

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT**

**CONCILIATION AGREEMENT**

Between

Fair Housing Project  
Legal Aid of North Carolina, Inc.  
c/o Jeffrey D. Dillman, Co-Director  
(Complainant)

And

SkyHouse Raleigh, LLC  
SkyHouse Charlotte, LLC  
SkyHouse Charlotte II, LLC  
Smallwood, Reynolds, Stewart, Stewart & Associates, Inc.  
Batson-Cook Company  
Novare Group Holdings, LLC  
Beacon Partners, Inc.  
NGI Investments, LLC  
(Respondents)

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

**HUD CASE NUMBERS: 04-16-4227-8 and 04-16-4231-8**

**A. PARTIES AND SUBJECT PROPERTIES**

Complainant

Fair Housing Project  
Legal Aid of North Carolina, Inc.  
c/o Jeffrey D. Dillman, Co-Director  
224 South Dawson Street  
Raleigh, NC 27601

Respondents

Smallwood, Reynolds, Stewart, Stewart & Associates, Inc.  
3565 Piedmont Road  
Suite 303  
Atlanta, GA 30305

Novare Group Holdings, LLC  
817 West Peachtree Street, Suite 400  
Atlanta, GA 30308

Grubb Properties, Inc.<sup>1</sup>  
4601 Park Road, Suite 450  
Charlotte, NC 28209

Batson-Cook Company  
P.O. Box 151  
West Point, GA 31833

SkyHouse Charlotte, LLC  
817 West Peachtree Street, Suite 400  
Atlanta, GA 30308



NGI Investments, LLC  
817 West Peachtree Street, Suite 400  
Atlanta, GA 30308

SkyHouse Charlotte II, LLC  
817 West Peachtree Street, Suite 400  
Atlanta, GA 30308

---

<sup>1</sup> Grubb Properties, Inc. has been removed from the Complaints that are the subject of this Agreement, but is being included as a released party.

 Complainant

 HUD  
 Respondents

Beacon Development Company d/b/a Beacon Partners<sup>2</sup>  
610 East Morehead Street  
Suite 250  
Charlotte, NC 28202

SkyHouse Raleigh, LLC  
817 West Peachtree Street, Suite 400  
Atlanta, GA 30308

Subject Properties:

Atlantic House  
1163 W. Peachtree St NW  
Atlanta, GA 30309

SkyHouse Austin  
51 Rainey Street  
Austin, TX 18701

SkyHouse Buckhead  
3390 Stratford Road  
Atlanta, GA 30305

SkyHouse Channelside  
112 N. 12th St  
Tampa, FL 33602

SkyHouse Uptown I  
640 N. Church Street  
Charlotte, NC 28202

SkyHouse Uptown II  
620 N. Church Street  
Charlotte, NC 28202



SkyHouse Dallas  
2200 N. Lamar Street  
Dallas, TX 75202

SkyHouse Denver  
1776 N. Broadway Street

---

<sup>2</sup> Beacon Development Company d/b/a Beacon Partners has been removed from the Complaints that are the subject of this Agreement, but is being included as a released party.

 Complainant

 HUD  
 Respondents

Denver, CO 80203

SkyHouse Houston  
1625 Main Street  
Houston, TX 77006

SkyHouse Main  
1725 Main Street  
Houston, TX 77006

SkyHouse Midtown  
1080 W. Peachtree Street  
Atlanta, GA 30309

SkyHouse Nashville  
111 17th Avenue South  
Nashville, TN 37203

SkyHouse Orlando  
90 E. Livingston Street  
Orlando, FL 32801

SkyHouse Raleigh  
308 S. Blount Street  
Raleigh, NC 27601



SkyHouse River Oaks  
2031 Westcreek Lane  
Houston, TX 77027

SkyHouse South  
100 6th Street  
Atlanta, GA 30308

Victory Place  
1701 Payne Street  
Dallas, TX 75201

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 4 of 28

 HUD  
 Respondents

## B. STATEMENT OF FACTS


Legal Aid of North Carolina, Inc. is a North Carolina non-profit corporation. The Fair Housing Project is a project of Legal Aid of North Carolina, Inc. and not a separate legal entity (Complainant). Complainant filed the original Complaints, dated December 18, 2015, with the United States Department of Housing and Urban Development (HUD or the Department) alleging that Respondents were responsible for non-compliance with certain design and construction requirements at the properties known as SkyHouse Uptown I, SkyHouse Uptown II and SkyHouse Raleigh, pursuant to Sections 804(f)(2) and 804(f)(3)(C) of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (the "Act"). HUD divided the Complaint into two Complaints (Case Numbers 04-16-4227-8 and 04-16-4231-8), and accepted them on January 27, 2016.

Specifically, as set out in the original Complaints, Complainant visited SkyHouse Raleigh and SkyHouse Uptown I to conduct evaluations of selected dwelling units to determine whether each project was in compliance with the accessibility requirements of the Fair Housing Act, 42 U.S.C. §3604(f)(3)(C). The tests conducted by Complainant allegedly showed that the interior threshold at the secondary exterior balcony sliding doors in these units had a vertical rise greater than  $\frac{3}{4}$  of an inch, which Complainant alleges is a condition that is not in compliance with the Fair Housing Act Accessibility Guidelines ("FHAAG") and therefore violates the accessibility requirements of the Act. The original Complaints alleged, upon information and belief, that this condition exists in all dwelling units at SkyHouse Raleigh and SkyHouse Uptown I with balconies.

By agreement, on the Effective Date of this Agreement as defined herein, Complainant amended its original Complaint in Case Nos. 04-16-4227-8 and 04-16-4231-8 to include all of the Subject Properties listed above. The Complainant alleges that the Respondents are collectively in violation of the requirement to provide an accessible route into and through the units based upon the existence of the aforementioned balcony threshold condition. The Subject Properties (set forth above) are covered multifamily dwellings under 42 U.S.C. §3604(f)(7), designed for first occupancy after March 13, 1991.

Complainant has alleged that, upon information and belief, the Respondents have built or are in the process of building properties based on the same or substantially similar architectural plans in Charlotte, NC (SkyHouse Uptown II, 620 N. Church Street, Charlotte, NC 28202); Denver, CO (SkyHouse Denver, 1776 N. Broadway Street, Denver, CO 80203); Tampa, FL (SkyHouse Channelside, 112 N. 12th St, Tampa, FL 33602); Orlando, FL (SkyHouse Orlando, 90 E. Livingston Street, Orlando, FL 32801); Atlanta, GA (Atlantic House, 1163 W. Peachtree St NW, Atlanta, GA 30309, SkyHouse Midtown, 1080 W. Peachtree Street, Atlanta, GA 30309, SkyHouse South, 100 6th Street, Atlanta, GA 30308 and SkyHouse Buckhead, 3390 Stratford Road, Atlanta, GA 30305); Dallas, TX (SkyHouse Dallas, 2200 N. Lamar Street, Dallas, TX 75202 and Victory Place, 1701 Payne Street, Dallas, TX

 Complainant

 HUD  
 Respondents

75201); Houston, TX (SkyHouse Houston, 1625 Main Street, Houston, TX 77006, SkyHouse Main, 1725 Main Street, Houston, TX 77006 and SkyHouse River Oaks, 2031 Westcreek Lane, Houston, TX 77027); Austin, TX (SkyHouse Austin, 51 Rainey Street, Austin, TX 18701); and Nashville, TN (SkyHouse Nashville, 111 17th Avenue South, Nashville, TN 37203). For purposes of this Agreement, the foregoing seventeen (17) projects (including SkyHouse Raleigh and SkyHouse Uptown I) shall collectively be referred to as the "SkyHouse Properties". The eleven (11) SkyHouse Properties that feature the balcony door threshold condition that is the subject of the Complaints in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8 are SkyHouse Raleigh, SkyHouse Uptown I, SkyHouse Channelside, SkyHouse Orlando, SkyHouse Midtown, SkyHouse South, SkyHouse Buckhead, SkyHouse Austin, SkyHouse Dallas, SkyHouse Houston and SkyHouse River Oaks, which collectively shall be referred to as the "Sliding Door Properties". The remaining six (6) SkyHouse Properties have, or when constructed will have, swinging balcony doors with new, low-sill (*i.e.*, less than  $\frac{3}{4}$  inch vertical rise) technology.

Complainant has further alleged that, upon information and belief, Respondents NGI Investments, LLC, Smallwood, Reynolds, Stewart, Stewart & Associates, Inc. and Batson-Cook Company were or are involved in the design and construction of each of the SkyHouse Properties.

The Respondents deny all violations alleged against them by Complainant, and deny any liability to Complainant. Specifically, based upon a number of factors, including differing interpretations of the FHAAG, state building code requirements related to wind and water resistance at the balcony thresholds, feasibility of alternatives, and the implementation of Respondents' Ramp Program (defined and discussed below in Paragraph 19) at the Sliding Door Properties, Respondents contend that the balcony threshold condition does not represent a violation of the FHAAG, the Act's design and construction requirements, or any other requirement. Respondents further contend that the Subject Properties, as well as all other SkyHouse Properties built or currently under construction and/or development, are not in violation of the Act's requirement to provide an accessible route into and through the units.



Complainant and Respondents agree that it is in their respective interests to voluntarily settle this controversy and resolve this matter with respect to all of the SkyHouse Properties without the necessity of an evidentiary hearing or other administrative and/or judicial processes available under law.

### C. TERM OF AGREEMENT

1. This Agreement shall govern the conduct of the parties to it for a period of two (2) years from the effective date of this Agreement; provided, however, that the following paragraphs are irrevocable and shall survive the expiration of such two (2) year term: (i) Paragraphs 11 and 12 (waiver, release and covenant not to sue); (ii) Paragraphs 13, 14 and 15 (Department agreements); (iii) Paragraph 19 (Ramp Program), subject to Paragraph 27 below; (iv) Paragraph 23 (Common Area Doors),

 Complainant

LANC v. SkyHouse - 04-16-4227-8 and 04-16-4231-8  
Page 6 of 28

 HUD  
 Respondents

subject to Paragraph 27 below; and (v) Paragraph 24 (Clear Floor Space in A2 Unit Kitchens), subject to Paragraph 27 below.

#### D. EFFECTIVE DATE

2. 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 HUD, through the Fair Housing and Equal Opportunity (FHEO) Region IV Director, or his or her designee.

3. This Agreement shall become effective on the date (Effective Date) on which it is approved and executed by the Regional Director of the Office of FHEO of HUD, 40 Marietta Street, Atlanta, Georgia 30303 or his or her designee.

#### E. GENERAL PROVISIONS

4. Complainant and Respondents desire to resolve all alleged violations with respect to all of the SkyHouse Properties. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed Complaints, including all amendments thereto, and applies to all of the SkyHouse Properties. 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.

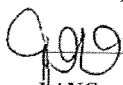
5. The Respondents acknowledge that they have an affirmative duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted or participated in any manner in a proceeding under the Act.

6. This Agreement, after the Effective Date, is binding upon HUD, Complainant and Respondents and their respective employees and agents, and applies to all of the SkyHouse Properties.

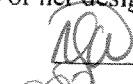

7. It is understood that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Regional Director or his or her designee, this Agreement is a public document.

8. Except as set forth elsewhere herein in Paragraphs 11 through 15, this Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving the 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 parties hereto 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 or his or her designee.

 Complainant

LANC v. SkyHouse - 04-16-4227-8 and 04-16-4231-8  
Page 7 of 28



 HUD  
 Respondents

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. Complainant Fair Housing Project of Legal Aid of North Carolina, Inc. hereby resolves its Complaints, and all amendments thereto, in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8. Complainant forever waives, releases, and covenants not to sue (i) the Department, or (ii) Respondents, and Respondents' respective direct or indirect employees, consultants, contractors, principals, heirs, managers, members, shareholders, directors, officers, parent entities, executors, assigns, affiliates, subsidiaries, predecessors, successors, successors in title, agents, lenders, insurers, ownership entities of each of the SkyHouse Properties and attorneys, including, without limitation, those parties listed on Schedule A attached hereto and made a part hereof (inclusive of their respective direct or indirect employees, consultants, contractors, principals, heirs, managers, members, shareholders, directors, officers, parent entities, executors, assigns, affiliates, subsidiaries, predecessors, successors, successors in title, agents, lenders, insurers, and attorneys) (all persons or entities described in item (ii) of this Paragraph 11 are collectively referred to as the "Released Parties"), with regard to any and all claims, causes of action, violations, losses, damages, and injuries of whatever nature, whether presently known or unknown, pertaining to, existing or arising out of alleged accessibility violations at the SkyHouse Properties (including the Sliding Door Properties), and all such accessibility matters alleged, or which could have been alleged, in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8 or in any action, suit or proceeding arising from or pertaining to said matters, whether in federal or state court or any federal or state agency, under the Act or substantially similar federal, state or local laws, rules or regulations, excluding any claims relating to a breach of this Agreement by any Respondent. The foregoing notwithstanding, in the event of a sale or other transfer of any Sliding Door Property, successors and successors in title for any such property shall benefit from and be covered by the waivers, releases and covenants set forth in this Agreement only to the extent that they continue the implementation of the Ramp Program and provisions of Paragraphs 23 (Common Area Doors) and 24 (Clear Floor Space in A2 Unit Kitchens) provided for hereunder at such property. Nothing in this Agreement shall be construed to prevent Complainant from alleging that any Respondent or Released Party engaged in discrimination with respect to matters first occurring on or after the Effective Date that are outside those alleged, or that could have been alleged, in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8.

12. Respondents hereby forever waive, release, and covenant not to sue the Department or Complainant, their agents, employees, attorneys, officers, assignees, and successors in interest with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter presented in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8 or which could have been filed in any action or suit arising from said subject matter, excluding any claims relating to a breach of this Agreement by Complainant or the Department,

 Complainant

 HUD  
 Respondents



or actions of Complainant in violation of any of the provisions set forth in Paragraph 29 and/or Exhibit C.

13. The Department resolves and closes HUD Case Numbers 04-16-4227-8 and 04-16-4231-8, and waives, releases, and covenants not to sue or otherwise commence an investigation or action in which it stands in the shoes of Plaintiff, or Complainant against the Respondents or Released Parties with respect to the subject matter of the Complaints, and all amendments thereto, in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8 and/or any claim, cause of action or alleged violation which could have been filed or asserted in any other action, suit, or proceeding arising from or pertaining to said subject matter, on or before the Effective Date.

14. The Department further agrees that in the event that any third party contacts the Department alleging a design and construction violation of the Act, or a design and construction violation under related state or federal authorities, against any of the Respondents or Released Parties concerning the balcony door thresholds or that the Respondents' Ramp Program, as defined in paragraph 19, fails to provide an accessible route onto the balconies of the dwelling units in any SkyHouse Property, the Department will inform the individual of the existence of this Agreement.

15. The Department further agrees that if Respondents have successfully completed the actions described in this Agreement – or are in the process of doing so during the term of the Agreement – the Department will inform the putative 'third party' discussed in the preceding paragraph that a conclusion has been reached, based on the facts and circumstances of this matter, and limited only to the SkyHouse Properties, that the Respondents' Ramp Program satisfies the design and construction requirements of the Act. This conclusion is expressly limited to the facts and the circumstances of the SkyHouse Properties.

16. The Department specifically disclaims application of this acknowledgment to any other covered multifamily property.



#### **F. RELIEF FOR COMPLAINANT**

17. Respondents shall, within thirty (30) days of the Effective Date, cause a payment in the amount of \$50,000.00 to be made jointly payable to Complainant Fair Housing Project of Legal Aid of North Carolina, Inc. and its counsel, Relman, Dane & Colfax PLLC, in full settlement of all fees, costs, expenses and damages allegedly incurred by Complainant, including attorneys' fees and costs.

#### **G. RELIEF IN THE PUBLIC INTEREST**

18. Respondents shall, within thirty (30) days of the Effective Date, cause a payment in the amount of \$1,800,000.00 to be deposited in an accessibility fund to be administered by a Fund Administrator, who has been chosen by Complainant, and to whom Respondents do not object. No additional fees or costs related to the

 Complainant


 HUD  
 Respondents



administration of the fund shall be made by or sought from Respondents. Additional limitations, terms, and conditions on the establishment, use, and administration of the fund are set forth in Exhibit C to this Agreement.

19. Respondents shall, within forty-five (45) days of the Effective Date, implement the ramp program described in the attached Exhibit A ("Accessible Ramp Program Summary") at all of the Sliding Door Properties, which shall consist of (i) including within tenant lease documentation packages (whether in hard copy or online form) a lease addendum substantially similar to the proposed Balcony Accessibility Lease Addendum attached hereto as Exhibit B in new lease agreements with tenants commencing no more than thirty (30) days after the Effective Date and (ii) making available, within three (3) business days, on an as requested basis by tenants the choice of available exterior balcony decking and interior balcony threshold ramps described in the Accessible Ramp Program Summary. In addition, to the extent reasonably necessary, Respondents shall make minor miscellaneous interior unit modifications to the extent requested by a tenant in order to accommodate the installation of interior balcony threshold ramps (including, but not limited to, reversing hinges on a door to swing in a different direction, using ramps with sloped sides to allow travel across the ramp, or moving or replacing appliances where installation of an interior ramp reasonably interferes with or prohibits access to same). Collectively, the foregoing in this Paragraph 19 is referred to herein as the "Ramp Program." Inventory of balcony decking and ramps necessary to allow for implementation of the Ramp Program at each of the Sliding Door Properties shall be maintained at Respondents' discretion. All costs associated with the implementation of the Ramp Program, including those associated with minor interior modifications, shall be borne by Respondents.

20. Respondents shall maintain or cause to be maintained written logs of all requests from tenants for use or implementation of the Ramp Program and associated miscellaneous interior modifications in any dwelling unit at all Sliding Door Properties, which shall include the nature of the request, the identity of the individual making the request, a narrative or description of the manner in which the Ramp Program is implemented in response to the request and a notation of the amount of time required to implement the response. Reports detailing the information noted on the logs for all of the affected Sliding Door Properties shall be provided by Respondents to HUD twice annually—on or before January 31 and July 31—until the expiration of the term of this Agreement.

21. Respondents shall allow the inspection by Complainant of a reasonable number of interior dwelling units at one (1) each of the non-Sliding Door Properties utilizing the new technology, low threshold swinging balcony doors manufactured by Kawneer and YKK (a total of two (2) inspections involving one (1) Property utilizing the Kawneer product and one (1) Property utilizing the YKK product), respectively, provided that Complainant may choose the individual units to be inspected from a list of all available units. The inspections contemplated by this Paragraph shall be limited to an evaluation of the balcony door interior threshold height in no more than one of

 Complainant

 HUD  
 Respondents

each unit type offered at the Property. Such inspections shall be coordinated by Respondents and Complainant in good faith at mutually acceptable dates and times following the receipts of certificates of occupancy for the properties in question. Notwithstanding anything to the contrary in Paragraph 1 above, in the event that Respondents have not completed construction of such developments by two years after the Effective Date of this Agreement, or Complainant has otherwise been prevented from carrying out the inspections for reasons beyond Complainant's control, Complainant will nonetheless be permitted to conduct the inspections as soon thereafter as they are completed.


22. Within twelve (12) months after the Effective Date of this Agreement, Respondents Smallwood, Reynolds, Stewart, Stewart & Associates, Inc., Batson-Cook Company, and NGI Investments, LLC ("Active Respondents"), on behalf of all Respondents, shall initiate and complete a training session/program (not to exceed one day in length) on the specifics of multifamily accessibility (covering the Act and the applicable provisions of the Americans with Disabilities Act) that will be provided to all of Active Respondents' United States based supervisory employees endowed by their respective employers with direct responsibility for the design and construction of covered multi-family dwellings. The Complainant and Active Respondents shall jointly select and approve the trainer and the nature of the session/program to be provided to those supervisory employees, with all costs related to the effort to be borne by Active Respondents.



23. Respondents shall, within thirty (30) days of the Effective Date, cause the doors of all common area balconies having sliding doors with thresholds in excess of  $\frac{3}{4}$ " in the SkyHouse Properties to be key-locked by property maintenance staff to prevent access by tenants and others, or provide an accessible route to the balcony at those locations where access is possible, at Respondents' discretion.

24. Modifications to provide additional clear floor space beyond that already provided at the range in kitchens of the A2 unit type at all SkyHouse Properties shall be made or caused to be made by Respondents upon the receipt of a written request from a tenant of such unit that satisfies the definition of handicap set forth in Section 802(h) of the Act, and needs enhanced accessibility to the range in the unit because of that handicap (disability), as soon as reasonably possible after receipt of such request. Respondents shall provide notice concerning the availability of such modifications to all future applicants and residents of the A2 units in any SkyHouse Property. The costs associated with any such modifications shall be borne by Respondents.

## H. MONITORING

25. 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 inspect the properties identified in Section A of this Agreement, examine witnesses and copy pertinent records of

 Complainant

 HUD  
 Respondents

Respondents. Respondents agree to provide their full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

#### **I. REPORTING AND RECORDKEEPING**

26. All required certifications and documentation of compliance must be submitted to:

U.S. Department of Housing & Urban Development  
Curtis Barnes, Conciliator  
40 Marietta Street, 16<sup>th</sup> Floor  
Atlanta, Georgia 30303


#### **J. CONSEQUENCES OF BREACH**



27. Whenever the Department has reasonable cause to believe that one or more Respondents have breached this Agreement, the Department shall provide such Respondents with notice of the basis for such belief, including the specific facts and/or circumstances involved and the provision(s) of this Agreement that have allegedly been breached, and allow such Respondents ten (10) business days in which to cure said breach, if possible. If such Respondents fail to adequately cure the breach or take reasonable and significant steps to implement a cure of the breach, at the Department's discretion the matter shall 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 against the appropriate Respondent(s). The foregoing notwithstanding, the Department and Complainant agree and acknowledge that non-compliance with any of the terms of this Agreement (including voluntary participation in and implementation of the Ramp Program and modifications to the A2 unit types) at any SkyHouse Property in which no Respondent maintains an ownership interest, or that is otherwise not under the authority or control of any of the Respondents, shall neither be cause for nor considered a breach of this Agreement by any of Respondents.

28. This Agreement represents the entire agreement and understanding between and among the parties with respect to the subject matter hereof, and it supersedes any and all prior or contemporaneous discussions and/or settlement offers relating thereto.

#### **K. NON-DISPARAGEMENT**

29. In further consideration of the mutual promises contained herein, Complainant and Respondents, and their respective employees, officers, agents, directors, principals, partners, attorneys and other representatives, agree that they will take no actions and make no statements, written or oral, express or implied, which are disparaging toward the other in regards to the allegations underlying this Complaint, defenses asserted and set forth in Respondents' Answers and this Conciliation Agreement, provided that nothing in this paragraph shall preclude the parties from making truthful public statements regarding the allegations and defenses raised by the respective parties in this

 Complainant

 HUD  
 Respondents

matter. In addition, Complainant agrees not to cause or encourage any legal proceeding to be maintained or instituted against Respondents or any of the Released Parties with respect to claims that were asserted, or could have been asserted in HUD Case Numbers 04-16-4227-8 and 04-16-4231-8, or with respect to any claim for which Complainant has provided a waiver, release and covenant not to sue pursuant to Paragraph 11 hereof.

#### L. CERTIFICATION/SIGNATURES

30. By affixing their signatures hereunder, the parties certify that they have reviewed and understand the terms and conditions of this Agreement, and that they have full authority to enter into this Agreement on behalf of themselves or as agents of others.

#### M. NOTICE TO PARTIES

31. Notice to the parties may be given by United States Mail, postage prepaid, in which case notice shall be deemed to have been received three (3) business days from the date of mailing, or by e-mail, in which case notice shall be deemed to have been received on the day of transmission, as follows:

If to Respondents:

G. Gardiner Thompson, Esq.  
General Counsel  
Novare Group  
817 W Peachtree St. NW  
Atlanta, Georgia 30308  
gthompson@novaregroup.com

J. Littleton Glover, Jr., Esq.  
Batson-Cook Company  
400 Galleria Parkway, SE  
Suite 1900  
Atlanta, GA 30339  
lglover@batson-cook.com



Smallwood, Reynolds, Stewart, Stewart &  
Associates, Inc.  
C/O W. Merrill Earnest, Jr., Esq.  
Whitley & Earnest  
750 Hammond Drive  
Suite 12-100  
Atlanta, GA 30328  
mearnest@whitleyearnest.com

With copy to:

Charles E. Rogers, Esq.  
Smith, Currie & Hancock LLP  
245 Peachtree Center Avenue, Suite 2700  
Atlanta, Georgia 30303  
cerogers@smithcurrie.com

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 13 of 28

 HUD  
 Respondents

John C. Rogers, III, Esq.  
Allen, Moore & Rogers, L.L.P.  
Post Office Box 18627  
Raleigh, North Carolina 27619  
jrogers@amrlawnc.com

If to Complainant:

Jeffrey D. Dillman, Esq.  
Fair Housing Project  
Legal Aid of North Carolina, Inc.  
224 South Dawson Street  
Raleigh, NC 27601  
jeffd@legalaidnc.org



With copy to:

Michael Allen, Esq.  
Relman, Dane & Colfax, PLLC  
1225 19<sup>th</sup> Street, N.W. #600  
Washington, D.C. 20036-2456  
mallen@relmanlaw.com

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 14 of 28

 HUD  
 Respondents

N. SIGNATURES



  
\_\_\_\_\_  
Jeffrey D. Dillman, Co-Director, Fair Housing Project

2/2/2016  
\_\_\_\_\_  
(Date)

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 15 of 28

 HUD  
 Respondents

ON BEHALF OF ALL RESPONDENTS:

By: J.R. Bordin 9/7/16  
(Date)

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**


CH Complainant

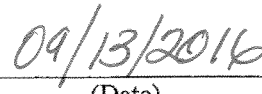
LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 16 of 28

HUD HUD  
JS Respondents



APPROVAL



  
\_\_\_\_\_  
Natasha Watson  
FHEO Region IV Director

  
\_\_\_\_\_  
(Date)

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**


  
\_\_\_\_\_  
Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 17 of 28

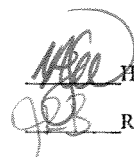
  
\_\_\_\_\_  
HUD  
  
\_\_\_\_\_  
Respondents

SCHEDULE A

1. NGI 1084 West Peachtree, LLC
2. 100 6th Street, LLC
3. SkyHouse Austin, LLC
4. SkyHouse Orlando, LLC
5. SkyHouse Houston, LLC
6. SkyHouse Dallas, LLC
7. SkyHouse Raleigh, LLC
8. SkyHouse Channelside, LLC
9. SkyHouse Charlotte, LLC
10. SkyHouse River Oaks, LLC
11. SkyHouse Nashville, LLC
12. SkyHouse Denver, LLC
13. SkyHouse Charlotte II, LLC
14. SkyHouse Main, LLC
15. NGI-BCDC VP, LLC
16. 1163 West Peachtree Street Apartments Investors LLC
17. SkyHouse Buckhead, LLC
18. NGI Investments, LLC
19. Novare Group Holdings, LLC
20. Batson-Cook Development Company
21. Batson-Cook Company
22. UBS Realty Investors LLC
23. Simpson Housing LLLP
24. Beacon Development Company
25. Grubb Properties, Inc.
26. Smallwood, Reynolds, Stewart, Stewart & Associates, Inc.
27. WWG Raleigh LLC
28. WWG Raleigh 2 LLC

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 18 of 28

 HUD  
Respondent

## EXHIBIT A



### ACCESSIBLE RAMP PROGRAM SUMMARY

1. At each of the Sliding Door Properties, the tenant documentation package (whether in hard copy form or online) will include a lease addendum substantially similar to the proposed Balcony Accessibility Lease Addendum attached hereto as Exhibit B in new lease agreements with tenants commencing no more than thirty (30) days after the Effective Date of the Conciliation Agreement.

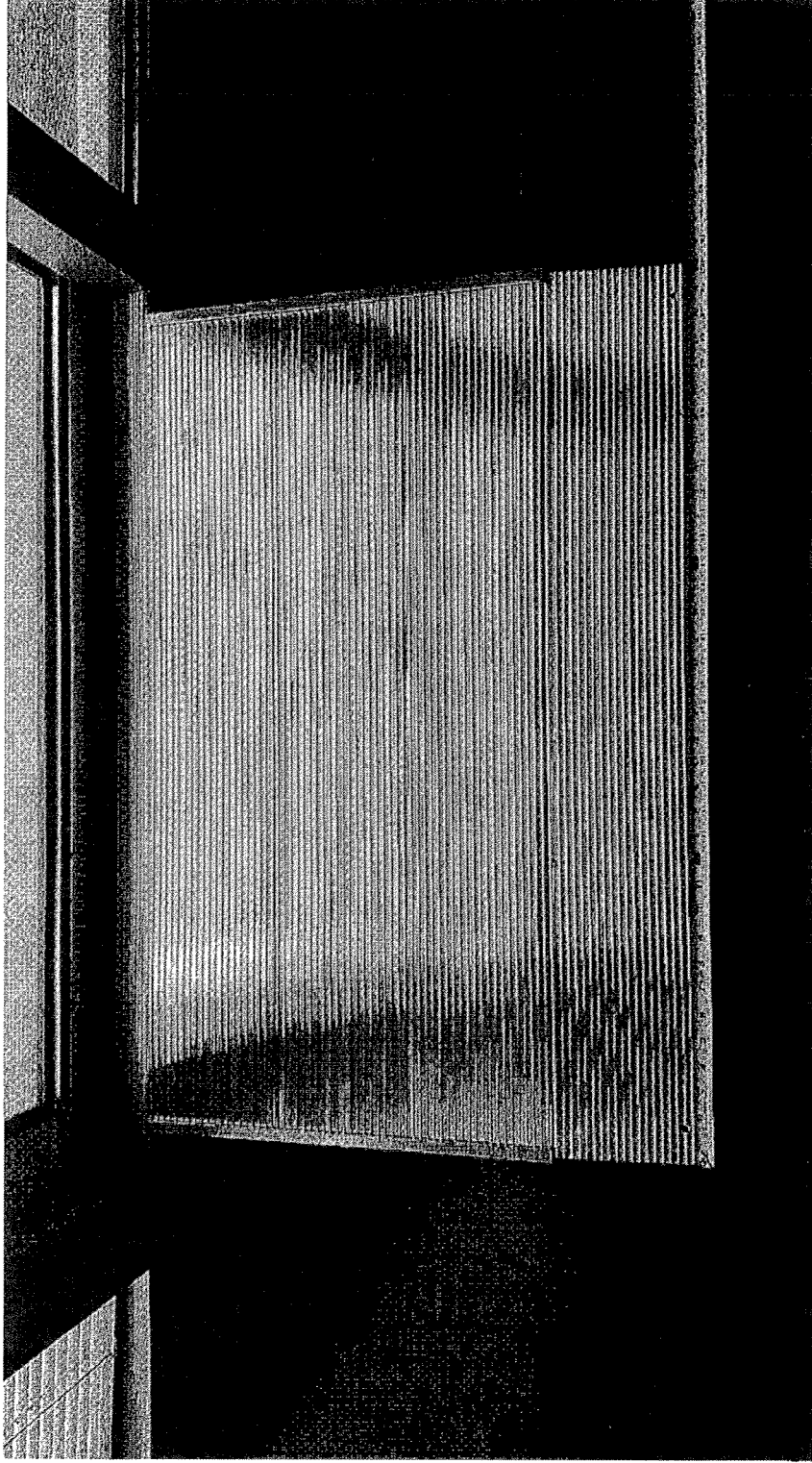
2. Any resident or prospective resident at one of the Sliding Door Properties who has a need of increased accessibility at the balcony threshold because of a disability can request installation, free of charge and within three (3) business days, of one of the ramps and/or the exterior decking described on the following pages of this Exhibit A (or similar ramps and/or exterior decking that may be provided from time-to-time in the future at the Sliding Door Properties). The property known as SkyHouse Uptown I in Charlotte, North Carolina will continue to use the ramp listed below in this Exhibit A as "Ramp 2."

 Complainant

LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 19 of 28



 HUD  
 Respondent

RAMP 1: 3' W x 2' L. Fully adjustable height can be customized for the exact conditions in each residence.

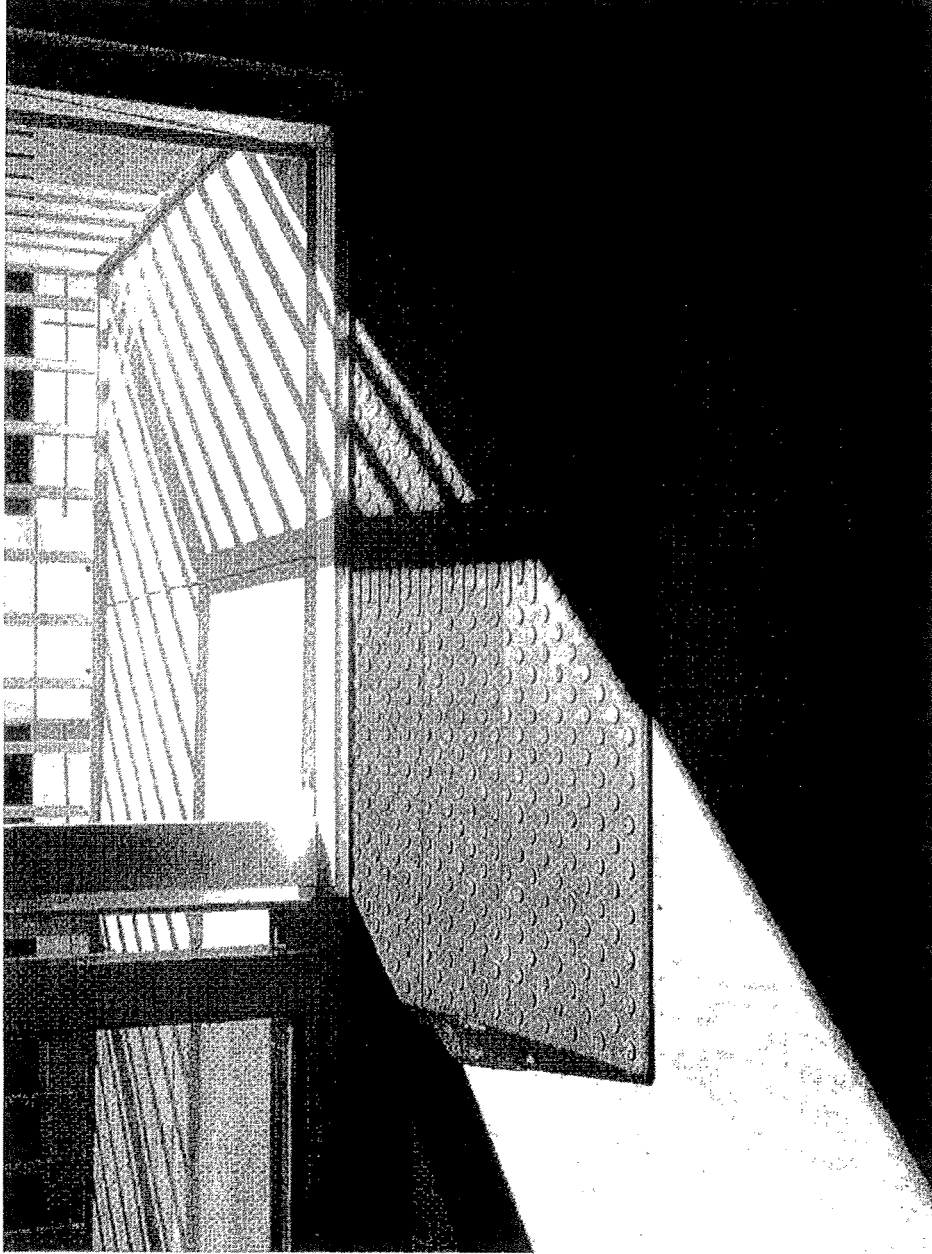


 Complainant

LANC v. SkyHouse - 04-16-4227-8 and 04-16-4231-8  
Page 20 of 28


 HUD  
 Respondents

RAMP 2: A typical installation would be 3' W x 2' L, but various lengths can be achieved, per the chart below, as a resident elects.



 Complainant

LANC v. SkyHouse -- 04-16-4227-8 and 04-16-4231-8  
Page 21 of 28

 HUD  
Respondents



## Rubber Threshold Ramps

Rubber Threshold Ramps provide a durable, safe means of navigating uneven household surfaces including small steps and doorways. A hidden dovetail locking system allows for easy installation and incremental ramp height adjustment of up to 4 inches. Modular design makes Pride® Rubber Threshold Ramps a practical and affordable home accessibility solution.

- Meets ADA slope requirements
- Constructed of high-impact recycled rubber for durability & long life
- Seven total pieces:
  - 1/2" increments starting from 1" to 4" height capability
  - 36" of usable space
- Can be used indoors or outdoors
- Slip resistant
- Easy to install
- Maintenance-free
- 850 lbs. weight capacity
- Can be trimmed or notched for a custom fit

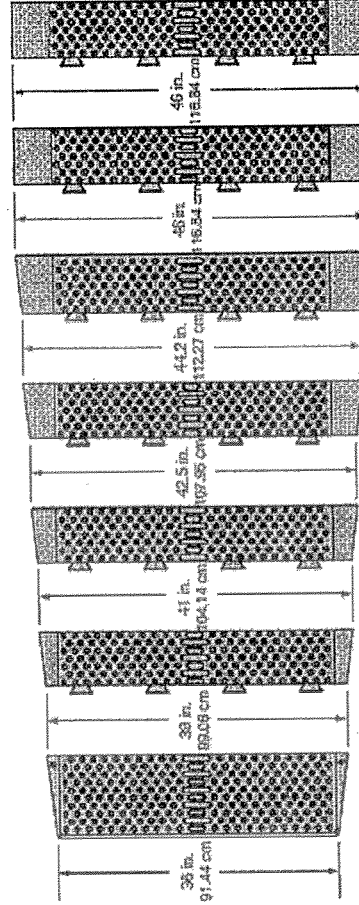
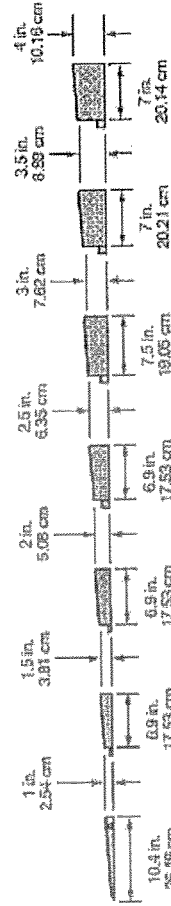
The information contained herein is confidential and proprietary to PRIDE RAMP, INC.

## Ramps

Rubber Threshold Ramps Specifications

RISE	LENGTH	BASE WIDTH	OVERALL WIDTH	WEIGHT OF EACH PC.
1"	10.4"	36"	39"	10.2 lbs.
1.5"	6.9"	36"	41"	11.4 lbs.
2"	6.9"	36"	42.5"	13.2 lbs.
2.5"	7"	36"	44.2"	17.2 lbs.
3"	7.5"	36"	46"	22.6 lbs.
3.5"	7"	36"	46"	27.2 lbs.
4"	7"	36"	46"	28.6 lbs.

The Rubber Threshold Ramp has a maximum incline of 4" (7%), which meets the requirements established by the ADA.



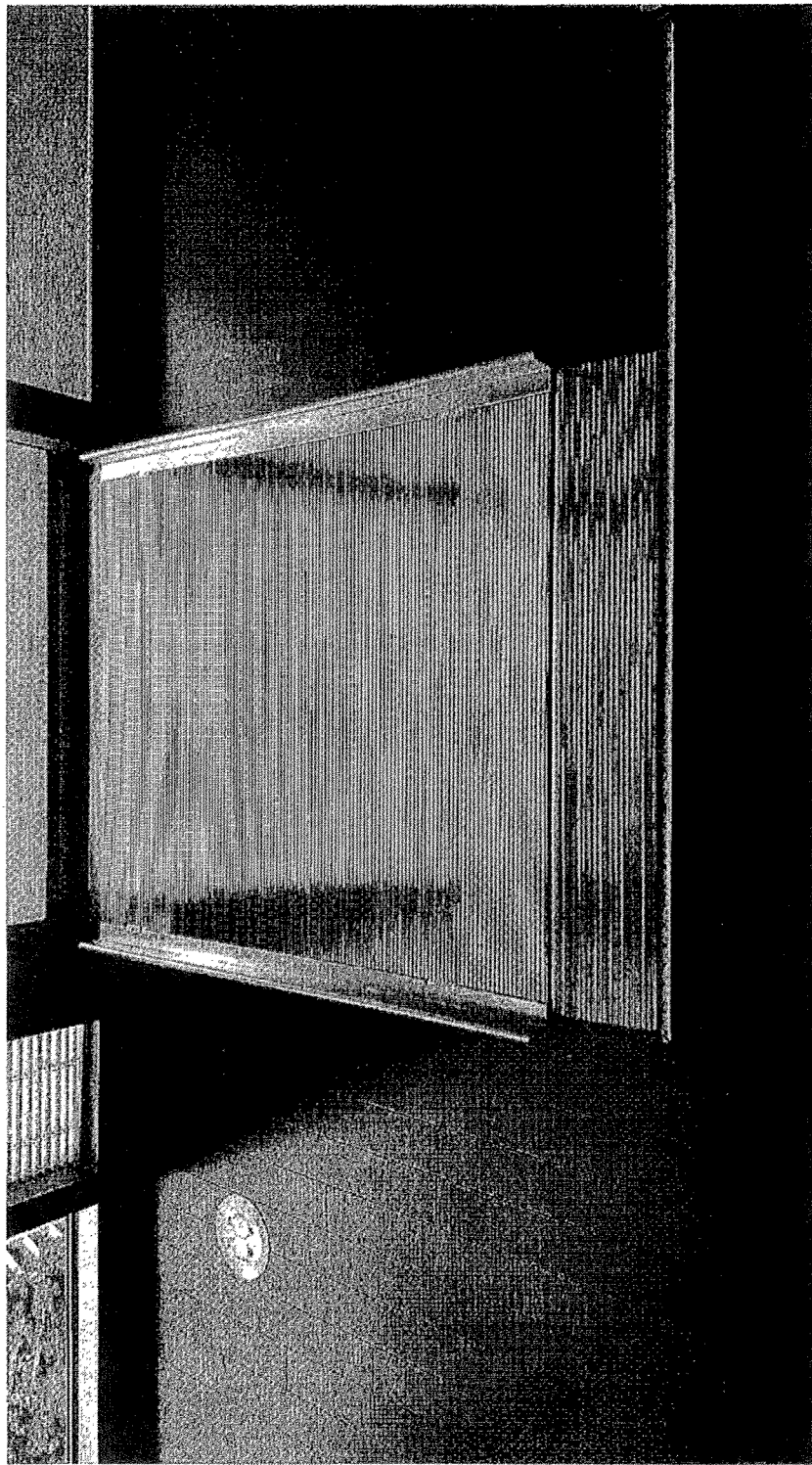
## Rails-Like Ramps

Complainant

HUD

Respondents

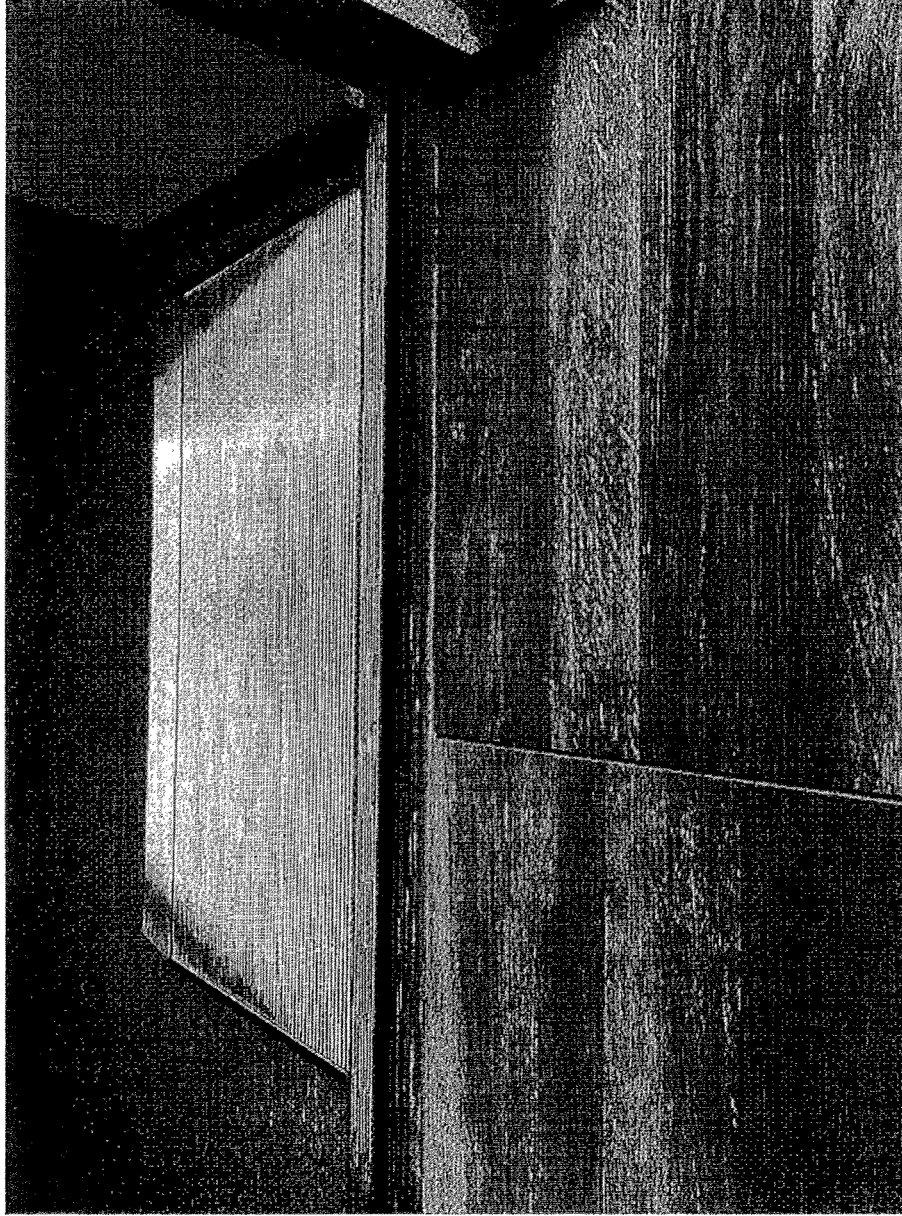
RAMP 3: 3' W x 4' L. The end of the ramp sits directly on top of the balcony threshold.



*[Signature]* HUD  
Respondents

*[Signature]* Complainant  
LANC v. SkyHouse – 04-16-4227-8 and 04-16-4231-8  
Page 23 of 28

Exterior Decking: Balcony decking, flush with the balcony threshold

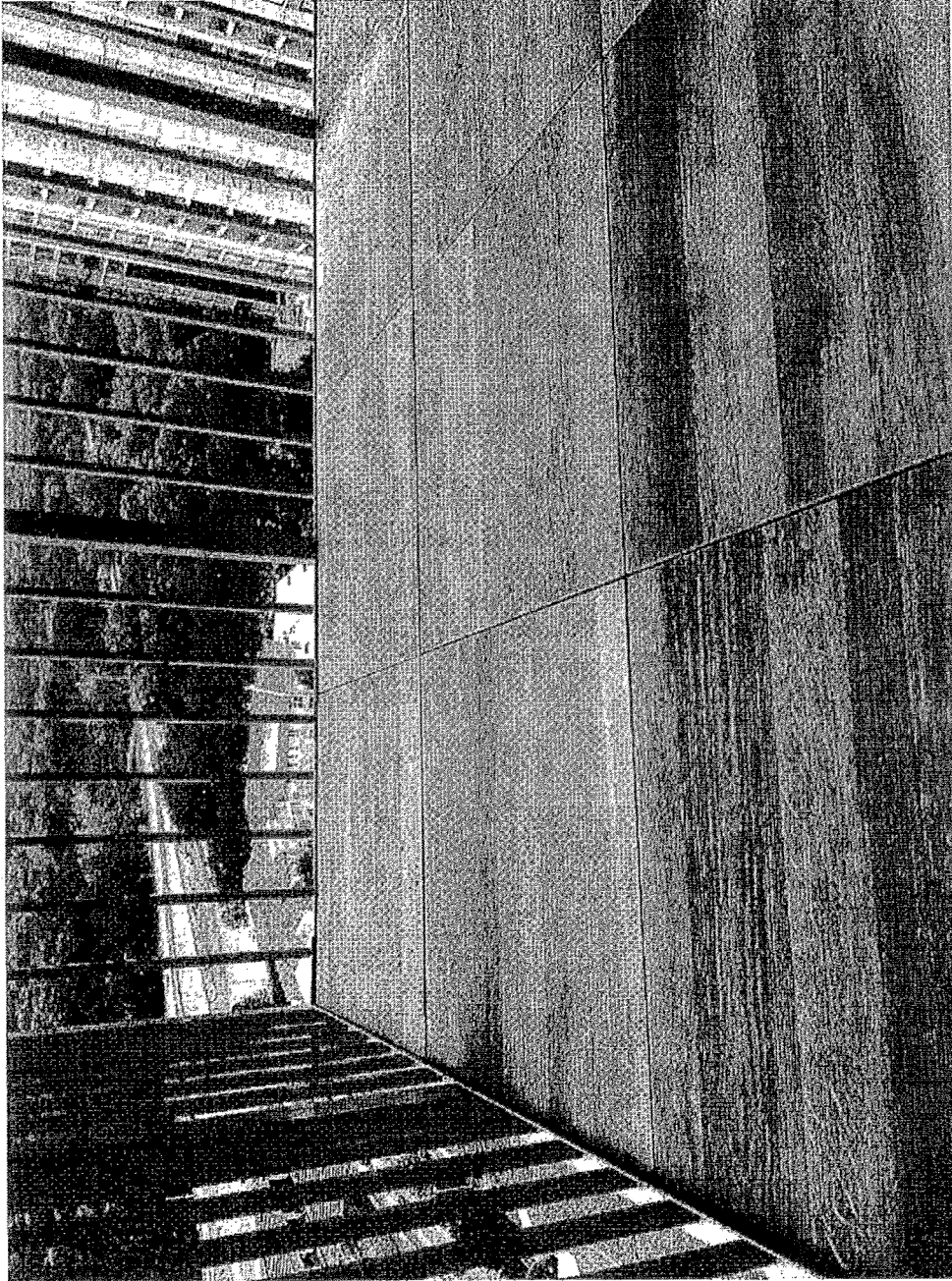


*[Signature]* Complainant

LANC v. SkyHouse - 04-16-4227-8 and 04-16-4231-8  
Page 24 of 28

*[Signature]* HUD  
*[Signature]* Respondent





*[Signature]* Complainant

LANC v. SkyHouse - 04-16-4227-8 and 04-16-4231-8  
Page 25 of 28

*[Signature]* HUD  
Respondents

## EXHIBIT B

### BALCONY ACCESSIBILITY LEASE ADDENDUM



SkyHouse is committed to the principles of fair housing and equal opportunity, including a residential experience that is accessible to all. We welcome people with disabilities, both as residents and guests, and we want to be sure people with disabilities are as comfortable as possible at SkyHouse.

In the interests of structural integrity, water intrusion prevention, and compliance with local building code requirements for high-rise construction, the threshold at the sliding door to the balcony in your apartment home may be higher than is easily crossed by a person using a wheelchair or with other mobility impairments.

SkyHouse is proud to offer complimentary placement of ramps at the interior balcony threshold door and decking on the exterior balcony surface, in each case to make the balcony fully usable by persons with disabilities. If you, any member of your household, or any guest needs assistance accessing the balcony in your apartment home, please let us know. We will be happy to explain all the ramp options we have available as well as the exterior decking and to help you select the ramp system that will best meet your needs. Since we have various ramps and the exterior decking on site, and installation requires no structural changes, we will be able to make your chosen selections available in your apartment home as soon as possible, but in any event prior to your move in or within three business days following your request if you are already a resident, all at no cost to you.

We value all our residents, and we hope your experience at SkyHouse ascends to the level of living we strive to provide.

 Complainant

 HUD  
 Respondent

## EXHIBIT C



### TERMS, CONDITIONS AND LIMITATIONS ON FUND ADMINISTRATION

The Fund Administrator shall have control over the investment and distribution of the principal and interest of the Fund. The Fund Administrator is a non-profit 501(c)(3) corporation whose primary mission involves the promotion of fair housing initiatives through advocacy, outreach and public policy initiatives and/or the promotion of accessibility in housing. The control over the investment and distribution of the principal and interest in the Fund is limited by the following:

1. The "Fund" is defined as the initial deposit of \$1,800,000.00, as well as all accrued interest thereon. The Fund shall be established and held in an interest-bearing account with a nationally chartered bank or federally recognized credit union, with the interest inuring solely to the benefit of the Fund itself. The Fund may not be comingled with any other monies.
2. Distribution of any amount in the Fund is limited to payments to or on behalf of qualified applicants who are natural persons, in each case as determined by the Fund Administrator in its reasonable discretion, or to other non-profit corporations or social service entities ("Third Party Administrators") who will provide funding to or on behalf of qualified applicants who are natural persons. In the event funds are distributed to any Third Party Administrators as provided for herein, such Third Party Administrators shall be bound by the terms of the Agreement in the same manner and to the same extent as the Fund Administrator.
3. A "qualified applicant" is any natural person residing or intending to reside in a covered geographic area who is physically disabled as defined by law, or whose usual and permanent household members include a natural person who is physically disabled as defined by law, provided such person with a physical disability requires features of built environment accessibility in order to make full use and enjoyment of housing.
4. A "covered geographic area" is any location in the following states: Florida, Georgia, North Carolina, and Texas.
5. Grants from the Fund may be awarded by the Fund Administrator in its reasonable discretion to allow a qualified applicant to provide features of physical accessibility in the qualified applicant's housing. The Fund Administrator shall use its good faith efforts to ensure that such features are not already required to be present by the Fair Housing Amendments Act, 42 U.S.C. §3604(f)(3)(C).
6. No portion of the Fund may be used outside any of the covered geographic areas defined above.
7. No portion of the Fund may be used for any purpose other than those defined in paragraph 5 above, provided that reasonable amounts from the Fund may be used to

 Complainant

BANC v. SkyHouse -- 04-16-4227-8 and 04-16-4231-8  
Page 27 of 28

 HUD  
 Respondents



cover costs for administration of the Fund, including advertisement of the availability of grants.

8. The Fund Administrator may make allocations of portions of the Fund to be distributed solely in each covered geographic area, at the Fund Administrator's reasonable discretion.

9. The Fund Administrator shall cause audited financial statements to be prepared with respect to each calendar year of operation for the Fund (including with respect to any partial year) on or before July 31 following the year in question. A copy of same shall be submitted each year to Respondents. In addition, a copy of the portions of annual tax returns relevant to administration of the Fund shall be provided to Respondents on or before July 31, or within 30 days of any extension of filing granted by the IRS, of each year following the year in question.

10. The source of contribution of funds into the Fund shall be anonymous, and there shall be no disclosure of the identity of Respondents, other identifying information concerning Respondents, or the identities of the Properties covered by the Agreement. Provided, however, that nothing in this Paragraph 10 shall preclude Complainant from identifying the source of funds for its tax preparers, accountants, financial advisors or relevant government agencies (including the Internal Revenue Service, the Legal Services Corporation and HUD) or from making public statements regarding the Conciliation Agreement.

 Complainant

 HUD  
 Respondents