

**SETTLEMENT AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND WOODCREST
CONDOMINIUM ASSOCIATION; BARBARA G. DIEDRICH;
KEN BUCKINGHAM; ROBERT MULL; WILLIAM EDMONSON;
ALLEN DIEDRICH; AND RICHARD PEARCH**

I. Introduction

The United States and Woodcrest Condominiums Association (the Association) enter into this Agreement to settle allegations that the Association, its board members, directors, officers and property manager have discriminated on the basis of familial status in violation of 42 U.S.C. 3604 by publishing and enforcing bylaws, rules and/or instructions limiting the occupancy of families with children under the age of eighteen (18) to first floor units in the complex and prohibiting children, only, from loitering in hallways and other common areas.

II. Background

The Woodcrest Condominiums are located in Monroe, Michigan and consist of forty-four (44) units. Each of the four buildings in the complex has three floors. In accordance with an Association bylaw,¹ families with children under 18 are prohibited from moving into second and third floor units. In addition, the bylaw requires families who have or adopt a child while living in a second or third floor unit to vacate the unit within a year of the child's birth or adoption.² The rules and bylaws also contain a provision specifically prohibiting

¹ Fourth Amendment to Bylaws, Article VI, Section 1.

² Id.

"[c]hildren" from "loitering or playing in hallways."³

The United States alleges that adopting and enforcing a rule that prohibits families with children from living on the second and third floors of a condominium complex violates sections 804(a), (b) and (c) of the Fair Housing Act. It also contends that Woodcrest's rule prohibiting children, only, from loitering or playing (i.e., creating disturbances or obstructions) in hallways violates the Act.

Defendants do not admit liability and are entering into this Agreement solely to resolve disputed claims.

III. Statement of Agreement

1. The Woodcrest Condominiums Association, its board members, directors, officers and property manager(s) shall immediately rescind any and all bylaws, rules, policies and/or instructions limiting the occupancy of families with children under the age of eighteen (18) to first floor units in the complex. The Association, its board members, directors, officers and property manager(s) shall immediately cease to enforce any practice or policy, written or unwritten, formal or informal, that in any way restricts the occupancy of families with children under 18 to (a) particular building(s), floor(s) or part(s) of the property.

2. The Woodcrest Condominiums Association, its board

³Woodcrest Condominiums Rule No. 4.

members, directors, officers and property manager(s) shall immediately rescind any and all bylaws, rules, policies and/or instructions prohibiting "children," only, (as opposed to persons, generally) from loitering or creating disturbances or obstructions of any kind in hallways or other common areas. The Association, its board members, directors, officers and property manager(s) shall immediately cease to enforce any practice or policy, written or unwritten, formal or informal, that specifically targets the conduct or behavior of children, as opposed to persons, generally, in hallways and other common areas.

3. The Association shall immediately notify in writing all residents and nonresident owners that any bylaws, rules or instructions limiting families with children under the age of 18 to the first floor, or specifically targeting the conduct or behavior of children in common areas, have been rescinded. New bylaws, rules and/or instructions, without any such limitations on families with children under 18, or on children, generally, will immediately be published and distributed to residents and nonresident owners. Within five (5) days of entry of this Agreement, the Association shall send to the United States⁴ a

⁴ All submissions to the United States or its counsel shall be made to: U.S. Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section - G St., 950 Pennsylvania Avenue, NW, Washington, D.C. 20530, or as otherwise directed by counsel for the United States. Reference should be made to DJ#

copy of: 1) the notice that the bylaw restricting families with children to the first floor has been rescinded; 2) the notice that the rule and bylaw prohibiting "children," only, from loitering or playing in hallways has been rescinded; and 3) the new bylaw(s), rule(s) and instruction(s), along with proof that all residents and nonresident owners have received copies of each.⁵

4. The Association will immediately notify the real estate community of Monroe, Michigan by: 1) publishing in the major daily newspaper in Monroe; 2) sending a letter to the local Board of Realtors; and 3) sending letters to every agent that has transacted business in or with respect to Woodcrest Condominiums, including Leo Boylan, Sally Jaynes, and Alan L. Haynes, that any bylaws, rules and/or instructions limiting occupancy of families with children under 18 to first floor units or prohibiting children, only, from loitering or playing in hallways have been rescinded and will no longer be enforced. Such notices shall be approved by the United States. The Association shall send a copy of the notices to the United States for approval within five (5)

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⁵ Copies of signed statements by residents and non-resident owners acknowledging receipt of: 1) notice that the bylaw restricting residency of families with children has been rescinded; 2) notice that the rule and/or bylaw prohibiting only children from loitering or playing in hallways has been rescinded; and 3) the new bylaw(s), rule(s), and instruction(s) is sufficient to comply with this provision.

days of entry of this Agreement. The Association shall promptly publish and send the notices after they are approved. The Association shall forward final copies of the notices (i.e., of all advertisements and letters) to the United States following publication and transmittal.

5. No later than ninety (90) days after the date of this Agreement, and annually for the duration of the Agreement, the Association's board members, directors, officers and property manager(s) shall receive fair housing training concerning their obligations under federal, state and local fair housing laws -- including that regarding the familial status provisions of the Fair Housing Act -- by the Fair Housing Center of Metropolitan Detroit (FHCMD). A copy of this Settlement Agreement shall be distributed to each individual who attends the training. All costs associated with the training shall be borne by the Association. The Association shall obtain a certificate of attendance from the FHCMD for each person who receives the training and immediately send the certificates to the United States.

6. The Association's board members, directors, officers and property manager(s) shall comply with the Fair Housing Act, 42 U.S.C. 3601, et seq., and any failure to comply with the Act shall constitute a breach of this Agreement.

7. This Agreement in no way precludes the United States

from filing a lawsuit alleging violations of the Fair Housing Act following a charge by the Department of Housing and Urban Development (HUD) on behalf of an aggrieved person, if such person elects, pursuant to 42 U.S.C. 3612, to have his or her claims decided in a civil action. Nor does the Agreement prevent the United States from bringing a future action pursuant to 42 U.S.C. 3614 for subsequent violations of the Act. Moreover, the Agreement does not prevent the United States from filing a brief as *amicus curiae* in any future case involving the Association nor prevent any other parties from filing suit alleging the Association, its board members, officers, directors or employees, have violated the Act.

8. For the term of this Agreement, the Association shall advise counsel for the United States in writing no later than fifteen (15) days after receipt of any written administrative or legal complaint against it, or against any of its employees or agents, alleging discrimination in housing.

9. For the term of this Agreement, the Association shall preserve all records related to this Agreement, including those reflecting the identity, location (by floor and unit number), number and age of children of families with children. Upon reasonable notice to the Association, representatives of the United States shall be permitted to inspect and copy any Association records bearing on compliance with this Agreement.

10. The provisions of this Agreement shall remain in effect for a period of five (5) years after it has been signed by all parties to the Agreement.

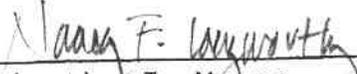
11. If, during the term of the Agreement, the United States believes that any of its provisions has been violated, it shall promptly advise counsel for the Association in writing of the nature of the alleged violation, and, within thirty (30) days of receipt of such written notice, the parties shall confer in a good faith effort to resolve the issue. In the event the parties are unable to resolve the issue to the reasonable satisfaction of the United States, the United States may seek to enforce the Agreement, or any provision thereof, in the United States District Court for the Eastern District of Michigan through initiation of a lawsuit. Failure of the United States to enforce the entire Agreement or any provision of it with regard to any deadline contained herein shall not be construed as a waiver by the United States of any right to do so.

Agreed to by the parties as indicated by the signatures of
counsel below.

IT IS SO AGREED THIS 30 DAY OF JAN, 2002

FOR THE UNITED STATES:

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Kenneth Buckingham
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Dated: 2-26-02

Dated: 1-30-02