

## **COOPERATION AGREEMENT**

THIS COOPERATION AGREEMENT (“Agreement”) is made by and between The Equal Rights Center (the “ERC”) and Kettler Management, Inc. (“Kettler”). ERC and Kettler are collectively referred to as the “Parties.”

### **RECITALS**

**WHEREAS**, certain disputes have arisen between the Parties regarding Kettler’s rental policies and its compliance with the D.C. Human Rights Act (“DCHRA”), as amended by D.C. Law 24-115, Eviction Record Sealing Authority and Fairness in Renting Amendment Act of 2002, and the D.C. Consumer Protection Procedures Act (“DCCPPA”) (as defined in Paragraphs 2 and 3 below) arising from Kettler’s alleged refusals to rent available units on the basis of source of income at Subject Properties (as defined in Paragraph 4 below); and

**WHEREAS**, the ERC filed a complaint before the Superior Court of the District of Columbia, case number 2023 CA 005602 (hereinafter referred to as the “DC Superior Case”), alleging a policy or practice by Kettler of erecting unlawful barriers for prospective tenants to use Housing Choice Vouchers, Rapid Rehousing Vouchers and other forms of publicly-funded rental assistance as a form of payment for rent; and

**WHEREAS**, Kettler denies the allegations in the DC Superior Case; and

**WHEREAS**, the Parties desire to fully and finally resolve all actual and potential claims by or on behalf of the ERC against Kettler raised in the DC Superior Case, arising on or before the Effective Date as defined below (the “Claims”); and

**WHEREAS**, the ERC and Kettler wish to resolve the Claims amicably and expeditiously in order to avoid the time, expense, and uncertainty of litigation.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, agreements, and other undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties mutually agree as follows:

#### **A. DEFINITIONS**

In addition to the terms that are defined elsewhere herein, the following terms shall have the following meanings;

1. **“Effective Date”** means the date on which the ERC and Kettler execute the Agreement, whichever is the later date;
2. **“FHA”** means Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3619, and its implementing regulations, 24 C.F.R. Parts 100 to 125;
3. **“The Subject Properties”** means multi-family rental properties in the District of Columbia for which Kettler serves as the leasing agent or property manager.

**B. SCOPE AND APPLICABILITY**

4. This Agreement applies to all Claims arising on or before the Effective Date.

**C. TERM**

5. The term of this Agreement will be from the Effective Date through three (3) years from that date.

**D. NON-DISCRIMINATION POLICIES AND PRACTICES**

6. Prohibition Against Future Discrimination: Kettler shall not discriminate against prospective renters on any of the bases prohibited by federal, state or local law. Such prohibition shall include:
- a) a prohibition against discrimination on the basis of a prospective tenant's use of Housing Choice Vouchers, Rapid Rehousing Vouchers and other forms of income-based housing subsidies as a source of income to pay for some or all of the monthly rent as required by law;
  - b) a prohibition against minimum income requirements for prospective tenants seeking to rent with the assistance of an income-based housing subsidy;
  - c) a prohibition against credit score requirements for prospective tenants seeking to rent with the assistance of an income-based housing subsidy;
  - d) a prohibition against considering the credit score or lack thereof of a prospective tenant seeking to rent with the assistance of an income-based housing subsidy;
  - e) a prohibition against consideration of credit issues for prospective tenants seeking to rent with the assistance of an income-based housing subsidy if such credit issues arose during a period in which the prospective tenant did not have an income-based housing subsidy if Kettler could reasonably have known the date of receipt of the income-based housing subsidy;
  - f) a prohibition against inquiry into a prospective tenant's criminal history prior to a conditional offer of tenancy being made;
  - g) a prohibition against consideration of criminal convictions not within the list of convictions that can be considered under the Fair Criminal Record Screening for Housing Act, and
  - h) a prohibition against consideration of criminal convictions of a prospective tenant that occurred more than 7 years prior to the application.
7. Notwithstanding the prohibitions described in paragraph 6 of the Agreement, nothing in this Agreement shall require Kettler to act in violation of any amendments to the D.C. Code that may take effect after the Effective Date of the Agreement, and nothing in this Agreement shall relieve Kettler of any obligations it may have resulting from any amendments to the D.C. Code that may take effect after the Effective Date of the Agreement.

8. Commitment to a Non-Discrimination Policy:

- a. Within thirty (30) days of the Effective Date, Kettler shall affirm its non-discrimination policy and distribute the policy to all relevant employees (i.e., employees providing leasing service at the Subject Premises and their direct supervisors). This policy shall include the following statement:

“Kettler abides by the Fair Housing Act of 1968 as amended, as well as state and local law. In Washington D.C., this prohibits discrimination in the sale or rental of housing based on, among other things, lawful source of income. Kettler complies with all applicable federal, state and local laws pertaining to the use of Housing Choice Vouchers, Rapid Rehousing Vouchers and other forms of income-based housing subsidies as a source of income, including laws regarding application of minimum income requirements, credit scores and credit issues.”

- b. Within thirty (30) days of the Effective Date, Kettler shall create and display signage in its corporate offices, off-site call centers, and any other public-facing offices it controls in the District of Columbia, bearing the following statement:

“Kettler accepts Housing Choice Vouchers (formerly known as Section 8), Rapid Rehousing Subsidies, and other forms of income-based rental assistance. It is illegal to discriminate based on any protected class under the federal, state and local law.”

and (in Spanish)

“Kettler acepta vales de vivienda, incluyendo vales de elección de vivienda (antes conocido como sección 8) y subsidios de Realojamiento Rápido, y cualquier otra forma de asistencia de alquiler basado en ingresos. Es ilegal discriminar basado en clases protegidas bajo la leyes federales, estatales y locales.”

9. To ensure compliance with paragraphs 6 and 7 of the Agreement, Kettler will, within 60 days of the Effective Date of the Agreement, with respect to the Subject Properties:

- a. Request that prospective tenants disclose: i) their voucher status prior to the running of any background checks; and ii) the date when a prospective tenant’s eligibility to use a voucher began;
- b. Require that any background screening service used by Kettler include the dates on which any credit-related issues of a prospective tenant arose and that Kettler staff are adequately trained to apply such information in compliance with local law (with the Parties agreeing that the training being provided by ERC hereunder will satisfy such requirement);
- c. Ensure that all prospective tenant screening procedures comply with the Eviction Record Sealing Authority and Fairness in Renting Amendment Act of 2022 and that all staff who interact with potential applicants are

adequately trained in such procedures (with the Parties agreeing that the training being provided by ERC hereunder will satisfy such requirement); and

- d. Provide all prospective tenants with a written copy of all eligibility criteria used to decide whether or not to rent to a prospective tenant before accepting an application fee.

**E. EMPLOYEE TRAINING**

10. Fair Housing Training: Kettler shall agree to fair housing training for leasing agents and/or property management staff formally or informally involved in the rental process at all Subject Properties. The ERC will provide such training on an annual basis for each of the years of the term of the Agreement. The training will consist of the following:
  - a. Three hours of fair housing instruction led by civil rights content area specialists and industry practitioners in addressing fair housing, civil rights, and source of funds and race related matters;
  - b. The course content covers the background and history of the Fair Housing Act and other laws that impact housing; a discussion of federal, state and local protected classes; common scenarios related to fair housing compliance; and race and source of funds-specific protections afforded under federal, state and local fair housing laws;
  - c. A question & answer portion, which will allow time for Kettler staff to gain insight on fair housing issues and best practices as needed, including race and source of funds as protected classes; and
  - d. Training will be delivered in an interactive manner and suitable for a diverse audience group.

**F. MONETARY PAYMENT AND RELEASE**

11. Kettler shall provide the ERC a monetary payment in the amount of \$140,000 (the "Settlement Amount"), which includes compensation for the ERC's damages, including education and outreach, advertising, counseling and advocacy, attorneys' fees and costs, and the cost of future fair housing training and compliance (including those set forth in Section 10 and Section H). Within ten (10) days of the Effective Date, Kettler will make the first payment of \$70,000 by wire transfer to Handley Farah & Anderson PLLC, which shall provide Kettler's counsel with wire transfer instructions no later than the Effective Date. Subsequent payments of \$35,000 shall be made on each of the first two annual anniversaries of the Effective Date of the Agreement.
12. In consideration of the Settlement Amount and other consideration, ERC agrees to release Kettler from the claims in the D.C. Superior Case, provided however, that this release shall not apply to the enforcement of this Agreement.

**G. AFFIRMATIVE MARKETING**

13. Affirmative Marketing: Kettler shall create and disseminate a posting (email and/or electronic advertisement) to the District of Columbia Housing Authority and housing counseling agencies (list to be provided by the ERC) that includes information about their properties (including rent ranges) and the document contemplated in Paragraph 8d of this agreement. The posting shall state that voucher holders are welcome. The posting will also state that minimum income and credit score requirements do not apply to voucher holders. Kettler shall also state that voucher holders are welcome on the home page of its website and on any page of its website that advertises openings for units, and state that minimum income and credit score requirements do not apply to voucher holders.
14. Knowledgeable Employees: To facilitate the effectiveness of this marketing and to ensure compliance with the Housing Choice Voucher Program (“HCVP”), Kettler shall ensure that its Director of Compliance is designated as the Housing Choice Voucher liaison. This employee has been and will continue to be trained separately with respect to HCVP through the District of Columbia Housing Authority or another appropriate external provider. This employee shall be available to answer voucher holding applicants’ housing inquiries. Should the Housing Choice Voucher liaison separate from Kettler while this agreement is in effect or become unable to perform this role, Kettler shall designate someone else within 10 days to obtain the necessary training described in this paragraph and fill this role. Kettler shall apprise the ERC of the identity of the Housing Choice Voucher liaison for the duration of the agreement.

**H. COMPLIANCE TESTING**

12. Kettler agrees to retain the ERC to conduct 18 compliance tests over the term of this Agreement.
  - a. Utilizing trained ERC testers, the ERC will design and conduct telephone and/or in person testing in order to evaluate compliance with fair housing requirements by Kettler leasing and real estate management staff. The ERC will conduct testing at Subject Properties of the ERC’s choosing.
  - b. The ERC, on behalf of itself and its testers, expressly waives any and all claims and rights of action against Kettler based upon the results of any such fair housing testing, except to enforce the Agreement. The ERC would report the test results to Kettler’s Director of Compliance ([tpike@kettler.com](mailto:tpike@kettler.com)) and General Counsel ([scurtin@kettler.com](mailto:scurtin@kettler.com)) as soon as practicable, but no later than 45 business days past the date on which such testing is conducted. ERC will advise at the time the test results are conveyed whether it maintains a violation of federal, state or local fair housing laws has occurred and its suggested practical cure. Kettler shall have a period of 30 days to cure the violation or offending conduct or to otherwise demonstrate to the ERC why the alleged conduct should not be considered a violation or why an alternative means of curing the violation is a sufficient solution. It is understood and agreed between the Parties that by “cure” they mean to correct the offending conduct or policy and do

not mean to pay any money or provide any other form of consideration to ERC or its testers regarding the violation.

- c. With respect to other matters involving Kettler which come to the attention of ERC, ERC will communicate such matters exclusively to Kettler's Director of Compliance ([tpike@kettler.com](mailto:tpike@kettler.com)) and General Counsel ([scurtin@kettler.com](mailto:scurtin@kettler.com)).

**I. PRESS RELEASE**

- 13. The Agreement shall be a public document and shall not be subject to any confidentiality restrictions. The ERC will issue one press release regarding the resolution of this matter and present it to Kettler for review and comment. Kettler will similarly provide any press release regarding this matter to the ERC for review and comment. Each party agrees to give good faith consideration to the other party's suggested release in the hopes of reaching a mutually agreeable release. Each party will have 48 hours from the time of receipt of proposed press release to comment. Nothing herein shall restrict any Party or their respective counsel from commenting to the press with respect to this matter or from communicating in any way concerning this matter.

**J. OTHER PROVISIONS**

- 15. Entire Agreement: This Agreement constitutes the entire agreement between the Parties on the matters addressed herein, and the Parties expressly agree that it supersedes and controls any and all prior communications, whether oral or written, between the Parties regarding the matters addressed herein.
- 16. Governing Law/Disputes: This Agreement shall be governed by the laws of the District of Columbia without regard to its principles of conflicts of law that would require the application of the laws of any other jurisdiction. If a dispute arises between the Parties concerning this Agreement, then the Parties will confer, as soon as practicable, in an attempt to resolve the dispute. If the Parties are unable to resolve such dispute amicably, then the Parties will submit to the exclusive jurisdiction of, and venue in, the Superior Court of the District of Columbia.
- 17. Modification: This Agreement may be modified only by writing signed by the Parties.
- 18. Communications Among the Parties: All notices, demands, and other communications to be provided pursuant to this Agreement shall be in writing and sent by regular mail, postage prepaid or by Federal Express to the following persons and addresses (or other such persons or addresses as the Parties may designate from time to time in writing):

- a. For the ERC:

Kate Scott  
Executive Director  
The Equal Rights Center  
820 First St. NE, LL160  
Washington, DC 20002

Telephone: 202-370-3220  
KScott@equalrightscenter.org


b. For Kettler:

Sean H. Curtin, Esq.  
General Counsel  
Kettler Management, Inc.  
8255 Greensboro Drive, Suite 200  
McLean, VA 22102

19. Waiver: Failure of any party hereto to insist upon strict performance of any provision of this Agreement shall not be deemed a waiver of such party's rights or remedies or a waiver by such party of any default by another Party in performance or compliance with any terms of this Agreement.
20. Authority: Each signatory warrants that he or she is competent and possesses the full and complete authority to covenant to this Agreement on behalf of the Party that he or she represents.
21. Counterparts: This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument.

Date: 3/1/2024

**The Equal Rights Center**

DocuSigned by:  
  
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Name: Kate Scott  
Title: Executive Director

Date: 3/5/2024

**Kettler Management Inc.**



Name: Sean H. Curtin  
Title: Executive Vice President