

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII
CONCILIATION AGREEMENT

between

[REDACTED]

[REDACTED]

(Complainants)

and

Chapel Creek Residential Association, Inc.
c/o McKay Management Corp., Registered Agent
5 Riverchase Ridge, Suite 200
Birmingham, AL 35244

(Respondent)

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

FHEO CASE NUMBER: 04-12-0885-8

[REDACTED] v *Chapel Creek Residential Association, Inc.*

Case # 04-12-0885-8

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A. PARTIES AND SUBJECT PROPERTY

This Conciliation Agreement (“Agreement”) is entered into by and between the United States Department of Housing and Urban Development (hereinafter “HUD” or “the Department”) on behalf of [REDACTED] (hereinafter “Complainants”) and Chapel Creek Residential Association, Inc. (hereinafter “Respondent” or “Respondent Chapel Creek”). Complainants and Respondent hereinafter collectively referred to as the “Parties”.

Complainants

[REDACTED]
Fairhope, AL 36532

[REDACTED]
Fairhope, AL 36532

Respondent

Chapel Creek Residential Association, Inc.
c/o McKay Management Corp., Registered Agent
5 Riverchase Ridge, Suite 200
Birmingham, AL 35244

Subject Property

[REDACTED]
Hoover, AL 35226

B. STATEMENT OF FACTS

A complaint was filed with the United States Department of Housing and Urban Development (“HUD” or “the Department”) on July 12, 2012 alleging the complainants were injured by a discriminatory act caused by the Respondent. Complainants filed a second amended complaint on May 8, 2014, adding individual respondents Steve Scruggs, Bill Chamblee, and Kenneth Skellie (collectively referred to herein as “Respondents” with Respondent Chapel Creek). Complainants believe the Respondents discriminated against them based on disability in violation of Sections 804(f)(2), 804(f)(3) and 818 of The Fair Housing Act (hereinafter “the Act” or “FHA”).

Respondents have entered into this Agreement to avoid the risks, expenses, and burdens of litigation and to voluntarily resolve the claims in the underlying action regarding

alleged violations of the Fair Housing Act. By settling this matter, Respondents are not admitting to any fault, guilt or liability with respect to Complainants' claims.

The Parties agree that this Agreement is being executed by Respondent Chapel Creek only and that the signatures of Respondent Steve Scruggs, Respondent Bill Chamblee and Respondent Kenneth Skellie are not required for execution of this agreement. Complainants acknowledge they can be made whole by performance of the conditions herein by the current and future employees, Board Members and agents of Respondent Chapel Creek.

C. TERM OF AGREEMENT

1. This Conciliation Agreement (hereinafter "Agreement") shall govern the conduct of the Parties to it for a period of one (1) year from the effective date of the signing of this Agreement by all Parties.

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 Office of Fair Housing and Equal Opportunity (FHEO) Region IV Director, or his or her designee.
3. This Agreement shall become effective on the date on which it is approved by the FHEO Region IV Director, Office of Fair Housing and Equal Opportunity (FHEO), of the United States Department of Housing and Urban Development (HUD), 40 Marietta Street, Atlanta, Georgia 30303, or his or her designee.

E. GENERAL PROVISIONS

4. The Parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. 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 Respondent acknowledges it has 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, or assisted others in filing a claim and, or 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 the FHEO Regional Director or his or her designee has approved it, is binding upon the Respondent, its owners, employees, successors and assignees and all others in active concert with them in the ownership or operation of 1363 Chapel Street, Hoover, AL, 35226.

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 his or her designee, it is a public document.
8. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving any of the Respondents made pursuant to the Fair Housing 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.
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.
11. Complainants hereby forever waive, release, discharge and covenant not to sue the Department or Respondents or their respective officers, partners, directors, heirs, executors, assigns, agents, employees, attorneys, subsidiaries, affiliates, representatives and successors with regard to any and all claims, demands, debts, damages, duties, causes of actions, suits or injuries of whatever nature, whether in law or in equity, whether presently known or unknown, arising out of, under or relating to subject matter of HUD Case Number 04-12-0885-8 or which could have been filed in any action or suit arising out of, under or relating to said subject matter.
12. Respondent(s) hereby forever waives, releases, and covenants not to sue the Department or Complainant and its successors, assigns, agents, officers, board members, 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 Number 04-12-0885-8 or which could have been filed in any action or suit arising from said subject matter.

F. RELIEF FOR COMPLAINANT

13. To fully and finally settle the alleged discrimination complaint, Respondents agree to take the following actions, and, as set forth below:
 - a. Respondent hereby agrees to pay Complainants Forty-Two Thousand Two Hundred Ninety Dollars and Zero Cents (\$42,290.00) within twenty (20) business days of the effective date of this Agreement.

- b. Payment shall be made by check payable to [REDACTED] and shall be sent *via* U.S. Certified Mail or Overnight Delivery to:

[REDACTED]

- c. A copy of the check identified in item 13(b) above and proof of delivery shall be submitted to HUD in accordance with Section I below and *via* email to Isabel.Marrero@hud.gov.

G. RELIEF IN THE PUBLIC INTEREST

14. Within fifteen (15) days of the effective date of this Agreement, Respondent shall inform all of its agents and employees responsible for compliance with this Agreement, including any officers and board members, of the terms of this Agreement and shall provide each such person with a copy of this Agreement. The Respondent agrees to provide a certification of compliance with this provision to HUD as identified in Section I of this Agreement.
15. Within fifteen (15) days of the effective date of this Agreement, Respondent shall submit a copy of their internal, written fair housing reasonable accommodation/modification policies and procedures (“RA/RM Policy”) to HUD for approval. If Respondents do not have a written RA/RM Policy, they must draft and develop reasonable accommodation/modification policies and procedures and submit them for HUD approval within forty-five (45) days of the effective date of this agreement.
16. Within fifteen (15) days of the effective date of this Agreement, Respondent shall post a HUD approved Fair Housing Poster onsite at its management office and community meeting room(s), if applicable. A copy of a HUD approved Fair Housing Poster is attached to this Agreement and is incorporated by reference.
17. Within sixty (60) days of the effective date of this Agreement, Respondent shall provide all board members and employees directly engaged in property management with a copy of the HUD approved RA/RM Policy indicated in Paragraph 15, provided that if HUD has not approved such policies and procedures within sixty (60) days of the effective date of this Agreement, Respondent shall provide all board members and employees directly engaged in property management with a copy of the HUD approved RA/RM Policy indicated in Paragraph 15 within fifteen (15) days following such approval.
18. For the term of the Agreement, Respondent shall provide each new board member and employee directly engaged in property management with a copy of its HUD

approved RA/RM Policy within thirty (30) days of each new employee's entry date of service.

19. Respondent agrees that within ninety (90) days of the effective date of this Agreement, Respondent's employees and Board Members shall complete a one-time training on all matters relating to their responsibilities under the Fair Housing Act. The training will be for no less than two (2) hours and will be provided by an external source. Respondent will provide HUD with a copy of the Certificate of Completion of the required training

H. MONITORING

20. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, HUD may review compliance with this Agreement. As part of such review, HUD may examine witnesses and copy pertinent records of the Respondent. The Respondent agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

21. Within ten (10) calendar days after the required date of completion of Paragraphs 13, 14, 15, 16, 17, 18 and 19 identified above, Respondent shall certify to HUD, in writing, that it has complied with each specific paragraph.
22. All required documentation must be submitted to:

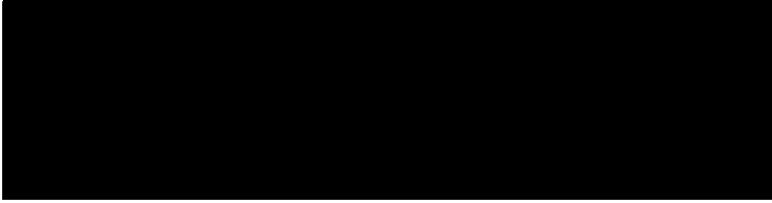
Natasha J. Watson, Enforcement Director
US Department of Housing and Urban Development
Five Points Plaza
40 Marietta Street
Atlanta, GA 30303
ATTN: CASE NUMBER: 04-12-0885-8

J. CONSEQUENCES OF BREACH

23. Whenever the Department has reasonable cause to believe that the any of the Respondents has 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]

K. SIGNATURES



9-18-2014
Date



9-18-2014
Date

By: _____
Respondent Chapel Creek Residential Association, Inc.
Print Name:
Title:

Date

L. APPROVAL

A handwritten signature in black ink, appearing to read 'Carlos Osegueda', written over a horizontal line.

Carlos Osegueda
FHEO Region IV Director

9/25/14
Date

K. SIGNATURES

_____, as Attorney-in-Fact for Complainant

Date

Complainant _____

Date

By: Stephen S. Scruggs
Respondent Chapel Creek Residential Association, Inc.
Print Name: Stephen S. Scruggs
Title: President, Chapel Creek Residential Association, Inc.

9/18/14
Date

L. APPROVAL

Carlos Osegueda
Carlos Osegueda
FHEO Region IV Director

9/25/14
Date