agreement regarding an extension of a deadline shall be reduced to writing and signed by Respondents and approved by HUD. Should HUD locate and/or notify additional Other Tenant Families not previously contacted by Respondents, HUD may require that Respondents provide them an opportunity to participate in the Compensation Fund, to include imposing reasonable extensions of the deadlines set out in this section of the Agreement.

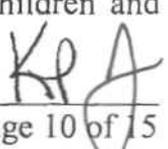
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H. RELIEF IN THE PUBLIC INTEREST

28. **Education:** Within sixty (60) days of the effective date of this Agreement, or as soon thereafter as a mutually agreed upon training session is offered, Respondent Kimberly Porter, the security staff, maintenance personnel, and all employees or agents working at Ridge Crest involved in any way in the operation and management of its units shall attend eight (8) hours of training devoted to (a) the Fair Housing Act and its enforcement and (b) improving owner/tenant communications. The training shall be provided by the Metropolitan St. Louis Equal Housing Opportunity Council (EHOC), 1027 South Vandeventer Avenue, 4th Floor, St. Louis, MO 63110 at a mutually convenient location in St. Louis, MO. Respondent Kimberly Porter and all employees or agents who attend the training shall secure a written certification from EHOC of their attendance and shall certify compliance as set out in the reporting portion of this Agreement. EHOC shall provide any written training materials to Respondents' Counsel, Harry Kelly, at least two days prior to the scheduled training session at the following address and/or fax number: Nixon Peabody, LLP, Harry J. Kelly, Esq., 401 9th Street N.W., Suite 900, Washington, DC 20004-2128, fax (202) 585-8080. Respondents shall reimburse EHOC in the amount of \$1500 for providing the training sessions within ten (10) days of the session.
29. **After School/Summer Program:** Respondents shall establish and fund a voluntary after school and summer program (hereinafter "Program") for the benefit of children age 17 and under living at the Property. Respondents agree to establish the rules, parameters, benefits, and type, nature, and location of activities available to the children living at Ridge Crest and other relevant details of the Program within one hundred eighty (180) days of the effective date of this Agreement, unless it is impractical to do so. Respondents further agree to fund the program at a minimum average level of approximately \$3,000 per month (subject to seasonal variation) and in no case less than \$36,000 per year. Such monthly funding must begin within one hundred eighty (180) days of the effective date of this Agreement. Regardless of whether Respondents continue to own and/or manage Ridge Crest, Respondents agree to fund the Program for a period of at least two years for a total of not less than \$72,000.
30. **Establishment of a Tenant/Resident Council:** Respondents will assist the Property's tenants to establish and operate a tenant/resident council at the Property for the purposes and according to the procedures and requirements set forth in 24 C.F.R. §§ 245.100 - 245.135 (2007). Specifically, within one hundred twenty (120) days of the effective date of this Agreement, the Respondents will assist in arranging a series of meetings with tenants and gaining their input on, among other matters, the Program specified in paragraph 29. Except as otherwise expressly provided herein, the Respondents assume no financial responsibility for the budget or expenses of the tenant/resident council.
31. **Modification of Community Policies and Enforcement Practices:** (a) In regard to the Property's current Community Policies pertaining to children and

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supervision of children, Respondents shall immediately discontinue enforcement of Part 6 in its entirety, the second sentence of Part 8F, Part 12A as it relates to the playground, and Part 16G. Respondents shall amend their Community Policies and enforcement practices to adopt familial status neutral policies, but the revised Community Policies may contain neutral and reasonable time, place and manner restrictions on the use of common areas and facilities. Such modified Community Policies are subject to HUD review and approval and such review and approval should occur, to the extent practicable, within sixty (60) days of the effective date of this Agreement. Respondents agree to send the FHEO Regional Director their proposed modified Community Policies within thirty (30) days of the effective date of this Agreement. During the interim period until HUD approves the revised Community Policies, the remainder of the Community Policies (except the provisions mentioned at the beginning of this paragraph) shall remain in full force and effect, and the parties hereto agree that it shall be reasonable (1) to prohibit any damage to or theft of any property at the Property, any act of violence or threat of such violence, and excessively loud and disturbing noise or conduct; (2) to require that all personal property (except automobiles) be kept in the tenant's apartment when not in use, unless prior arrangements have been made with the Property's management, and (3) to require that a responsible person over age 12 provide supervision for small children where the health and safety of the child may be endangered (e.g., a situation where a small child is using the playground equipment unsupervised).

(b) Once HUD reviews and approves the Community Policies, subject to such modifications during the review process as HUD and the Respondents may reasonably agree to, Respondents agree to send a copy of the approved Community Policies to each tenant within thirty (30) days after receiving approval from HUD. Respondents will send via regular mail a written notice with the copy of the new Community Policies to all tenants explaining that the Community Policies have been amended, that all previously issued lease violation notices relating to the revised sections of the Community Policies are null and void, and that all previously issued "urgent" notices issued by Respondents indicating individuals under age 18 or 16 should be supervised outside at all times by an adult are null and void. At the time of mailing the new Community Policies, Respondents will also post a copy of the modified Community Policies in the rental office at Ridge Crest in a conspicuous location during the term of this Agreement.

32. **Fair Housing Poster:** Respondents will continue to prominently display a HUD Fair Housing poster in the rental office at Ridge Crest. The poster shall be displayed during the term of this Agreement.

I. MONITORING

33. During the term of this Agreement, the Department shall determine and review compliance with its terms. As part of such review, the Department may inspect, with ten (10) days notice to Respondents, the Respondents' Ridge Crest rental

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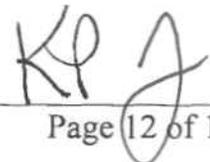
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office and the Property and may examine witnesses and copy pertinent non-privileged records of the Respondents regarding any matters related to this Agreement. Subject to Respondents' legally enforceable rights of privilege, Respondents agree to provide their full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement. For the term of this Agreement, the Respondents are required to preserve all records related to the Agreement regarding the Property, including any and all records related to the Compensation Fund and Other Tenant Families.

J. REPORTING AND RECORDKEEPING

34. Within thirty (30) days of the effective date of this Agreement, Respondents shall transmit a photocopy of the seven checks identified in paragraphs 13 and 14 of this Agreement, together with a copy of the delivery tracking reports or certified mail receipts as evidence of delivery, to the FHEO Regional Director.
35. Within two hundred (200) days of the effective date of this Agreement, Respondents, pursuant to paragraph 16 of this Agreement, agree to provide the FHEO Regional Director and Complainants Delores Rich and Meon Henderson written certification that they have removed, had removed, or were unable to remove, any and all negative credit reporting items, rental information, and/or eviction judgments from the credit, rental, and court records of the respective complainants. If the Respondents report that any such record cannot legally be removed, the Respondents will provide a complete and thorough statement explaining what steps they took to attempt to remove such records and why the record could not legally be removed. In doing so, Respondents will provide Complainants Rich and Henderson and the Department all written requests, responses, and correspondence to and from the courts and the three major credit reporting bureaus (Equifax, Experian, and Trans Union) confirming removal of, or the inability to remove, these negative items.
36. Within thirty (30) days of the effective date of this Agreement, Respondents shall provide proof they have recalculated Complainant Jones' portion of her rent pursuant to paragraph 17 of this Agreement and met with her to explain the recalculation. Should the recalculation show that Complainant Jones owed or owes less than previously calculated, Respondents will provide proof that they have adjusted the amount Complainant Jones owes accordingly.
37. Within thirty (30) days of the effective date of this Agreement, Respondents shall provide proof they have established the Compensation Fund pursuant to paragraph 18 of this Agreement by opening an interest bearing escrow account containing the sum of \$15,000. In doing so, Respondents will provide documentation to the FHEO Regional Director from the financial institution in which the money is deposited showing the name of the institution, the account name and number, and the amount of money contained in the account.

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38. As set out in paragraph 19, Respondents will provide a copy of all proposed Notice Letters and attached Compensation Forms to the FHEO Regional Director at least ten (10) days prior to sending said items to the Other Tenant Families.
39. Within fifteen (15) days of the effective date of this Agreement, Respondents shall provide the FHEO Regional Director with the name, position, phone number, and location of the Ombudsman as discussed in paragraph 23 of this Agreement. Unless HUD objects within five business days after notification, the proposed individual will serve as the Ombudsman pursuant to this Agreement.
40. By April 10, 2008, the Respondents will provide the FHEO Regional Director a copy of all documents as set out in paragraph 24 of this Agreement, including the Compensation List.
41. Within ten (10) days of making payment to the Other Tenant Families as set out at paragraph 25 of this Agreement, Respondents shall transmit a photocopy of the checks sent to the Other Tenant Families, together with a copy of the delivery tracking reports or certified mail receipts as evidence of delivery, to the FHEO Regional Director.
42. The Respondents shall forward to the FHEO Regional Director evidence of the successful completion of fair housing training, in the form of a certificate or a letter from EHOc, together with a list of participants, and a photocopy of the \$1500 check to EHOc to reimburse it for training costs, within fifteen (15) days of the completion of the training, as evidence of compliance with paragraph 28 of this Agreement.
43. Within one hundred twenty (120) days of the effective date of this Agreement, Respondents shall provide the FHEO Regional Director a status report on the establishment of Ridge Crest's Program specified at paragraph 29 of this Agreement. The report shall set out Respondents' plan for what persons or entities will be responsible for administering the Program; the Respondents' plan for the type, nature, extent, and location of the activities available to the children living at Ridge Crest; and evidence of any assistance provided in connection with establishing a tenant/resident council as set out in paragraph 30 of this Agreement. HUD acknowledges that the establishment of the tenant/resident council and obtaining the council's input with respect to the After School/Summer Activity program are to some extent matters beyond the control of the Respondents.
44. Within two hundred (200) days of the effective date of this Agreement, Respondents shall provide the FHEO Regional Director a second status report on the establishment of Ridge Crest's Program specified at paragraph 29 of this Agreement. The report shall discuss the status of the program at that point, including explaining the rules and parameters of the activities available to the children living at Ridge Crest and other relevant details of the Program; what persons or entities are administering the program; the type, nature, and location of the activities available to the children living at the Property; evidence of the

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involvement and input of the tenant/resident council; and evidence of the Respondents' monthly level of monetary funding for the program. Respondents will thereafter provide a yearly update on the Program, due on November 1st of each year during the term of this Agreement, which provides a status report of the items detailed in this paragraph.

45. Respondents will provide the FHEO Regional Director a copy of their proposed modified Community Policies pursuant to paragraph 31 of this Agreement within thirty (30) days of the effective date of this Agreement.
46. Within twenty (20) days of providing the approved Community Policies to tenants pursuant to paragraph 31(b) of this Agreement, Respondents shall submit a written certification to the FHEO Regional Director certifying that they have provided the approved Community Policies to all tenants and shall provide a list of tenants to whom the Community Policies were provided. Respondents shall also provide a copy of the notice they sent with the approved Community Policies to the tenants as set out in paragraph 31(b).
47. Within twenty (20) days of posting the Community Policies in the property's rental office, Respondents shall submit a written certification to the FHEO Regional Director certifying that they have complied with the requirement to post the Community Policies pursuant to paragraph 31(b) of this Agreement.
48. Within fifty (50) days of the effective date of this Agreement, Respondents shall submit a written certification to the FHEO Regional Director certifying that they have complied with the requirements of paragraph 32 of this Agreement pertaining to the posting of a HUD Fair Housing poster.
49. All required certifications and documentation must be submitted to:

Myrtle Wilson, FHEO Regional Director
Region VII Office of Fair Housing and Equal Opportunity
Gateway Tower II
400 State Avenue
Kansas City, Kansas 66101-2406

K. CONSEQUENCES OF BREACH

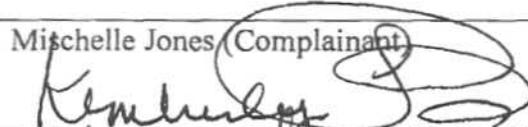
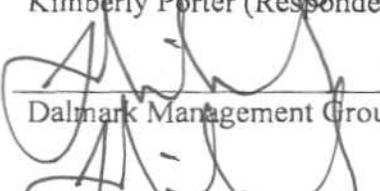
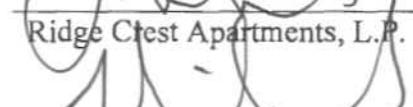
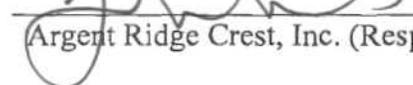
50. Whenever the Department has reasonable cause to believe that the Respondents have breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U. S. District Court, pursuant to §§ 810(c) and 814(b)(2) of the Act; provided, however, that nothing herein shall be deemed to constitute a confession of judgment or a waiver of a claim or defense by any Respondent.

INITIALS

KP

J

L. SIGNATURES

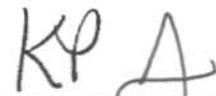
Metropolitan St. Louis Equal Housing Opportunity Council (Complainants' Representative)	Date
Delores Rich (Complainant)	Date
Naomi Henderson (Complainant)	Date
Meon Henderson (Complainant)	Date
Shante Beene (Complainant)	Date
Geraldine Robinson (Complainant)	Date
Cynthia Dixon (Complainant)	Date
Mischelle Jones (Complainant)	Date
 Kimberly Porter (Respondent)	Date 11/30/2007
 Dalmark Management Group, LLC (Respondent)	Date 11/30/2007
 Ridge Crest Apartments, L.P. (Respondent)	Date 11/30/2007
 Argent Ridge Crest, Inc. (Respondent)	Date 11/30/2007

M. APPROVAL

Myrtle Wilson
Regional Director
Region VII Office of Fair Housing & Equal Opportunity
U.S. Department of Housing and Urban Development

Date

INITIALS



ATTACHMENT A: NOTICE LETTER

Dear Ridge Crest Tenant or Former Tenant:

We wanted to alert you to a number of steps that the management of Ridge Crest Apartments is taking, now and over the next several months, to enhance the residence experience of families with children. In making these plans, we seek to maintain Ridge Crest as a safe, clean and welcoming home to all tenant families. We are excited about these changes and we believe you will be too. Here is a quick summary of the changes, discussed in more detail below:

1. **New After School and Summer Programs**: We are creating an after school and summer activities program for children at the property. Management will contribute \$36,000 annually for the next two years to fund this program.
2. **Resident Council**: We will work with the tenants to establish a Residents Council, to improve communications between tenants and management and to obtain input from tenants on the management and operation of the property.
3. **New Community Rules**. We will shortly revise and update the Community Policies in a way that will address concerns expressed by some tenants while preserving the safety and security of the property.
4. **Compensation Fund**. In light of the concerns some tenants have expressed about the practices used to implement the Community Policies over the last two years, we are creating a \$15,000 fund to provide compensation to families (including former tenants) who have had legal custody of children over the last two years as set out below.

This letter provides more details about each of these developments, which we believe will be as exciting to you as they are to us. Please read through the entire letter, to get a fuller understanding of these changes and how they will affect you, beginning with the Compensation Fund:

- **Creation of Compensation Fund**. Several tenants have raised complaints concerning some provisions of the property's Community Policies dealing with the supervision of children on the property's grounds, and the enforcement practices used for these policies. We have resolved these complaints without acknowledging any fault and have agreed to create a Compensation Fund, described in more detail below. The Compensation Fund, which will total \$15,000, is designed to assure that all families with children between the ages of 8 and 17 living with them at the property during the last two years receive compensation with respect to the Community Policies and their enforcement practices.

Each family that meets the above criteria is eligible to receive a pro rata share of the Compensation Fund. The specifics of the Compensation Fund are somewhat complicated and will be explained in more detail at an upcoming meeting, but basically, it will work this way: To determine each family's pro rata share, each eligible family will receive points as follows: One (1) point for each full month the family resided at the property

from December 2005 until December 2007, multiplied by the number of children between the ages of 8 and 17 living with the family during that time period. The pro rata share for each eligible family will be based on a comparison of its total points to the total number of points awarded to all eligible families. The attached Compensation Form contains information setting out the points for your individual family based on information in our records. At this time, we believe approximately ___ current and former tenant families are eligible to receive a share of the Compensation Fund.

You are invited, but not required, to attend a meeting to discuss the Compensation Fund. The meeting has been scheduled to answer your questions and assist with and collect the attached and completed Compensation Form from each family. The meeting will be held at _____ on _____, 200_ at _____ p.m. You are not required to attend this meeting to be eligible for a share of the Compensation Fund.

If you wish to share in the proceeds of the Compensation fund, you must complete and return the attached Compensation Form by 5:00 p.m. on February 11, 2008. You may also submit your completed Compensation Form at the scheduled meeting on _____. If you mail the Compensation Form, it must be postmarked no later than 5:00 p.m. on February 11, 2008. The Compensation Form also contains a mutual release between the eligible family and the owner and management of Ridge Crest that must be signed. Enclosed with the copy of this letter sent by certified mail is a postage prepaid envelope. Please use the postage prepaid envelope to send in the Compensation Form or you may send the Compensation Form in your own envelope to the following address:

[insert address]

Any current or former tenant family who does not submit the Compensation Form by February 11, 2008 as set out above will not be eligible to participate.

_____ has been appointed as Ombudsman to serve as a liaison to assist you if you have questions concerning the Compensation Fund. You may reach Ms. _____ at _____. If you have any questions, please contact her during regular business hours. If you leave a voice message, the Ombudsman should return your call within a reasonable time period (1-2 business days). The Ombudsman, who is not a member of the management team at the property, will be the sole individual responsible for answering questions at the meeting scheduled for _____.

Should any information appearing on the Compensation Form be incorrect (e.g. number of children, dates of birth, dates of tenancy), please provide documentation to the Ombudsman (copies of birth certificates, lease, etc.) to ensure you are properly and fully compensated. Any documents must be provided to the Ombudsman by February 4, 2008. Unless you provide supporting documentation, it shall be assumed that the information on the Compensation Form is accurate.

ATTACHMENT A, p. 3

Any family who completes and submits the Compensation Form and thereafter receives a portion of the Compensation Fund will not be treated less favorably by the Ridge Crest Management or Ownership. We welcome all eligible tenants and former tenants to participate in this fund. It is anticipated that payments to eligible families will be made out of the Compensation Fund by approximately May 1, 2008.

- **Creation of After School and Summer Program for Children.** Tenant work schedules are long and demanding and mean that right now, many children are unsupervised in the hours after school and before parents return from work. This problem is even more difficult during summer vacation months. To help parents deal with these issues, Ridge Crest is creating a fund – totaling \$36,000 each year – to help provide after school and summer vacation activities for the children of tenants. The exact nature of this program has not been determined yet – for example, there is no facility on the property that could serve as an after school center – and, as explained below, we are counting on your assistance in helping to define the best mix of services. We believe that this program will help to make life much less stressful for parents and much richer for their children.
- **Resident Council.** Communications between a property's management and its tenants is very important, because it can prevent small disputes or misunderstandings from growing into more serious problems. Also, good communications allow tenants to make suggestions as to steps that can improve the quality of their experience and overall enjoyment of the Property. Many properties have established Residents Councils as a way to improve communications, to share important information, and to establish a forum where tenants and managers can cooperate to make their properties better. We will be announcing more detailed plans shortly to establish a Resident Council for Ridge Crest Apartments, including electing officers and holding meetings. We look forward to working with the Residents Council to gather ideas and make plans for the after school/summer program for the property's children. Look for more details shortly about how you can participate in the Residents Council.
- **New Community Policies.** When current management assumed duties several years ago, safety and security issues were extremely important, and management took steps to vigorously enforce the terms of the Community Policies that had been in place for many years. As noted above, while these policies were successful in improving security at the property, some tenants objected to aspects of the enforcement of the policies. Therefore, we are going to revise the Community Policies and overhaul our enforcement policies. Obviously, keeping the property safe and secure is a top priority for management and tenants alike, and we do not want to reverse any of the gains that we have made over the last several years. We believe that the new policies and practices will make it possible to preserve these gains while assuring that parents and children alike will continue to enjoy the property and the features it offers.

ATTACHMENT A, p. 4

The terms of the Compensation Fund, this letter and the attached Compensation Form have been reviewed and approved by the U.S. Department of Housing and Urban Development.

We believe these steps – establishing a Compensation Fund, creating an after school/summer program, establishing a Resident Council, and implementing new Community Policies – will make Ridge Crest an even more pleasant and welcoming place for all its residents. If you have any questions about this letter or the subjects it discusses, please feel free to call Ms. _____ at _____.

Thank you,

Dalmark Management Group, LLC

Ridge Crest Apartments, L.P.

Argent Ridge Crest, Inc.

Attachment: Compensation Form

ATTACHMENT B: COMPENSATION FORM

This form sets out relevant tenant information and describes the calculation for the approximate amount payable from the Compensation Fund for each eligible family pursuant to the accompanying letter.

1. Tenant/Former Tenant Family Name (Head of Household)	
2. Address	
3. Names and Birthdates of Children ages 8-17 in the legal custody of the household during December 2005 until December 2007	# of children:
4. Dates of Tenancy at Ridge Crest	# of months from Dec 05 to Dec 07:
5. Total points for Family (multiply line 3 (# of children) by line 4 (# of months))	
6. Total Anticipated Payment (the actual amount paid depends on several factors, such as the total number of families that participate in the Compensation Fund)	

If you believe any of the information contained in the table above is incorrect, please notify _____ at _____ no later than _____. If you believe the information is incorrect, please provide written documentation (birth certificates, lease, etc.) to _____ by February 4, 2008.

ATTACHMENT B, p. 2

In consideration for the payment provided above:

- (a) The undersigned (on behalf of him/herself and all members of his/her family) hereby forever waives, releases, and covenants not to sue Dalmark Management Group, LLC, Ridge Crest Apartments, L.P., Argent Ridge Crest, Inc., and Kimberly Porter, and their heirs, executors, assigns, agents, employees and attorneys, with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, relating to any violation of the Fair Housing Act or any other anti-discrimination laws, statutes, ordinances or regulations, pertaining to the Community Policies as they relate to the activities and/or supervision of children (as used therein) and/or any previous enforcement acts or practices with respect thereto, or which could have been filed in any action or suit arising from said subject matter.
- (b) Dalmark Management Group, LLC, Ridge Crest Apartments, L.P., Argent Ridge Crest, Inc., and Kimberly Porter, and their heirs, executors, assigns, agents, employees and attorneys hereby forever waive, release, and covenant not to sue the undersigned (or any of his/her family members) with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, pertaining to the Community Policies as they relate to the activities and/or supervision of children (as used therein) and/or any previous enforcement acts or practices with respect thereto, or which could have been filed in any action or suit arising from said subject matter.

Seen and agreed this _____ day of _____, 2008:

Signature: _____

Name: _____
(Please print)