

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
-and-)	No. 1:05-cv-05662
)	Chief Judge James F. Holderman
HOPE FAIR HOUSING CENTER)	
)	
Plaintiff-Intervenor,)	
)	
v.)	
)	
ARLINGTON PARK RACECOURSE, LLC)	
AND CHURCHILL DOWNS, INC.)	
)	
Defendants.)	

CONSENT DECREE

I. INTRODUCTION

A. PARTIES

1. The United States is Plaintiff in this action and brings this suit pursuant to its authority under the Fair Housing Act (the "Act"), 42 U.S.C. § 3601 *et seq.*, specifically 42 U.S.C. § 3612 (o) and 42 U.S.C. § 3614(a).

2. Plaintiff-Intervenor HOPE Fair Housing Center, Inc., is an Illinois not-for-profit corporation with its principal place of business located in Wheaton, Illinois ("HOPE"). HOPE's primary purpose is to promote equal opportunity in housing. The United States alleges that HOPE is an aggrieved person under 42 U.S.C. § 3602(i).

3. Defendant Arlington Park Racecourse, LLC ("Arlington Park"), is an Illinois limited liability company that does business in the Northern District of Illinois. Defendant Churchill Downs Incorporated ("Churchill Downs"), is a Kentucky corporation that does business in the Northern District of Illinois. Arlington Park is a wholly-owned subsidiary of Churchill Downs.
4. Since at least 2000, and continuing to the present, Defendants have owned and operated housing located in the area of Arlington Park, commonly known as the "Backstretch," where seasonal workers, commonly referred to as "Backstretch Workers," and in some cases their families, reside during the Arlington Park racing season, which runs approximately from May through September of each year.
5. For the purposes of this Consent Decree, the Parties may be referred to as "Party" or "Parties," and this Consent Decree may be referred to as "Decree."

B. BACKGROUND

6. On June 24, 2004, HOPE filed a complaint with the United States Department of Housing and Urban Development ("HUD"), pursuant to section 810(a) of the Act, 42 U.S.C. 3610(a). The complaint alleged, *inter alia*, that Defendants had discriminated based on familial status, in violation of the Act. Pursuant to the requirements of 42 U.S.C. §§ 3610(a) and (b), the Secretary of HUD conducted and completed an investigation of the complaint, and prepared a final investigative report. Based on the information gathered in the investigation, the Secretary, pursuant to 42 U.S.C. § 3610(g)(1), determined that there was reasonable cause to believe that discriminatory housing

practices had occurred. Accordingly, on August 23,2005, HUD issued a Charge of Discrimination, pursuant to 42 U.S.C. §§ 3610(g)(1)-(2), charging Defendants with engaging in discriminatory housing practices on the basis of familial status, in violation of the Fair Housing Act, as amended, 42 U.S.C. §§ 3601, *et seq.* On September 14,2005, HOPE made a timely election to have its claims resolved in federal court, pursuant to 42 U.S.C. § 3612(a).

7. The United States filed this lawsuit on September 30,2005. In its complaint, the United States alleges that Defendants Arlington Park and Churchill Downs discriminated on the basis of familial status in violation of the Act in the provision of housing for Backstretch Workers at Arlington Park. Among other things, the United States alleges that Defendants maintained a policy of prohibiting families with children from living in Buildings One and Four through Eight in the "Backstretch" and that the housing Defendants did provide to families with children was generally inferior (lacking air-conditioning and private bathrooms) to the Backstretch housing from which families with children were prohibited.
8. On October 26,2005, HOPE moved to intervene in this action as a matter of right pursuant to 42 U.S.C. § 3612(o)(2). The Court granted HOPE's motion on November 3, 2005. On November 3, 2006, HOPE filed its Complaint In Intervention against Defendants.
9. On March 21,2006, Defendants filed their Answers and Affirmative Defenses to both the United States' and HOPE's complaints, asserting, in their affirmative defenses, that

Arlington Park's policy of resewing Buildings Two, Three, Nine and Ten for Backstretch Workers with families is intended to protect the health, safety, and welfare of the children of Backstretch Workers from the open and obvious dangers associated with Buildings One and Four through Eight due to the close proximity of those Buildings both to the stabling and care of thoroughbred race horses on the Arlington Park Backstretch, and to the related heavy agricultural and industrial operations.

C. INTENT OF THE PARTIES

10. The Parties have agreed that settlement of this matter without incurring the cost, inconvenience and uncertainty of further litigation is in the best interest of the Parties, the workers who reside on the Backstretch, and their families.
11. It is understood and agreed that this Consent Decree is the compromise of disputed claims and is not to be construed as an admission of liability by Defendants, and that Defendants deny and continue to deny the claims alleged by the United States and HOPE.

D. CONSENT OF THE PARTIES TO ENTRY OF THIS ORDER

12. The Parties agree that this Court has jurisdiction over the subject matter of this case pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. §§ 3612(o), 3613, and 3614(a). The Parties have negotiated a settlement to the claims raised in this case. Accordingly, the Parties have jointly consented to the entry of this Consent Decree as indicated by the signatures appearing below.

E. APPROVAL OF THE COURT TO ENTRY OF THIS ORDER

13. The Court hereby finds and concludes that the Consent Decree is lawful, reasonable, and

equitable, and that its terms and provisions provide for a full, fair and adequate settlement and resolution of the matters in controversy and is in the best interest of the Parties, the workers who reside on the Backstretch, and their families.

Therefore, it is hereby ORDERED, ADJUDGED and DECREED:

II. DEFINITIONS

14. The following terms, when used in this Consent Decree, shall have the following meaning:
 - a. "Backstretch" refers to the area at Arlington Park where the stables and training facilities for thoroughbred racehorses are located and where certain workers engaged in the care of horses reside during the racing season.
 - b. "Backstretch Workers" refers to those persons who are licensed by the Illinois Racing Board, who are employed by Trainers associated with Arlington Park, and who reside in Backstretch housing during the racing season.
 - c. "Backstretch Housing" refers to buildings in which Backstretch workers and in some cases their Families reside during the racing season at Arlington Park, which runs approximately from May through September. Specific Backstretch Housing buildings are sometimes referred to by number ranging currently from Building One to Building Ten. A copy of an aerial photograph of the Backstretch, identifying each of the currently numbered buildings is provided as Attachment A hereto.
 - d. "Family," "Families," or "Familial Status" is defined as the term "familial status"

is defined at 42 U.S.C. § 3602(k).

- e. "Trainers" refers to those individuals that prepare and maintain thoroughbred racehorses at Arlington Park during its racing season. Trainers are independent contractors pursuant to arrangements with the owners of thoroughbred racehorses and are the employers of Backstretch Workers. Defendants do not employ either Trainers or Backstretch Workers.

III. GENERAL NONDISCRIMINATION PROVISIONS

- 15. For the term of this Consent Decree, Defendants shall not take any of the following actions with respect to housing at Arlington Park:
 - a. unlawfully deny or otherwise make unavailable a dwelling because of Familial Status;
 - b. unlawfully discriminate against any person in the terms, conditions, or privileges of a dwelling, or in the provision of services or facilities in connection therewith, because of Familial Status;
 - c. make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on Familial Status, or an intention to make any such preference, limitation, or discrimination;
 - d. coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of,

any right protected by the Fair Housing Act based upon Familial Status.

IV. SPECIFIC INJUNCTIVE RELIEF

16. Consistent with the above injunction, Defendants shall not take any action to enforce, or enact any rules, regulations, policies, or practices pertaining to occupancy in any Backstretch Housing at Arlington Park, that prohibits Families from residing in certain buildings or in certain units in those buildings. Nor shall Defendants make any written or verbal statements stating or otherwise indicating that Families are not permitted to live in any units or buildings in the Backstretch Housing at Arlington Park. However, neither this paragraph nor paragraph 15, above, shall be construed to prohibit Defendants from taking the actions specifically authorized in paragraphs 27 through 33 of this Decree.

V. FAIR HOUSING TRAINING

17. No later than April 15, 2007, or the date on which the first assignment of housing is made for the 2007 racing season, whichever is earlier, the Defendants shall provide this Consent Decree to all employees involved with the assignment, supervision, and management of Backstretch Housing at Arlington Park, and secure a signed statement, Attachment B, from each person that he or she has received, read and understands the Consent Decree.
18. Within thirty (30) days after the date he or she commences an agency or employment with the Defendants, each new employee involved with the assignment, supervision, and management of Backstretch Housing at Arlington Park shall be given this Consent Decree and be required to sign the statement at Attachment B acknowledging that he or

she has received, read and understands this Consent Decree.

19. No later than April 15, 2007, or the date on which the first assignment of housing is made for the 2007 racing season, whichever is earlier, Defendants shall provide fair housing training, with a focus on familial status issues, to all employees involved with the assignment, supervision, and management of Backstretch Housing at Arlington Park. The training shall be conducted by a qualified third party approved by the United States. Defendants shall provide similar fair housing training no later than April 15, or the date on which the first assignment of housing is made for each racing season, in each year this Consent Decree is in effect for any employee involved with the assignment, supervision, and management of Backstretch Housing at Arlington Park who was hired since the previous training. Each person who attends the training shall be required to sign and submit a certification acknowledging that he or she has received the training (Attachment C). The Defendants shall pay all costs associated with such training.

VI. COMPLIANCE

20. The Defendants shall prepare an annual report that details all actions they have taken to fulfill their obligations under this Consent Decree ("Compliance Report"). Defendants shall submit their first Compliance Report to the United States within three (3) months after the last day of racing during the first full season of racing covered by this Consent Decree, and subsequent reports within three (3) months after the conclusion of each racing season thereafter for the duration of the Consent Decree.
21. The Defendants shall include the following information in the Compliance Reports:

- a. copies of the training certification and acknowledgment forms signed since the last report;
 - b. any written complaint received since the last report alleging that the Defendants violated the Fair Housing Act on the basis of Familial Status or engaged in unlawful retaliation in connection with Familial Status. The Defendants shall indicate any action they have taken in response to the complaint, and shall include all pertinent documents, including a copy of the complaint, any documents filed with the complaint, and any written response to the complaint by the Defendants;
 - c. an accounting for each building in the Backstretch Housing that includes (1) the number of occupied units; and (2) the number of units occupied by Families.
22. For the duration of this Consent Decree, the Defendants shall maintain all records relating to implementation of and compliance with all provisions of this Consent Decree, including, but not limited to, all records related to building or zoning applications involving Backstretch Housing. The United States shall have the opportunity to inspect and copy any records maintained as required by and relevant to this Consent Decree after giving reasonable notice to Defendants.

VII. ADDITIONAL RESOURCES FOR BACKSTRETCH WORKERS WITH FAMILIES WHO RESIDE ON THE BACKSTRETCH

23. As part of the resolution of HOPE's claims against Defendants herein, HOPE and Defendants have agreed that Defendants shall, within five (5) days of entry of this Consent Decree, pay \$100,000 to the Township High School District 214 (the "School

District"), which has agreed to use such funds for the direct benefit of, and for the purpose of improving, the living conditions of Families that reside in the Backstretch at Arlington Park during the term of the Decree. Specifically, the School District will use the funds paid by Defendants pursuant to this paragraph to expand its "Kids on Track" summer enrichment program to operate on Saturdays and Sundays for eight weeks each summer. The School District estimates that this expansion of the program shall cost approximately \$30,000 per year. If there are any funds remaining, those remaining funds shall be used to purchase new recreational and/or computer equipment and education software to be used for the children of Backstretch Workers in conjunction with the enrichment programs operated by the School District. Nothing in this paragraph obligates Defendants to pay any amount greater than \$100,000.

VIII. BACKSTRETCH HOUSING

24. By no later than the date on which Backstretch Workers begin living at Arlington Park for the 2007 racing season (the "Completion Date"), Defendants shall complete construction of, and secure occupancy permits for, a new 48-unit building ("Building Eleven") with air-conditioning and living quarters of approximately 260 square feet and a 71 square foot private bathroom area, and make that building available to Backstretch Workers with Families. Building Eleven shall be located adjacent to existing Buildings Nine and Ten.
25. Defendants have committed to, and expect to, complete Building Eleven by the Completion Date. In the event that Building Eleven is not completed by the Completion Date, as defined above, by reason of "Force Majeure" (as hereinafter defined), then no

breach of this Consent Decree shall be deemed to have occurred with respect thereto.

"Force Majeure" shall mean an Act of God, strike, fire, riot, civil commotion, governmental action, governmental decree, extraordinary weather conditions, or any other event or circumstance beyond the reasonable control of Defendants. Defendants shall notify the United States promptly when they reasonably believe that they will not be able to complete Building 11 by the Completion Date for the reasons described in this paragraph and shall thereafter complete Building 11 and begin housing Backstretch Workers and their Families therein as early as is reasonable under the circumstances.

26. By no later than the date on which Backstretch Workers begin living at Arlington Park for the start of the 2007 racing season, Defendants shall install and maintain a working window air conditioner in each dwelling unit in Building Two.
27. Defendants shall continue to make Building Two available for housing Backstretch Workers and their Families through the end of the 2007 season. Thereafter, and until the expiration of this Consent Decree, Defendants shall continue to make Building Two available for housing Backstretch Workers with Families unless and until the housing in Building Two has been replaced by a minimum of forty-eight new residential units, with air-conditioning, and with living areas and private bathrooms substantially equivalent in size to the units in Building Eleven (the "Additional Housing"). Such Additional Housing shall be in addition to the housing provided in Buildings Nine, Ten, and Eleven. However, Defendants shall be allowed to eliminate housing in Building Two at any time after the end of the 2007 racing season and prior to the expiration of this Consent Decree,

without being required to construct the Additional Housing, as defined above, if and only if: (1) the Completion Date for Building Eleven has been met pursuant to paragraphs 24 and 25, above, and (2) prior to or contemporaneous with the closing of Building Two, Defendants either (a) eliminate all Backstretch Housing in Building One; or (b) eliminate all Backstretch Housing in Buildings Four through Eight.

28. Defendants assert that the close proximity of Buildings One and Four through Eight to the stabling and care of thoroughbred race horses, which are powerful, high-strung and unpredictable animals given to highly erratic behavior in response to the slightest distraction or disruption in their daily (and nightly) routines, and to the various heavy agricultural and industrial operations related to the stabling and care of the thoroughbred race horses pose significant risks and dangers for persons residing in those Buildings. For these reasons, Defendants further assert that licensed Backstretch Workers are best qualified to reside in Buildings One and Four through Eight.
29. The Parties agree that Defendants may restrict Building One and Buildings Four through Eight, which are located adjacent to stables, exclusively to licensed Backstretch Workers employed in that capacity at Arlington Park (the "Licensed Worker Restriction"), provided that the Licensed Worker Restriction is applied consistently and evenly without regard to Familial Status.
30. The United States and HOPE agree that, consistent with paragraph 16 of this Decree, application of the Licensed Worker Restriction by Defendants shall not constitute unlawful discrimination on the basis of Familial Status in violation of this Decree or the

Fair Housing Act.

31. Defendants' right to apply the Licensed Worker Restriction shall survive the expiration of this Decree without constituting a violation of either this Decree or the Fair Housing Act, consistent with paragraph 16 of this Decree, provided that Defendants continue to make Buildings 9, 10, and 11 available to Backstretch Workers with Families.
32. Defendants have indicated that they may demolish or close Building Three prior to the start of the 2007 racing season. If Defendants make any part of Building Three available to house Backstretch Workers during the term of the Consent Decree, however, such housing shall be operated in accordance with paragraphs 15 and 16 of this Decree.
33. Nothing in this Decree shall be interpreted as prohibiting Defendants from closing all Backstretch Housing based on future business necessity.
34. On January 16, 2007, Plaintiff Intervenor HOPE and the Village of Arlington Heights (the "Village") entered into a settlement agreement (the "Settlement Agreement") settling the matter of HOPE v. Village of Arlington Heights, HUD Case No. 05-05-0004-6, a matter arising under 42 U.S.C. § 2000(d) (Title VI of the Civil Rights Act of 1964). (A fully-executed copy of the Settlement Agreement is attached hereto as Attachment D.) As part of the Settlement Agreement, the Village has agreed to adopt a minimum floor space occupancy requirement of 43 square feet per person for the living areas of all Backstretch Housing (i.e., excluding kitchen and bathroom areas) (the "Occupancy Limit"). Nothing in this Decree shall be construed to impose a different minimum per person floor space occupancy requirement for Backstretch Housing.

35. By no later than the date on which Backstretch Workers begin living at Arlington Park for the 2007 racing season, Defendants shall post a notice of at least 8 ½ by 11 inches in size, in English and Spanish, that describes the settlement of this lawsuit and states, consistent with paragraphs 15 and 16 of this Decree, that Defendants do not discriminate on the basis of Familial Status (the "Notice"). To the extent Defendants have elected to implement the Licensed Worker Restriction, that also shall be stated in the Notice. A copy of this Notice is attached hereto as Attachment E. Defendants shall ensure that this Notice remains posted through the end of the 2007 racing season.
36. Defendants shall distribute this Notice to all Trainers with horses at the Arlington Park Racecourse at least thirty (30) days prior to the beginning of the 2007 racing season.

IX. CIVIL PENALTY

37. Defendants shall pay ten thousand dollars (\$10,000.00) to the United States as a payment to vindicate the public interest under 42 U.S.C. § 3614(d)(1)(C). Within ten (10) days after the effective date of this Consent Decree, Defendants shall deliver to the United States a check for \$10,000.00 made payable to the "United States Treasury." Any subsequent violation of the provisions of the Fair Housing Act relating to familial discrimination by the Defendants shall constitute a "subsequent violation" within the meaning of 42 U.S.C. § 3614(d)((1)(C)(ii).

X. HOPE FAIR HOUSING CENTER DIVERSION OF RESOURCES COSTS AND ATTORNEY'S FEES

38. Within thirty (30) days of entry of this Decree, Defendants shall pay to HOPE and its attorneys the sum of \$60,000 dollars as complete and final settlement of any and all

claims by HOPE against Defendants.

39. HOPE hereby forever releases and discharges Defendants, and each of their officers, employees, agents, attorneys, directors, members, managers, shareholders, parents, subsidiaries, successors and assigns, and all other persons in active concert or participation with Defendants with respect to Backstretch Housing at Arlington Park, from any and all claims that HOPE has, had, or might have, relating in any way to the transactions or occurrences giving rise to its Complaint in Intervention against Defendants filed herein, as of the date of entry of this Consent Decree.

XI. DURATION OF DECREE AND TERMINATION OF LEGAL ACTION

40. This Consent Decree shall be in effect until December 31, 2009 or until three months after the United States receives the Defendants' compliance report for the 2009 racing season, whichever occurs last, after which time this case shall be dismissed with prejudice.
41. This Consent Decree constitutes a full and final resolution of all claims of violation of the Fair Housing Act that the United States or HOPE alleged, or could have alleged, in this action relating to familial status discrimination in housing provided by Defendants in the Backstretch, as well as any claims related in any way to the Occupancy Limit described in paragraph 34 of this Decree.
42. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Consent Decree prior to bringing such matters to the Court for resolution. However, in the event of a failure by a Defendant to perform

in a timely manner any act required by this Consent Decree or otherwise to act in conformance with any provision thereof, the other Parties may move this Court to impose any remedy authorized by law or equity, including, but not limited to, an order requiring performance of such act or deeming such act to have been performed, and an award of damages, incurred as a result of the alleged violation or failure to perform.

43. The Court shall retain jurisdiction over this matter for all purposes, including enabling any Party to this Consent Decree to apply to the Court for such further orders as may be necessary for, or consistent with, the enforcement of this Consent Decree, including, but not limited to, moving the Court to extend the duration of the Decree in the interests of Justice.

XII. TIME FOR PERFORMANCE

44. Any time limits for performance imposed by this Consent Decree may be extended by the mutual agreement, in writing, of Plaintiff United States and the relevant Defendant.

XIII. MISCELLANEOUS

45. This Consent Decree shall be binding upon and inure to the benefit of the Parties hereto and their representatives, heirs, successors and assigns.
46. This Consent Decree shall be construed under federal law, and insofar as state law may be applicable, the laws of the State of Illinois.
47. All notices, reports, remittances, or the like required or desired to be given hereunder shall be sent by U.S. Mail and addressed to the parties as follows:

If to Churchill Downs and/or Arlington Park:
Arlington Park Racecourse, LLC

P.O. Box 7
Arlington Heights, Illinois 60006
Attn: Roy A. Arnold, President

and:

Churchill Downs Incorporated
700 Central Avenue
Louisville, Kentucky 40208
Attn: Steve Sexton, Executive Vice President, Operations and
Rebecca C. Reed, Senior Vice President, Legal Affairs

With a copy to:

Jay S. Dobrutsky
Burke, Warren, MacKay & Serritella, P.C.
22nd Floor
330 North Wabash Avenue
Chicago, Illinois 60611

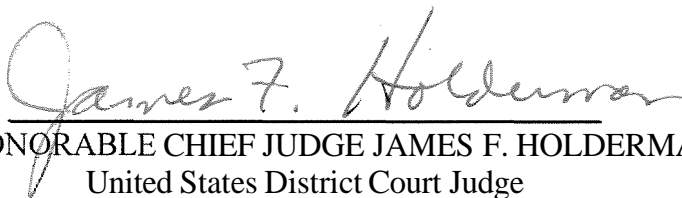
If to the United States:
Chief,
Housing and Civil Enforcement Section
Civil Rights Division
United States Department of Justice
950 Pennsylvania Ave. NW Building, G St.,
Washington, D.C. 20530.
Attn: DJ No. 175-23-763

If to HOPE:
Jeffrey Taren, Esq.
Kinoy, Taren and Geraghty
224 S Michigan Ave., # 300
Chicago, IL 60604

48. This Consent Decree may be executed in counterpart.

IT IS SO ORDERED:

ORDERED this 1st day of March, 2007

A handwritten signature in cursive script that reads "James F. Holderman". The signature is written in black ink and is positioned above a horizontal line.

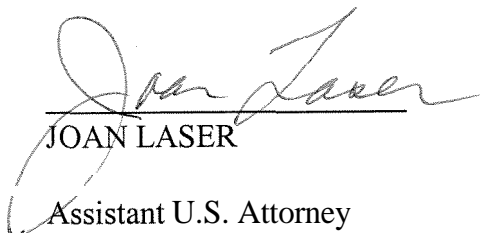
THE HONORABLE CHIEF JUDGE JAMES F. HOLDERMAN
United States District Court Judge
Northern District of Illinois

**THE PARTIES CONSENT TO THE ENTRY OF THIS CONSENT DECREE AS
INDICATED BY THE SIGNATURES OF COUNSEL APPEARING ON THE
FOLLOWING PAGES:**

FOR PLAINTIFF UNITED STATES OF AMERICA:

PATRICK J. FITZGERALD
United States Attorney

WAN J. KIM
Assistant Attorney General



JOAN LASER

Assistant U.S. Attorney
Northern District of Illinois
Chicago, IL
Tel: (312)353-1857
Facsimile: (312) 886-4073



STEVEN H. ROSENBAUM
Chief

TIMOTHY J. MORAN
Deputy Chief
JOSEPH GAETA
Attorney
U.S. Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section

Mailing address:

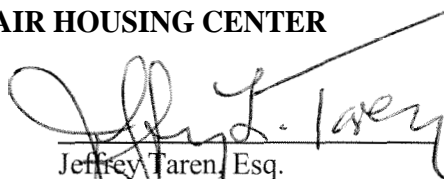
950 Pennsylvania Ave. NW
Washington, DC 20530-5998

Street address:

1800 G Street, NW, Ste. 7002
Washington, DC 20006

Tel: (202) 353-9062
Facsimile: (202) 514-1116

FOR INTERVENOR-PLAINTIFF HOPE FAIR HOUSING CENTER

A handwritten signature in black ink, appearing to read "Jeffrey Taren", written over a horizontal line.

Jeffrey Taren, Esq.
Kinoy, Taren and Geraghty
224 S Michigan Ave., # 300
Chicago, IL 60604

**FOR DEFENDANTS ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL
DOWNS INCORPORATED:**



Jay Stephen Dobrutzky

Burke, Warren, MacKay & Serritella, P.C.

22nd Floor

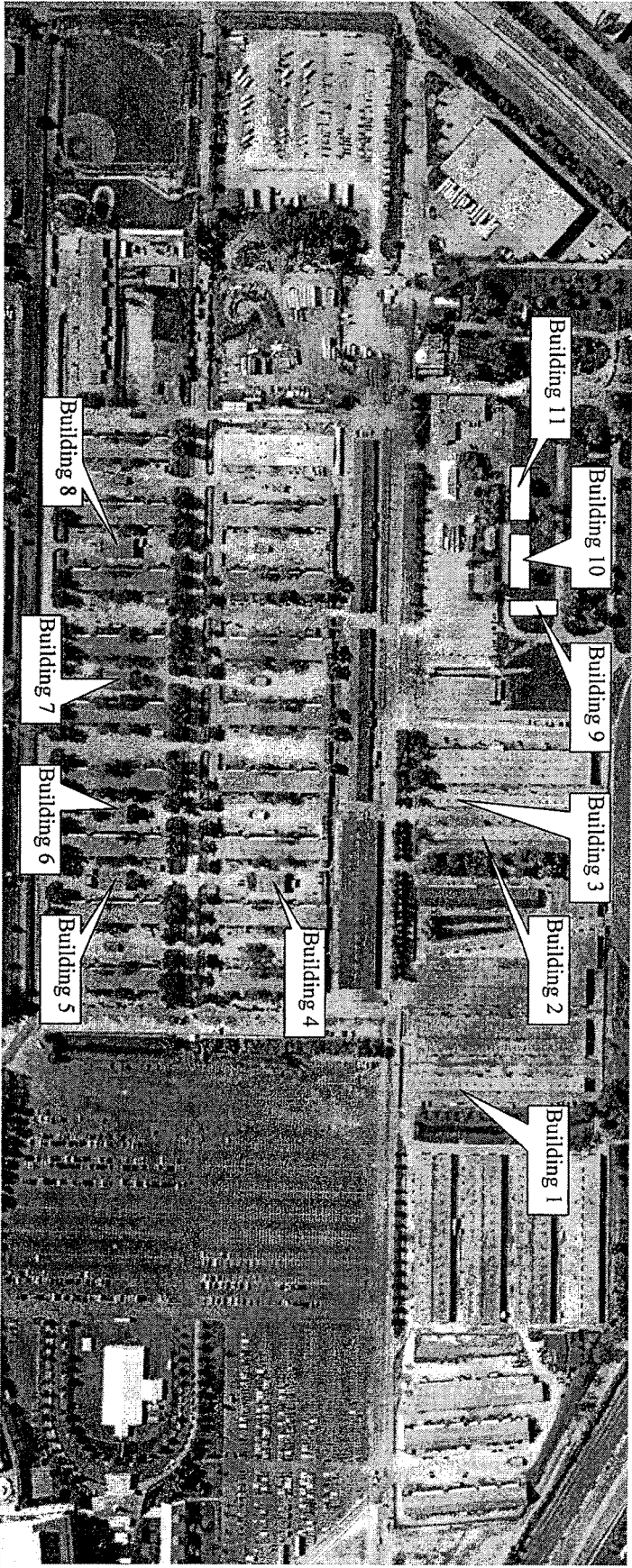
330 North Wabash Avenue

Chicago, Illinois 60611

Tel: (312) 840-7000

Facsimile: (312) 840-7900

ATTACHMENT A
AERIAL PHOTOGRAPH



ATTACHMENT B

**CERTIFICATION OF RECEIPT OF
CONSENT DECREE**

I _____, certify that I have received the Consent Decree entered in United States, et al. v. Arlington Park Racecourse LLC, et al., Civil Action 1:05-cv-05662 (N.D. Ill.). I further certify that I have read and understand the aforementioned Consent Decree and the policy of nondiscrimination mandated by it and further understand that my violation of this Consent Decree may result in sanctions against the Defendants Arlington Park Racecourse, LLC, and Churchill Downs Incorporated.

(Signature)

(Print name)

(Title)

(Date)

ATTACHMENT C

CERTIFICATION OF ATTENDANCE AT FAIR HOUSING TRAINING

I _____, certify that I have attended the training provided by the Defendants Arlington Park Racecourse, LLC, and Churchill Downs, Incorporated pursuant to Section V of the Consent Decree entered in United States, et al. v. Arlington Park Racecourse, et al., Civil Action 1:05-cv-05662 (N.D. Ill.).

(Signature)

(Print name)

(Title)

(Date)

ATTACHMENT D

SETTLEMENT AGREEMENT HOPE/VILLAGE

IN THE UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY
77 WEST Jackson Blvd.
Chicago, IL 60604

HOPE Fair Housing Center,)
)
 Complainant)
 vs.) HUD Case No. 05-05-0004-6
)
 The Village of Arlington Heights,)
)
 Respondent)

SETTLEMENT AGREEMENT

I. Introduction

1.0 The HOPE Fair Housing Center, (hereafter referred to as "Complainant" or "HOPE) filed a charge of discrimination pursuant to Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 2000(d) et seq. and the regulations issued thereunder, 24 C.F.R. Part 1. The action was brought against Respondent Village of Arlington Heights. The charge alleged that the Respondent discriminated against Hispanic persons who reside in temporary housing located in the backstretch area of the Arlington Park with regard to the enforcement of its building codes.

The Respondent has denied the charges made in the complaint and continues to deny that it engaged in any activities that were in violation of federal or state law with regard to the backstretch area,

A07-001 / R07-002

A07-001

The parties desire to avoid the cost and uncertainty of protracted litigation and agree that this dispute should be fully and finally resolved without the necessity of administrative or judicial proceedings and without any admission of liability or wrongdoing and without further expense, inconvenience and litigation.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, Complainant and Respondent do hereby agree as follows:

II. Scope and Duration of Agreement

2.1 For the purposes of this Settlement Agreement, "Settled Claims" shall be defined to mean and shall include all claims brought, or which could have been brought by HOPE with respect to or in any way relating to allegations contained in the Title VI complaint filed with HUD that alleged discrimination against Hispanics by the Village in the enforcement of its Village building codes or ordinances at the backstretch of Arlington Park as of the date of this Settlement Agreement. This Settlement Agreement resolves fully and finally all Settled Claims. In consideration of the mutual undertakings and benefits in this Settlement Agreement, HOPE agrees not to sue and agree not to assert or pursue any claims or causes of action against the Village of Arlington Heights, its past and present elected officials, appointed officials, officers, employees, attorneys, agents, and all other related persons or parties with respect to all Settled Claims. HOPE further agrees and does hereby waive and release the Village of Arlington Heights, its past and present elected officials, appointed officials, officers, employees, attorneys, agents and all other related persons or

parties from **any** and all claims, compensation, **damages**, attorneys fees or other liability or **relief** whatsoever **relating to** or arising from **any** and all **Settled Claims**, The scope of this Settlement Agreement is limited to the Settled Claims and **does not purport to** remedy any other potential **violations** of the **Fair Housing Act** or other **Federal law**.

2.2 This Settlement **Agreement does** not constitute an **admission** by the Village of any **violation** of **Title VI** of the **Civil Rights Act**, the **Fair Housing Act**, or any other provision of the law, **and** the Village expressly **denies** any such violation.

2.3 The parties agree that the **provisions** of this Settlement **Agreement shall apply to and** be binding upon the **parties** hereto, including HOPE Fair Housing Center, their **respective employees, agents**, elected and appointed officials and assigns and **all those persons**, organizations and entities who **are or will be acting in** concert or privity with them.

III. Enforcement of the Settlement Agreement

3. **In the event that** HOPE considers any activity, or conduct of the Village which occurs **after** the **date** of this Settlement **Agreement to** be a violation of this **Settlement Agreement**, **HOPE** shall give the Village written **notice** of the substance of the complaint directly or through its **counsel** prior to the commencement **by** HOPE of any action to **enforce** this Settlement Agreement. The Village will have **30 days** after the receipt of the **notice to, in good faith, investigate** and, if determined by the Village to be necessary, remedy the alleged deficiency. **Nothing** in this section shall apply to **complaints filed pursuant to 42**

U.S.C. §3610(a) by individuals who are not parties to this Agreement.

IV. Training

4.1 The Village shall, within six months of the signing of this Agreement and periodically thereafter, as funding and need permits, schedule training for its employees responsible for housing and/or building code issues, in fair housing and other related matters. The Village shall use the services of trainers who are experienced in fair housing issues. The Village shall determine the appropriate qualifications for such trainers. Trainers shall be selected in accordance with the Village's procurement procedures. HOPE and its employees shall be eligible to participate in any bidding process.

4.2 When feasible, the Village shall use its best efforts to have at least one person who is fluent in Spanish accompany any non-Spanish speaking Building Inspector on any inspections at the backstretch area of Arlington Park.

V. Bilingual Employees and Liaisons for Code Enforcement

5.1 The Village shall ensure that the residents of the backstretch are provided a list of employees of the Village who are bilingual in English and Spanish who can serve as liaisons for code enforcement on an as-needed basis.

VI. Occupancy Limits at the Backstretch

6.1 The parties agree that the minimum floor space occupancy requirement shall be 43 square feet per person for the living areas of all Backstretch Housing (i.e. excluding kitchen and bathroom areas) This minimum occupancy limit shall be enforced beginning with the 2007 racing season.

6.2 The Village shall implement a formalized operating procedure by

which residents of the backstretch of Arlington Park may lodge complaints about code enforcement issues, Information about how to initiate, this process shall be communicated to the residents of the backstretch in Spanish at the start of each racing season. The procedure shall state that residents may report complaints of discrimination or unfair treatment to a designated official and shall provide the Village's contact number for complaints. Any such complaints will be investigated by the Village.

VII. Contract for Fair Housing Services

7.1 The Village agrees to consider in good faith any proposal by HOPE to provide fair housing services for the Village, to be paid for through moneys allocated by the Community Development Block Grant Program or by any other source of funds. HOPE's application will include fair housing education, fair Rousing testing, housing counseling, educating residents regarding the importance of code compliance or other activities subsequently mutually agreed upon by the Village and HOPE. HOPE's application shall be considered and acted upon utilizing the same standards generally applicable to CDBG applications submitted by comparable not-for-profit organizations. Any proposal requiring the use of non-CDBG funds shall go through the Village's procurement procedures.

VIII. CDBG Funding for the Backstretch Workers

8.1 The Village will consider in good faith all requests for CDBG funding for eligible programs to benefit families residing at the backstretch.

IX. Dismissal of Complaints

9.1 Upon execution of this Settlement Agreement by the parties, HOPE shall take all action necessary to dismiss the complaints filed by HOPE and pending with the United States Department of Housing and Urban Development and to terminate the investigation of the claims initiated hereunder. This Settlement Agreement is specifically conditioned upon the dismissal of all pending claims filed by HOPE with HUD. Should such claims not be dismissed, this Settlement Agreement shall be null and void.

AGREED TO THIS 16th DAY OF JANUARY, 2007

HOPE Fair Housing Center

By: 

Alvin L. Council

Village of Arlington Heights

By: 

Attest: 

ATTACHMENT E

NOTICE

ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL DOWNS, INCORPORATED, are dedicated to the principle of equal housing opportunity. The federal Fair Housing Act prohibits discrimination in the provision of housing on the basis of, among other things, familial status. Families with children under the age of 18 cannot be prohibited from living in certain units or buildings. It is also illegal to make any written or verbal statements stating or otherwise indicating that families are not permitted to live in any units or buildings

ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL DOWNS, INCORPORATED, do not discriminate on the basis of familial status in the provision of Backstretch housing for Backstretch workers and their families.

ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL DOWNS, INCORPORATED, have elected to limit occupancy in Building One and Buildings Four through Eight, which are located adjacent to stables, exclusively to licensed Backstretch Workers employed in that capacity at Arlington Park (the "Licensed Worker Restriction"). ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL DOWNS, INCORPORATED, applies the Licensed Worker Restriction consistently and evenly without regard to Familial Status.

On _____, ARLINGTON PARK RACECOURSE, LLC AND CHURCHILL DOWNS, INCORPORATED entered into a Consent Decree, resolving a lawsuit brought by the United States of America and HOPE Fair Housing Center, Case No. 05 C 5662, in the Federal District Court for the Northern District of Illinois. Paragraph 31 of that Consent Decree provides: "The United States and HOPE agree that, consistent with paragraph 16 of this Decree, application of the Licensed Worker Restriction by Defendants shall not constitute unlawful discrimination on the basis of familial status in violation of this Decree or the Fair Housing Act."