

CONCILIATION AGREEMENT

WHEREAS, the Office of the Attorney General of the State of Maryland (“OAG”) commenced an investigation pursuant to State Government Article § 20-1044(a) into the policies and practices of Maryland Management Company, Inc. (MMC) to determine whether reasonable cause exists to believe that MMC engaged in unlawful discrimination based on source of income in violation of State Government Article § 20-705(1-3);

WHEREAS, MMC denies that it has committed any violation of State Government Article § 20-705(1-3) and enters into this Agreement to avoid the uncertainty, cost, and time of litigation;

WHEREAS, OAG finds that this Conciliation Agreement is in the public interest of providing fair housing throughout the State of Maryland by prohibiting discriminatory practices based on Source of Income in residential housing and protects and ensures the peace, health, safety, prosperity, and general welfare of all;

THEREFORE, this Conciliation Agreement is made between OAG and MMC to resolve this investigation.

I. APPLICATION

1. The provisions of this Agreement shall apply to MMC and its principals, officers, directors, agents, and employees operating in the normal course of business.
2. The provisions of this Agreement, including all changes to policies and practices set forth herein, shall remain binding on Maryland Management for the duration of this Agreement.

II. DEFINITIONS

3. “Agreement” means this Conciliation Agreement.
4. “Household” means one or more persons living in the same dwelling unit.

5. "Maryland Management" or "MMC" means Maryland Management Company, Inc. a Maryland corporation.
6. "Office of Attorney" or "OAG" means the Office of Attorney for the State of Maryland
7. "Rental Assistance Coordinator" means an employee of MMC designated pursuant to paragraph 15 of this agreement.
8. "Rental Assistance Policy" means the written policy developed by MMC under paragraph 12 of this agreement and approved by OAG.
9. "Rental Assistance Program" means a legal person or government providing a Source of Income on behalf of tenants or applicants for tenancy.
10. "Source of Income" means the definition of Source of Income at State Government Article 20-701(j).

III. PROGRAMMATIC RELIEF

11. Maryland Management affirms that it will comply with federal and state Fair Housing Laws, including the Housing Opportunities Made Equal (HOME Act), Md. Laws 2020 Chp. 116, *amending* Md Code Ann., State Gov't §§ 20-701, et seq..

A. Rental Assistance Policy

12. Within seven (7) days of the effective date of this Agreement, Maryland Management shall submit to the OAG a Rental Assistance Policy establishing guidelines and procedures for MMC's participation in Rental Assistance Programs in the State of Maryland on behalf of tenants and applicants to MMC housing. OAG shall review and approve the Rental Assistance Policy and any revisions by OAG will be incorporated by MMC within ten (10) days of receipt. Copies of this policy shall be made available to any MMC tenant, their attorney, Rental Assistance Program, or applicant to MMC housing upon their request. Maryland Management Company

shall maintain the Rental Assistance Policy as its standard operating procedure and business practice.

13. Maryland Management shall provide the Rental Assistance Policy to all employees and corporate officers within ten (10) days of OAG's approval of the Rental Assistance Policy. Within the first fourteen (14) days of an individual's employment or service with Maryland Management, MMC shall provide the Rental Assistance Policy to all new employees or contractors hired after the effective date of this Agreement.

14. If during the term of this Agreement, MMC objects to any aspect of a Rental Assistance Program that would cause MMC to not participate with the Rental Assistance Program MMC shall work in good faith with the Rental Assistance Program to resolve those objections. If after 30 days MMC is unable to reach an agreement with the Rental Assistance Program, MMC shall provide written notification to OAG identifying the Rental Assistance Program and the nature of its objections.

B. Rental Assistance Coordinator

15. Within thirty (30) days of the effective date of this Agreement, Maryland Management shall designate a Rental Assistance Coordinator. The Rental Assistance Coordinator's name, contact information, and background information shall be provided promptly to the OAG upon designation. The Rental Assistance Coordinator's responsibilities shall include:

- a. Overseeing and ensuring compliance with the Rental Assistance Policy and this Agreement by all MMC agents and employees;
- b. Serving as a point of contact for any tenant, prospective tenant, community member, or Rental Assistance Program concerning MMC Rental

Assistance Policy or practices concerning MMC's participation in Rental Assistance Programs;

- c. Serving as the primary liaison between MMC and Rental Assistance Programs to ensure MMC's compliance with administrative requirements;
- d. Providing guidance or support to MMC employees and agents on best practices with Rental Assistance Programs; and
- e. Tracking instances in which Rental Assistance Programs are used and any MMC objections to aspects of Rental Assistance Programs.

If the individual serving as Rental Assistance Coordinator leaves Maryland Management or is otherwise unable to fulfill the role during the term of this Agreement, Maryland Management shall designate a new Rental Assistance Coordinator within 30 days and promptly notify the OAG of the new designee. Maryland Management Company shall maintain a Rental Assistance Policy as its standard operating procedure and business practice.

C. Initial and Onboarding Training

16. Within sixty (60) days of the effective date of this Agreement, MMC shall provide a Fair Housing Training ("Training") to all of its staff. The Training shall be conducted by a qualified fair housing trainer. Prior to the Training, Maryland Management shall submit to the OAG the name and credentials of the proposed trainer and any publications and material, including but not limited to power points, videos, brochures, and word documents intended to be used during the Training. OAG shall have final approval over the appointed trainer which shall not be unreasonably withheld.

17. The Training must cover federal, state, and local fair housing laws with an emphasis on Source of Income discrimination prohibitions. The Training shall also include instruction on the

OAG approved Rental Assistance Policy and shall be conducted by the Rental Assistance Coordinator in conjunction with OAG's approved fair housing trainer. Maryland Management shall ensure that all personnel attend the Training and maintain attendance records.

18. Each new employee hired by MMC, excluding maintenance staff, after the effective date of this agreement shall receive training on implementing the Rental Assistance Policy.

D. Notice to Tenants and Applicants

19. Within ten (10) days of the effective date of this Agreement, Maryland Management shall provide notice by posting in the leasing office, lobby, and other common areas of each property owned, managed, or operated by Maryland Management Maryland Management shall provide the OAG with a copy of the notice posted in common areas prior to posting.

20. The notice to tenants shall, at minimum:

- a. state that Maryland Management will cooperate with rental and security deposit assistance programs as required by law;
- b. inform tenants they may request a copy of Maryland Management's Rental Assistance Policy by contacting their leasing office or the Rental Assistance Coordinator; and
- c. provide the contact information of the Rental Assistance Coordinator for additional information.

21. If a tenant receives a written notice from MMC pursuant to Real Property Article § 8-401(c)(1-2) in the manner permitted under Real Property Article § 8-401(c)(2) upon the request of the tenant, MMC shall send the same or substantively similar written notification to the tenant.

IV. MONETARY RELIEF AND CIVIL PENALTIES PROVISIONS

22. Maryland Management shall establish a Compensation Fund (the "Fund") of \$90,000 and provide compensation to Households on the following schedule:

- a) \$15,000 to each Household that documents
 - i. The Household leased and was evicted from a dwelling unit at a property owned, operated, or managed by MMC after January 1, 2022;
 - ii. The Household approached a Rental Assistance Program to assist in the payment of rent;
 - iii. Under the Rental Assistance Policy MMC would have accepted the Source of Income; and
 - iv. The Source of Income would have delayed or prevented the Household's eviction.
- b) \$7,500 to each Household that documents:
 - i. The Household was denied a housing opportunity at a property owned, operated, or managed by MMC after January 1, 2022;
 - ii. The Household approached a Rental Assistance Program to assist in the payment of rent or security deposit;
 - iii. Under the Rental Assistance Policy MMC would have accepted the Source of Income.
- c) \$5,000 to each Household that documents:
 - i. The Household leased a dwelling unit at property owned, operated, or managed by MMC after January 1, 2022;

ii. The Household had rent arrears owed to MMC during the time of the lease;

iii. The Household approached a Rental Assistance Program to assist in the payment of rent;

iv. Under the Rental Assistance Policy MMC would have accepted the Source of Income.

23. MMC shall adopt the following Compensation Fund Review and Screening Process:

- a) **Notification Period:** MMC and OAG shall notify by joint letter current and former Households they have identified jointly or independently who may be eligible to apply for restitution. These joint letters will include an Application and Contingent Settlement and Release for each Household to sign and return. Additional notice by MMC shall be provided by posting at Maryland Management's common areas or leasing and business office. MMC shall provide the Application and Contingent Settlement and Release to Households who request it.
- b) **Application Period:** Households shall have up to 6 (six) months from the effective date of this Agreement to submit claims. Claims may be submitted to either the MMC leasing and rental offices, Rental Assistance Coordinator or the Office of the Attorney General.
- c) **Documentation:** Any document that would substantiate a Household approached a Rental Assistance Program and attempted to utilize the program to pay rent or security deposit at a MMC owned, operated, or managed property will be acceptable.

- d) **Review Process:** MMC and OAG will review all applications within 60 days of close of the application period and may extend this review period by agreement. MMC and OAG will confer on the eligibility and class of all submitted claims and work in good faith to reach agreement on the eligibility and class of each claimant. A claimant shall only be eligible for one class under the Compensation Fund. In the event an agreement cannot be reached, OAG's decision on eligibility and class of each claimant shall be final.
- e) **Disbursement of Funds:** Approved claimants will receive restitution payments issued by Maryland Management within 30 days after the conclusion of the Review Process. Payments shall be issued via business check.
- f) **Final Fund Allocation:**
- i. If the number of eligible claimants and the corresponding payments would exceed this cap, the Parties will reduce the compensation amount for each class of claimants proportionate to the number of claimants in each class and distribute the funds on a pro rata basis based on the number of claimants in each class.
 - ii. If restitution claims do not exhaust the full \$90,000 fund, any remaining balance shall be awarded *cy pres* to a Rental Assistance Program of MMC's choice operating in Maryland. Maryland Management must complete this donation within 30

days after the conclusion of the restitution process and provide proof to OAG. If the balance of funds makes such a donation infeasible, the remaining funds shall be distributed pro rata to eligible claimants.

24. Within 60 days of full execution of this Agreement, Maryland Management shall pay the State of Maryland a civil penalty in the amount of \$90,000.00 (Ninety Thousand Dollars and Zero Cents). Payment under this paragraph shall be made by business check to the Civil Rights Enforcement Fund. Payment of this civil penalty will satisfy all claims the State of Maryland may have for civil penalties, costs, and reasonable attorney fees associated with this investigation.

V. RECORD KEEPING AND REPORTING

25. MMC shall retain all records related to its compliance with this Agreement and shall make those records available to OAG upon request.

26. One year from the effective date of this agreement, Maryland Management shall submit to the OAG the following information:

- a. The number of Households on whose behalf MMC has participated in Rental Assistance Programs, not including assistance from the Housing Choice Voucher programs.
- b. The name of any Rental Assistance Programs with which MMC has cooperated, not including any assistance from the Housing Choice Voucher programs.
- c. Maryland Management shall provide supporting documentation to the OAG upon request.

VI. DISPUTE RESOLUTION AND ENFORCEMENT

27. In the event of any dispute regarding the implementation of this Agreement, either Party shall notify the other in writing. The Parties shall confer at either's request to resolve the dispute in good faith.

28. If the parties are not able to resolve the dispute, either Party may file an action in the Circuit Court of Baltimore City to enforce this Agreement.

VII. ADDITIONAL TERMS

29. This Agreement represents the full and complete terms of Conciliation Agreement by the Parties.

30. Each representative executing this Agreement certifies that they are authorized to enter into and consent to the terms of this Agreement and to legally bind their party to it. This Agreement may be executed in counterparts.

31. This Agreement is applicable to, and binding upon, the Parties, their principals, officers, agents, employees, administrators, representatives, assignees, successors, and all legal representatives thereof.

32. The Parties may, upon mutual written agreement, amend this Agreement to address changed circumstances.

33. This Agreement resolves this Title 20 investigation and is limited to the facts and issues presented during this investigation. This Agreement neither affects Maryland Management's continuing obligation to comply with local, state, and federal fair housing laws nor precludes the OAG from taking appropriate action to evaluate Maryland Management's compliance with any laws or regulations enforced by the OAG.

34. This Agreement does not bar any individual from pursuing a Title 20 complaint or any other action allowed by law against Maryland Management except as set forth in paragraphs 22 thru 24. Similarly, the execution and performance of this Agreement on the part of Maryland Management is not, and shall not be deemed to be, an admission of any unlawful or actionable conduct on the part of Maryland Management or its employees.

35. If any part, term or provision of this Agreement is held to be illegal, in conflict with any law or otherwise invalid, the remaining portion or portions shall be considered severable and not be affected by such determination, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provisions held to be illegal or invalid.

36. The Civil Rights Division may review compliance with this Agreement at any time during the term of the Agreement.

37. Failure by the Civil Rights Division to enforce this entire Agreement, or any provision thereof with regard to any deadline or any other provision herein, will not be construed as a waiver of the Civil Rights Division's right to enforce provisions of this Agreement.

38. This Agreement is a public document that will be provided to any individual who requests a copy.

39. The Effective Date of this Agreement is the date of the last signature below.

40. This Agreement will terminate one year from the Effective Date, provided that Maryland Management has demonstrated substantial compliance with the provisions of this Agreement.

41. All notices required to be provided to OAG under this Agreement shall be provided to:

David Prater
Assistant Attorney General
Civil Rights Division
Office of the Attorney General

200 Saint Paul Place
Baltimore, MD 21202
dprater@oag.state.md.us



Mark Knott, Vice President
On behalf of Maryland Management Company
2613 Cabover Dr.
Hanover, MD 21076

APRIL 16, 2025
Date



David A. Prater Assistant Attorney General
On behalf of Maryland Office of Attorney General
Marques Banks, Assistant Attorney General
Rashida Ogletree-George, Deputy Division Chief
Jonathan M. Smith, Division Chief
Office of the Attorney General
Civil Rights Division
200 St. Paul Place
Baltimore, MD 21202

April 16, 2025
Date