UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII

CONCILIATION AGREEMENT

Between

U.S. Department of Housing and Urban Development

Assistant Secretary for Fair Housing and Equal Opportunity (03-14-0396-8)

Housing Opportunities Made Equal of Virginia, Inc. (03-14-0097-8)

[redacted]

(Complainants)

And

Retirement Unlimited Inc., Beaufont Towers I Limited Partnership, and Beaufont Towers II Limited Partnership

(Respondents)

A. PARTIES AND SUBJECT PROPERTIES

Complainants

Assistant Secretary for Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Housing Opportunities Made Equal of Virginia, Inc.
626 East Broad Street #400
Richmond, Virginia 23219

[redacted]
Richmond, VA 23225

[redacted]
Washington, DC 20003

Respondents

Retirement Unlimited, Inc.
c/o W. H. Fralin, Registered Agent
2917 Penn Forest Boulevard
Roanoke, VA 24018

Beaufont Towers I Limited Partnership
c/o Retirement Unlimited, Inc.
W.H. Fralin, Registered Agent and Partner
2847 Penn Forest Boulevard, Suite 201
Roanoke, VA 24018

Beaufont Towers II Limited Partnership
c/o Retirement Unlimited, Inc.
W.H. Fralin, Registered Agent and Partner
2847 Penn Forest Boulevard, Suite 201
Roanoke, VA 24018

Subject Properties

Beaufont Towers, 7015 Carnation St., Richmond, VA 23225

Aarondale Retirement & Assisted Living Community, 6929 Matthew Pl. Springfield, VA
Bay Lake Retirement Community, 4225 Shore Drive, Virginia Beach, VA
Heatherwood Retirement Community, 9642 Burke Lake Rd #1, Burke, VA
Hidenwood Retirement Community, 50 Wellesley Dr., Newport News, VA
Paul Spring Retirement Community, 7116 Fort Hunt Rd, Alexandria, VA

B. Statement of Facts

1. A complaint was filed on September 14, 2014 by the Assistant Secretary for Fair Housing and Equal Opportunity ("FHEO") alleging that Respondents violated §§ 804 (c) and (f) of the Fair Housing Act ("Act") 42 U.S.C. 3604 by establishing a written policy that requires residents who use power mobility devices to obtain approval from Respondents' Nursing Department, pay an extra $1,500 fee and obtain a minimum $100,000 liability insurance policy. Complainants [redacted] and Housing Opportunities Made Equal of Virginia, Inc. also filed complaints alleging they were harmed by Respondents' policy.

2. Respondents assert that they have never refused admission to The Towers to any individual who requires the use of a mobility device and that Respondents' Power Mobility Device Policy was enacted to ensure the devices are operated safely, to provide insurance for medical expenses and losses to residents in the event of an incident involving these power devices, and to provide The Towers with deposited monies for property damage as may be caused by a resident with such a device. Respondents deny having discriminated against Complainants and admit no liability with respect to any of the allegations or claims in any of the complaints. Respondents nevertheless agree to settle the claims in the underlying actions by entering into this Conciliation Agreement. This agreement shall not bar Respondents from seeking HUD financing of projects.

C. TERM OF AGREEMENT

This Agreement shall be in effect for a period of three (3) years from the effective date of the Agreement, unless an extension is necessary to complete the actions mandated by the Agreement.

D. EFFECTIVE DATE

This Agreement shall become effective on the date on which it is signed by the Assistant Secretary, or his or her designee, and shall constitute a binding contract under state or federal law, and a conciliation agreement pursuant to the Act.

E. GENERAL PROVISIONS

1. The parties acknowledge that this Agreement is a voluntary and full settlement of the 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.

2. Respondents acknowledge that the Act makes 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.

3. This Agreement is binding upon Respondents; Respondents' agents and employees authorized to sell, rent, manage, or market residential care facility properties; Respondents' heirs, successors and assigns; and all others in active concert with Respondents in the sale, rental, management or marketing of residential care facility properties.

4. Pursuant to Section 810(b)(4) of the Act, this Agreement shall become a public document upon approval of the Assistant Secretary or his or her designee.

5. 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.

6. 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, in writing by the Assistant Secretary, or his or her designee.

7. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, and that the original executed signature pages attached to the body of the Agreement constitute one document.

8. Complainants hereby waive, release, and covenant not to sue the Department or Respondents, 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 allegations presented in the Complaint.
9. Respondents hereby waive, release, and covenant not to sue the Department or Complainants, 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 allegations presented in the Complaint.

F. RELIEF FOR COMPLAINANTS

1. Retirement Unlimited, Inc. agrees to take the following actions, and, as set forth in this Agreement, will provide the Department with a written certification that these requirements have been met:
    a. Within thirty (30) days of the effective date of this Agreement, Respondent shall pay to Complainant [redacted] or his designee the sum of $34,250.
    b. Within thirty (30) days of the effective date of this Agreement, Respondent shall pay to the [redacted] the sum of $38,250. Such payment shall be by check payable to [redacted] or his designee.
    c. Within thirty (30) days of the effective date of this Agreement, Respondent shall pay to Housing Opportunities Made Equal of Virginia, Inc. the sum of $35,000. Such payment shall be by check payable to Housing Opportunities Made Equal of Virginia, Inc. or its designee.
    d. Within thirty (30) days of the effective date of this agreement, Respondent will refund the security deposit(s), if any are held, paid by residents who were charged a security deposit for their motorized mobility aid.

G. RELIEF IN THE PUBLIC INTEREST

1. Nondiscrimination Policy
    a. Within thirty (30) days of the effective date of this agreement, Respondents will adopt and implement a specific written policy, the "Powered Mobility Devices Policy," concerning nondiscrimination against persons with disabilities who use motorized mobility aids. A copy is attached to this agreement as Exhibit A.
    b. Respondents will implement the new policy within thirty (30) days of approval by HUD of this agreement at all properties owned, rented, managed or operated in whole or in part by Respondents.
    c. Within thirty (30) days of approval by HUD, Respondents will provide a copy of the policy to all residents. In addition, throughout the term of the agreement, Respondents will provide to all applicants and prospective applicants, a copy of the policy.
2. Education and Training
    a. Within thirty (30) days of the effective date of the Agreement, Respondents shall communicate to each of their principals, agents, and employees involved in the management or rental operations of Respondents or involved in enforcing any of

Respondents' rules or regulations, Respondents' new policy regarding motorized mobility aids.

b. Within ninety (90) days of the effective date of this agreement Respondents will have each of their facility directors and employees who are involved in the management or rental operations of RUI or who interact with residents and/or the general public, to attend and complete a minimum of two hours of training pertaining to their obligations under the Fair Housing Act and applicable state and local non-discrimination laws. The training must be approved by the Department at least 30 days prior to the commencement of the training and must have an emphasis on persons with disabilities. All costs of the training shall be borne by Respondents. Respondents shall require all attendees to sign a certification of attendance.

3. Commitment to Fair Housing

a. Within thirty (30) days of the effective date of this Agreement, Respondents shall donate Thirty Thousand Dollars ($30,000.00) to Housing Opportunities Made Equal of Virginia, Inc. to support advocacy for individuals with disabilities.

b. Respondent Retirement Unlimited, Inc. will provide a check in the sum of Thirty Thousand Dollars ($30,000) payable to a HUD approved organization which promotes education and assistance to those with disabilities in Virginia. Payment will be made within ten (10) days of HUD approving an organization to receive such sum, as a donation.

H. MONITORING REQUIREMENTS

1. The Department shall determine compliance during the term of this agreement. As a part of such review, the Department may inspect Respondents' records, interview Respondents' employees and copy pertinent records of the Respondents. Upon reasonable notice to Respondents, Respondents agree to provide their full cooperation in any monitoring review undertaken by the Department to ensure compliance with this Agreement.

2. Should the Department believe Respondents have not complied with this Agreement in any material manner, before proceeding with any other remedy, the Department shall give Respondents notice of any alleged deficiency and Respondents shall be given ten (10) business days to cure any alleged deficiency. If after this process, Respondents have not satisfactorily resolved the claims of material non-compliance, the Department may take any statutory, administrative or regulatory remedy available to the Department to resolve the outstanding findings of noncompliance.

I. REPORTING AND RECORD KEEPING

1. For the Duration of this Agreement, Respondents shall maintain all records relating to Respondents' obligations under the Agreement. The Department shall have the right to review and copy such records upon request.

2. During the term of this Agreement, Respondents shall notify the Department of any formal complaint filed against them with a local, state, or federal agency regarding equal opportunity or discrimination in housing within ten (10) days of receipt of any such complaint. Respondents shall provide a copy of the complaint with the notification to the Department. Respondents shall also promptly provide the Department with all information it may request concerning any such complaint and its actual or attempted resolution.

3. Annually, on the anniversary of this Agreement, Respondents shall submit a report to the Department on their progress in fulfilling the goals of this Agreement. The report shall provide a complete account of Respondents' actions to comply with each requirement of this Agreement during the previous year, an objective assessment of the extent to which each required obligation was met.

4. All required notifications and documentations of compliance, as provided for in this Agreement, must be submitted to HUD as follows:

   Melody Taylor Blancher, Director, Region III
   Office of Fair Housing and Equal Opportunity
   The Wannamaker Building
   100 Penn Square East
   Philadelphia, PA 19107-3380

J. CONSEQUENCES OF BREACH

Whenever HUD has reasonable cause to believe that Respondents have breached this Agreement beyond any deficiency or noncompliance addressed in Paragraph H.2., HUD shall, within thirty (30) days, provide notice to Respondents and provide thirty (30) days to comply. If such breach is not cured to HUD's satisfaction, the Department may pursue judicial enforcement of this Agreement, as provided in 42 U.S.C. §§ 3610(c), 3614(b)(2), by referring the matter to the Attorney General of the United States to commence a civil action in the appropriate U.S. District Court. The Department may also pursue other administrative remedies available to the Department. Each Party to this Agreement shall bear its own costs and attorney's fees associated with this matter.

Exhibit A

Powered Mobility Devices

Powered wheelchairs, scooters or other assistive devices are permitted in the Community for those residents who can safely operate them. Some medications and physical conditions may impair a person's ability to operate a device in a safe manner. Prior to using your powered mobility device, you must obtain written confirmation of your ability to safely operate the specific device by a qualified healthcare professional (which term may include the Community's Director of Nursing). Any device in the Community will be registered by year, make and model with the Community. You must store your device in designated parking areas, or in your apartment when not in use. Do not leave it outside your door in the hallway, as it may violate the fire safety plan.

Devices that can be safely lifted into or secured by the transportation vehicle at the Community will be transported using that vehicle. You should consider the weight and size of the device before purchase. If the device cannot be safely transported, we will make reasonable efforts to otherwise facilitate your use of the Community vehicle. Upon request, the specifications and capacity of the Community's current vehicle will be provided to a resident or applicant.

You will be responsible for knowing and adhering to the information and warnings, including those regarding proper and safe use, set forth in the owner's manual for your device. Pedestrians always have the right of way and use of horns is prohibited. If you are responsible for causing damage to any property or other persons, you will be responsible for all costs associated with the damage.

Residents who injure persons or operate their motorized device in an unsafe manner in the opinion of the Community's Director of Nursing, or whom the Director of Nursing reasonably believes will not be able to safely operate their device, must be reassessed by a qualified healthcare professional for continued safe operation. If, in the reasonable opinion of the Director of Nursing, the resident cannot safely operate such device pending reassessment, use will not be permitted pending reassessment. In such event, upon request, the Director of Nursing will work with the resident to develop an alternative mobility plan for the period of reassessment. If written confirmation of ability to safely operate the specific device is not provided to the Director of Nursing 10 business days after request of the resident, the resident will not be permitted to use the device unless and until such written confirmation is provided.

If the assessment finds you are not able to safely operate the powered mobility device, you are not permitted to use the device until such time as you obtain confirmation of ability to use the device safely from a qualified healthcare professional, including the Community's Director of Nursing.

K. SIGNATURES

WHEREFORE, the parties hereto have duly executed this Agreement:

Gustavo Velasquez, Assistant Secretary for Fair Housing and Equal Opportunity	5/12/15 DATE
[redacted]	5/7/15 DATE
[redacted]	DATE
Heather Mullins Crislip, President/CEO Housing Opportunities Made Equal	DATE
Curt Davis, III, Chief Operating Officer Retirement Unlimited, Inc.	DATE
Beaufont Towers I, LP	DATE
Beaufont Towers II, LP	DATE

K. SIGNATURES

WHEREFORE, the parties hereto have duly executed this Agreement:

Gustavo Velasquez, Assistant Secretary for Fair Housing and Equal Opportunity — DATE 5/21/15

[redacted] — DATE

[redacted] — DATE

Heather Mullins Crislip, President/CEO Housing Opportunities Made Equal — DATE

Curt Davis, III, Chief Operating Officer Retirement Unlimited, Inc. — DATE 5/6/15

Retirement Unlimited Inc., G.P.
By: C.O.O.
Beaufont Towers I, LP — DATE 5/6/15

Retirement Unlimited, Inc., G.P.
By:
Beaufont Towers II, LP — DATE 5/6/15

K. SIGNATURES

WHEREFORE, the parties hereto have duly executed this Agreement:

Gustavo Velasquez, Assistant Secretary for Fair Housing and Equal Opportunity	5/11/15 DATE
[redacted]	DATE
	May 8, 2015 DATE
Heather Mullins Crislip, President/CEO Housing Opportunities Made Equal	DATE
Curt Davis, III, Chief Operating Officer Retirement Unlimited, Inc.	DATE
Beaufont Towers I, LP	DATE
Beaufont Towers II, LP	DATE

K. SIGNATURES

WHEREFORE, the parties hereto have duly executed this Agreement:

Gustavo Velasquez, Assistant Secretary for Fair Housing and Equal Opportunity	5/11/15 DATE
[redacted]	DATE
[redacted]	DATE
Heather Mullins Crislip, President/CEO Housing Opportunities Made Equal	5/7/15 DATE
Curt Davis, III, Chief Operating Officer Retirement Unlimited, Inc.	DATE
Beaufont Towers I, LP	DATE
Beaufont Towers II, LP	DATE