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MICHAEL K. JEANES, Clerk

By Melius

T. Melius, Deputy

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

THE STATE OF ARIZONA ex rel. TERRY GODDARD, the Attorney General; and THE CIVIL RIGHTS DIVISION OF THE ARIZONA DEPARTMENT OF LAW,

Plaintiff,

VS.

AIMCO Los Arboles, LP, a Delaware Limited Partnership, and AIMCO Properties, LP, a Delaware Limited Partnership,

Defendants.

No. CV2006-017701

CONSENT DECREE .

(Assigned to Hon. Kenneth Fields)

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On November 17, 2006, Plaintiff, the State of Arizona, through Attorney General Terry Goddard and the Civil Rights Division (collectively "the State"), filed the above-captioned Complaint in Maricopa County Superior Court under CV2006-017701 against Defendants AIMCO Los Arboles, LP, a Delaware limited partnership, and AIMCO Properties, LP, a Delaware limited partnership ("Defendants"), alleging that they engaged in disability discrimination against James Hayes, a prospective tenant, in violation of A.R.S. § 41-1491.19 of the Arizona Fair Housing Act, when they failed to grant him a reasonable accommodation of having a co-signer to satisfy the income criteria for renting an apartment.

Defendant AIMCO Los Arboles, LP owns the Los Arboles apartment complex located in Chandler, Arizona. Defendant AIMCO Properties, LP is a limited partner in AIMCO Los Arboles, LP and other partnerships that own and operate conventional apartment communities in Arizona and nationwide. Defendants are affiliates of Apartment Investment and Management Company, a Maryland corporation ("AIMCO").

AIMCO is a self-administered and self-managed real estate investment trust engaged in the acquisition, ownership, redevelopment and management of apartment properties. As of December 31, 2006, AIMCO owned and/or managed a real estate portfolio of 1,256 apartment communities containing 216,413 apartment units located in 46 states, the District of Columbia and Puerto Rico. AIMCO manages its apartment communities in Arizona and throughout the United States (collectively "the AIMCO properties") through the following five AIMCO affiliates (collectively "the AIMCO management entities"): NHPMN Management, LLC, which manages certain properties in approximately 43 states and the District of Columbia; NHPMN Management, L.P. which manages properties in approximately 5 states; NHPMN State Management, Inc. which manages properties in approximately 2 states; OP Property Management, L.P. which manages properties in approximately 5 states; and OP Property Management, LLC which manages properties in approximately 43 states and the District of Columbia. The AIMCO management entities have legal authority to implement the terms of this Decree at all the AIMCO properties

nationwide. In consideration for the terms of this Decree, the AIMCO management entities consent to the Court's jurisdiction and agree to be bound by this Decree.

The State, the Defendants, and the AIMCO management entities (collectively "the parties") desire to resolve the issues raised by the Complaint without the time, expense and uncertainty of further contested litigation. The parties expressly acknowledge that this Decree is the compromise of disputed claims and Defendants acknowledge no wrongdoing whatsoever. The Defendants agree to be bound by this Decree and not to contest that it was validly entered into in any subsequent proceeding to implement or enforce its terms. The parties, therefore, have consented to the entry of this Decree, waiving trial, findings of fact and conclusions of law.

It appearing to the Court that entry of this Decree will further the objectives of the Arizona Civil Rights Act ("ACRA"), and that the Decree fully protects the parties and the public with respect to the matters within the scope of this Decree,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows: JURISDICTION

1. This Court has jurisdiction over the subject matter of this action and over the parties, and venue in Maricopa County is proper. The allegations of the Complaint, if proved, are sufficient to state a claim upon which relief may be granted against Defendants under the ACRA.

RESOLUTION OF THE COMPLAINT

2. This Decree resolves all issues and claims set forth in the State's Complaint. This Decree also resolves all issues relating to acts and practices of discrimination to which this Decree is directed.

RELEASE

3. Except for the obligations of Defendants and the AIMCO management entities that are expressly set forth in this Decree, the Defendants, their agents, employees, successors, assigns, as well as all entities related to Defendants that own or operate properties

in Arizona, and all persons in active concert or participation with Defendants, are released from any and all civil liability to the State for the counts alleged in the Complaint in this matter.

COMPLIANCE WITH ACRA

4. The Defendants agree that they shall abide by Arizona's civil rights laws.

NO RETALIATION

5. The Defendants shall not retaliate against James Hayes or any other person in any way for that person's opposition to a practice made unlawful by the ACRA, or for participation in the State's administrative proceedings or litigation in this case.

POLICY CHANGES

Within sixty (60) days of the effective date of this Decree, Defendants and the AIMCO management entities shall adopt a policy of granting a reasonable accommodation to allow any otherwise qualified applicant or tenant to use a guarantor when, because of disability, the applicant or tenant cannot meet Defendants' financial qualification criteria for residing at the AIMCO properties ("the new reasonable accommodation policy"). The Defendants and the AIMCO management entities will adopt this new reasonable accommodation policy at all of the AIMCO properties in Arizona and throughout the United States. Defendants and the AIMCO management entities provide to all their employees at all the conventional, non-government subsidized AIMCO residential rental properties in Arizona and throughout the United States, an identical operating manual ("the Operating Manual"). Defendants and the AIMCO management entities also use identical resident selection criteria ("the Resident Selection Criteria") and make the Resident Selection Criteria available to all prospective residents and tenants at all conventional, non-government subsidized AIMCO residential rental properties in Arizona and throughout the United States. Defendants and the AIMCO management entities shall communicate the new reasonable accommodation policy to their employees at all the conventional AIMCO properties in Arizona and throughout the United States, by revising the content of the Operating Manual and the Resident Selection

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Criteria form, and shall communicate the new reasonable accommodation policy to their employees at all the AIMCO properties through the Fair Housing training used in Arizona and throughout the United States, as outlined more fully in Paragraphs 7, 8, 10, 11 and 12 of this Consent Decree.

- Operating Manual. Within thirty (30) days of the effective date of this Decree, Defendants and the AIMCO management entities will revise the Fair Housing section of the Operating Manual and submit the revised Fair Housing section of the Operating Manual for review by the State. The revised Fair Housing section will provide an explanation of Defendants' obligation to provide reasonable accommodations upon request to prospective residents and tenants with disabilities when necessary for them to have equal opportunity to use and enjoy a dwelling at the AIMCO properties and when such accommodations do not impose an undue burden. By September 1, 2007, Defendants and the AIMCO management entities will distribute the revised Fair Housing section of the Operating Manual to all of its conventional properties in Arizona and throughout the United States in the same manner as Defendants and the AIMCO management entities provide periodic updates to the Operating Manual.
- 8. Resident Selection Criteria. Within thirty (30) days of the effective date of this Decree, Defendants and the AIMCO management entities shall revise their Resident Selection Criteria form, and submit the revised form for review by the State. The revised Resident Selection Criteria form will include the following statement: "In instances where sufficient income requirements cannot be met because of the applicant's disability, the Community will accept pre-paid rent or a guarantor if requested by the applicant." The statement will appear in a size and font at least as large as the other text and will be placed in the Income History Section of the Resident Selection Criteria form. By September 1, 2007, Defendants and the AIMCO management entities will distribute the revised Resident Selection Criteria form to all AIMCO conventional properties in Arizona and throughout the United States in the same manner customarily used by AIMCO to instruct employees at the

communities about immediate use of revised forms.

POSTER

9. Defendants and the AIMCO management entities shall keep posted at all times a poster provided by the State which states, in English and Spanish, that discrimination in housing based on race, color, national origin, religion, sex, disability or familial status is prohibited. The poster shall be kept in a conspicuous, well-lighted place available to prospective residents and tenants in the common area of each of Defendants' Arizona properties.

TRAINING

- and computer online training methods to provide Fair Housing training to employees at all the AIMCO properties in Arizona and throughout the United States. Within sixty (60) days of the effective date of this Decree, Defendants and the AIMCO management entities shall revise the curriculum of the current online and in-person Fair Housing training to expand the unit about disability discrimination in accordance with Paragraph 11 of this Consent Decree, and shall submit the revised curriculum for review by the State. After Defendants revise the curriculum in accordance with Paragraph 11, they shall use the revised curriculum when providing fair housing training to employees at both government subsidized and conventional AIMCO properties in Arizona and throughout the United States.
- an explanation of the reasonable accommodation requirement under the Fair Housing Act; (b) clarification about the differences between the reasonable accommodation and reasonable modification provisions under the Fair Housing Act; (c) a description of the interactive accommodation process; (d) an explanation that a disabled prospective resident or tenant triggers the interactive accommodation process by making clear that the prospective resident or tenant is requesting a change or adjustment to a rule, policy, practice or service; (e) an explanation that the reasonable accommodation request need not be in writing or use the

words "reasonable accommodation" to constitute a request for reasonable accommodation; and (f) examples to illustrate the revised Fair Housing training curriculum, including an example addressing the accommodation of permitting a guarantor for a person who does not meet Defendants' financial requirements because of disability. The revised in-person Fair Housing training will also include the topics contained in subsections (a) – (f) of this Paragraph.

12. Within six months of the effective date of the Consent Decree, Defendants and the AIMCO management entities shall train all of their current supervisors, managers and employees who accept inquiries from prospective tenants and residents at the AIMCO properties in Arizona about Fair Housing. Thereafter, Defendants and the AIMCO management entities will train all new supervisors, managers and employees who accept inquiries from prospective residents and tenants at any of the AIMCO properties in Arizona about Fair Housing within thirty (30) days from the date of hire. Defendants and the AIMCO management entities shall use the revised Fair Housing training curriculum referred to in Paragraph 11.

MONETARY RELIEF FOR AGGRIEVED PARTY

13. Defendants shall, within fourteen (14) days after the effective date of this Decree, pay to James Hayes the sum of Two Thousand Dollars (\$2,000.00). Such payment shall be made in the form of a cashier's check made payable to James Hayes and transmitted to the State as indicated in paragraph 16 of this Decree.

MONITORING FEES FOR THE STATE

14. Defendants shall, within fourteen (14) days after the effective date of this Decree, pay to the State the sum of One Thousand Dollars (\$1,000.00) to monitor compliance with the provisions of this Decree and to enforce civil rights in Arizona. Such payment shall be made in the form of a cashier's check made payable to "The Arizona Attorney General's Office." Monitoring shall include but not be limited to reviewing and approving the revised Fair Housing Section of the Operating Manual, the Resident Selection Criteria form, the

revised online fair housing training curriculum; adoption and dissemination of the revised Operating Manual and Resident Selection Criteria; completion of Fair Housing training; and otherwise ensuring Defendants' compliance with the terms of this Decree.

REPORTS

15. In addition to the reporting requirements contained in Paragraphs 7, 8 and 10 of this Consent Decree, Defendants shall provide written reports to the State commencing six (6) months after the effective date of this Decree, and annually thereafter for the remainder of this Decree. The annual reports shall be in letter form from Defendants' Legal Department and shall confirm: (1) that the new reasonable accommodation policy and the related changes to the Operating Manual, Resident Selection Criteria, and the Fair Housing training curriculum to be adopted pursuant to Paragraphs 6, 7, 8, 10 and 11 of this Consent Decree are in effect; and (2) that Defendants have carried out the Arizona training required by Paragraph 12 of this Consent Decree.

NOTICE

16. When this Decree requires the submission of payment, reports, notices or materials for review to the State, they shall be mailed to: Sandra R. Kane, Assistant Attorney General, Office of the Attorney General, Civil Rights Division, 1275 W. Washington, Phoenix, Arizona 85007, or her successor(s). When this Decree requires the State to submit any notices to the Defendants, they shall be mailed to: Nick Billings, Vice President and Assistant General Counsel, AIMCO, 4582 S. Ulster Street Parkway, Suite 1100, Denver, Colorado 80327, or his successor(s).

REVIEW BY THE STATE

17. When this Decree requires the State to review revised documents and training materials, the State will review the documents to determine if they meet the minimum requirements set forth in the applicable paragraphs of this Decree, and return the draft curriculum with any comments within fourteen (14) days of receipt of the document.

CONTINUING JURISDICTION OF THE COURT

18. The Court shall retain jurisdiction over both the subject matter of this Consent Decree and the parties for two years from the date of entry of this Decree to effectuate and enforce this Decree. The State may, for good cause shown, petition this Court for compliance with this Decree at any time during the period that this Court maintains jurisdiction over this action. In the event that Defendants fail to comply in a timely fashion with the requirements of this Consent Decree, the parties will engage in good faith efforts to resolve the delay. If, however, the good faith efforts to resolve the delay are unsuccessful, the State may petition the Court to seek compliance with the Decree. For purposes of this paragraph, good faith efforts shall mean that the State shall notify the Defendants in writing of the alleged failure to comply with specific requirements of the Decree. Defendants shall have 15 days to respond in writing and to reach an agreement with the State to cure any alleged failure to comply with this Decree. If no agreement is reached or the failure to comply is not cured, the parties agree that the State may seek a liquidated penalty of \$20,000 should Defendants or the AIMCO management entities fail to implement the provisions of Paragraphs 6, 7, 8, 10, 11, and 12, or report compliance under Paragraphs 15 and 16 of the Consent Decree. In the event either the State does not submit any petitions for compliance with the Decree or the Court determines that Defendants and the AIMCO management entities have complied with the Decree, the Decree shall automatically expire and the Court shall lose jurisdiction over this action on the date two years after entry of the Decree.

19. This Consent Decree may be modified only by order of this Court. Should Defendants' or the AIMCO management entities' business practices change during the term of the Consent Decree affecting the continued use of the Operating Manual, Resident Selection Criteria or the revised Fair Housing training curriculum in the manner set forth above, the parties agree that Defendants will notify the State. The parties to this Consent Decree shall endeavor in good faith to resolve informally any differences regarding modification of this Consent Decree prior to bringing such matters to the Court for resolution.

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For purposes of this paragraph, good faith efforts shall mean that the Defendants shall notify the State in writing of any request for modification of the terms of the Consent Decree related to change in Defendants' or the AIMCO management entities' business practices. The State shall respond in writing within 15 days of receipt of Defendants' notice of request for modification to advise whether it will agree to the requested modification. Should the parties agree on the requested modification or an alternate modification, the parties will enter into a stipulation to modify the Consent Decree, and submit the stipulation and a proposed order for approval by the Court. Should the parties not concur about Defendants' requested modification or an alternate modification within 30 days of the date of Defendants' notice of request for modification of the terms of the Consent Decree, Defendants may petition the Court for modification of the terms and conditions of this Consent Decree.

MISCELLANEOUS PROVISONS

- 20. This Decree shall be binding on Defendants, their agents, employees, successors, assigns and all persons in active concert or participation with Defendants, including the AIMCO management entities.
- 21. This Decree shall be governed in all respects by the laws of the State of Arizona.
- 22. The parties shall bear their respective attorneys' fees and costs incurred in this action up to the date of entry of this Decree. In any action brought to assess or enforce Defendants' or the AIMCO management entities' compliance with the terms of this Decree, the Court may in its discretion award reasonable costs and attorneys' fees to the prevailing party.

EFFECTUATING CONSENT DECREE

23. The parties	agree to the entry	of this Decree	upon final appro	oval by the Court.
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1	24. The effective date of this Decree shall be the date that it is entered by this
2	Court.
3	ENTERED AND ORDERED this 25 day of
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6	Ol C. A.
7	Hon. Kenneth Fields
8	Maricopa County Superior Court
9	JOHN A. BUTTRICK
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CONSENT TO DECREE

- 1. On behalf of Defendant AIMCO Properties, LP, I acknowledge that I have read the foregoing Consent Decree, and that Defendant AIMCO Properties, LP is aware of its right to a trial in this matter and has waived that right.
- 2. Defendant AIMCO Properties, LP agrees to the jurisdiction of the Court, and consents to entry of this Consent Decree.
- 3. Defendant AIMCO Properties, LP states that no promise of any kind or nature whatsoever (other than the terms of this Consent Decree) was made to induce it to enter into this Consent Decree, that it has entered into this Consent Decree voluntarily, and that this Consent Decree constitutes the entire agreement between Defendants and the State.
- I am the Vice President and Assistant General Counsel of the general partner of AIMCO Properties, LP, and, as such, have been authorized by AIMCO Properties, LP to enter into this Consent Decree for and on behalf of AIMCO Properties, LP.

AIMCO PROPERTIES, LP, a Delaware limited partnership

By: AIMCO-GP, INC., a Delaware corporation, its general partner

Nicholas M. Billings

Vice President and Assistant General Counsel

State of Colorado)	
)	SS

City & County of Denver)

SUBSCRIBED AND SWORN to before me this day of June, 2007, by Nicholas M. Billings.

Notary Public

My Commission Expires:

7 15 2009

KRISTIE L. HARMON
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 7115 700 9

CONSENT TO DECREE

- On behalf of Defendant AIMCO Los Arboles, LP, I acknowledge that I have read
 the foregoing Consent Decree, and that Defendant AIMCO Los Arboles, LP is aware of its
 right to a trial in this matter and has waived that right.
- 2. Defendant AIMCO Los Arboles, LP agrees to the jurisdiction of the Court, and consents to entry of this Consent Decree.
- 3. Defendant AIMCO Los Arboles, LP states that no promise of any kind or nature whatsoever (other than the terms of this Consent Decree) was made to induce it to enter into this Consent Decree, that it has entered into this Consent Decree voluntarily, and that this Consent Decree constitutes the entire agreement between Defendants and the State.
- 4. I am the Vice President and Assistant General Counsel of AIMCO Los Arboles, LP, and as such, have been authorized by AIMCO Los Arboles, LP to enter into this Consent Decree for and on behalf of AIMCO Los Arboles, L.P.

AIMCO LOS ARBOLES, LP, a Delaware limited partnership

By: AIMCO Holdings, L.P., a Delaware limited partnership, its General Partner

By: AIMCO Holdings QRS, Inc., a Delaware corporation, its General Partner

Nicholas M. Billings

Vice President and Assistant General Counsel

1	State of Colorado)
2	County of Denver) SS.
3	SUBSCRIBED AND SWORN to before me this 18th day of
4	June, 2007, by Nicrobs M. Billings
5	Kristie Harmon
6	Notary Public
7	My Commission Expires: KRISTIE L. HARMON
8	7 5 2009 NOTARY PUBLIC STATE OF COLORADO
10	My Commission Expires 7115 2007
11	CONSENT TO DECREE BY AIMCO MANAGEMENT ENTITIES
12	NHPMN MANAGEMENT, LLC,
13	a Delaware limited liability company
14	By: AIMCO/Bethesda Holdings, Inc., a Delaware corporation,
15	its Sole Member
16	
17	By Nicholas M. Billings
18	Vice President and Assistant General Counsel
19	NHPMN MANAGEMENT, L.P.,
20	a Delaware limited partnership
21 22	By: NHPMN-GP, Inc.,
23	a Delaware corporation, its General Partner
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25	By Del My
26	Nicholas M. Billings Vice President and Assistant General Counsel
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NHPMN STATE MANAGEMENT, INC., a Delaware corporation

By Nicholas M. Billings
Vice President and Assistant General Counsel

OP PROPERTY MANAGEMENT, L.P., a Delaware limited partnership

By: NHPMN-GP, Inc., a Delaware corporation, its Managing General Partner

By Nicholas M. Billings

OP PROPERTY MANAGEMENT, LLC, a Delaware limited liability company

Vice President and Assistant General Counsel

By: AIMCO Properties, L.P., a Delaware limited partnership, its Sole Member

By: AIMCO-GP, INC., a Delaware corporation, its general partner

By Nicholas M. Billings

Nicholas M. Billings

Vice President and Assistant General Counsel

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1	APPROVED AS TO FORM AND SUBSTANCE:				
2	JARDINE, BAKER, HICKMAN & HOUSTON, PLLC	TERRY GODDARD Attorney General			
4		1,04			
5	Kendall D. Steele 3300 N. Central Ave., Suite 2600	Sandra R. Kane Rose A. Daly-Rooney			
7 8	Phoenix, Arizona 85004 Attorneys for Defendants	Assistant Attorneys General 1275 W. Washington Phoenix, Arizona 85007			
9		Attorneys for Plaintiff			
10	Date: 6/18/07	Date: 6/19/07			
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