

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT and the exhibits incorporated by reference and attached hereto (the “Agreement”) is entered into by and between [REDACTED] (“Plaintiff”) and the Norfolk Redevelopment and Housing Authority (“NRHA”) (collectively, the “Parties” and may be referred to individually as a “Party”).

RECITALS

WHEREAS, Plaintiff and NRHA are parties to a civil action styled [REDACTED] *v. Norfolk Redevelopment and Housing Authority*, Civil Action No. 2:24-cv-00558, in the United States District Court for the Eastern District of Virginia, Norfolk Division (the “Lawsuit”);

WHEREAS, the Parties expressly deny any and all culpability, liability, or wrongdoing but nonetheless desire to avoid the uncertainty, inconvenience, and expense of protracted litigation; and

THEREFORE, for and in consideration of this Agreement’s mutual promises and obligations, the sufficiency of which is hereby acknowledged, the Parties hereby agree and covenant as follows:

TERMS AND CONDITIONS

1. **Effective Date.** This Agreement shall be effective on the date of signature of the last signatory to the Agreement (“Effective Date”).

2. **Computation of Time.**

a. The computation of time shall be governed by Federal Rule of Civil Procedure 6.

3. **Legal Terms of Art.** The terms “minimum rent,” “hardship exemption,” “suspension,” “long-term hardship,” or “short-term hardship,” shall carry the same meaning ascribed to them by governing federal law, namely, 42 U.S.C. § 1437a and 24 C.F.R. § 5.630.

4. **Definitions.** As used in this Agreement, the following capitalized terms—when used in the singular or plural form—shall be defined as follows.

- a. *"Counsel for Plaintiff."* Counsel of record in this Lawsuit.
- b. *"Hardship Exemption Application."* The document incorporated by reference and attached hereto as **Exhibit B**. Throughout this Agreement, the terms "Exhibit B" and "Hardship Exemption Application" may be used interchangeably or together.
- c. *"Hardship Exemption Decision Notice."* The document incorporated by reference and attached hereto as **Exhibit C**. Throughout this Agreement, the terms "Exhibit C" and "Hardship Exemption Decision Notice" may be used interchangeably or together.
- d. *"Hardship Exemption Information Sheet."* The document incorporated by reference and attached hereto as **Exhibit A**. Throughout this Agreement, the terms "Exhibit A" and "Hardship Exemption Information Sheet" may be used interchangeably or together.
- e. *"Public Housing."* Carries the same meaning given by 42 U.S.C. § 1437a(b)(1).
- f. *"Public Housing Resident."* Any tenant or household member who resides in a NRHA Public Housing dwelling unit.
- g. *Admissions and Continued Occupancy Plan ("ACOP").* NRHA's policy guidelines, as amended from time-to-time, that govern admission to and continued occupancy in federally-assisted low-income Public Housing operated by NRHA.

5. **Revised Ledger and Disbursement to Plaintiff.** The Parties acknowledge and agree that NRHA has provided Counsel for Plaintiff with Plaintiff's revised ledger in compliance with the terms of this Agreement on August 15, 2025. Such ledger reflected a balance of zero (0) dollars as of August 11, 2025. The Parties acknowledge and agree that NRHA has disbursed a check payable to Plaintiff in the amount of [REDACTED] to Plaintiff on August 8, 2025, in compliance with the terms of this Agreement. The Parties further agree that NRHA's disbursement to Plaintiff shall be excluded

from the calculation of her total adjusted annual income pursuant to 24 C.F.R. § 5.609(b)(24), and it does not exceed the asset-limits set forth at 24 C.F.R. § 5.618.

6. **Provision of Exhibits A and B to Public Housing Residents.** Within forty-five (45) calendar days of the Effective Date, NRHA shall provide Exhibits A and B to its Public Housing Residents via its regular means of information dissemination. Following the forty-five (45) calendar days, Counsel for Plaintiff may request confirmation of NRHA's compliance. Upon such request, NRHA shall have seven (7) calendar days from said request to confirm compliance.

7. **Interactive Process Regarding Prospective Revisions to Exhibits A, B, and C.** NRHA agrees to use Exhibits A, B, and C (the "forms") in good faith and to consult with Counsel for Plaintiff upon any substantive amendment to the forms or substantive changes in the use of the forms for a period of five (5) years from the date of the last signature. NRHA will provide a written notification to Counsel for Plaintiff that articulates a good faith basis for its decision. NRHA will, in good faith, consider and evaluate Counsel for Plaintiff's concerns with regard to the forms.

8. **Minimum Rent and Hardship Exemption Policy and Procedures.**

a. In implementing the minimum rent and hardship exemption policy and procedures, NRHA shall utilize the forms attached and incorporated by reference as Exhibits A, B, and C. In so doing, NRHA agrees to follow the procedures and processes expressed in Exhibits A, B, and C.

b. **Notice to Residents.** NRHA shall post Exhibit A in the management offices of its Public Housing communities in a prominent location, such as a bulletin board.

c. During the course of one (1) year from this Agreement's Effective Date, NRHA shall share information about minimum rent and hardship exemptions on at least one of its social media platforms on five (5) occasions.

d. NRHA shall upload Exhibits B (Hardship Exemption Application) to its public-facing website.

e. Any and all termination of lease notices issued by NRHA based upon nonpayment of rent shall enclose Exhibit A.

9. **Notice to NRHA Employees and Agents.** To ensure its employees and agents are appropriately apprised of the hardship exemptions to the minimum rent policy, upon this Agreement's execution NRHA agrees to implement and comply with the following terms and conditions:

a. NRHA stipulates that it held a hardship exemption policy training on January 9 through 11, 2025. The training was conducted by Nan McKay on rent calculations under the Public Housing and Section 8 Housing Choice Voucher programs.

b. NRHA agrees that any and all new employees and agents in the property management department/employees and agents who handle Public Housing Resident's rent issues will be provided with training on the minimum rent and hardship exemption policies, which shall include the forms attached hereto as Exhibits A, B, and C.

c. Upon this Agreement's execution, NRHA shall provide Exhibits A, B, and C to its rental staff and property managers.

10. **Dismissal of Lawsuit and Retention of Jurisdiction.** Upon the Effective Date of this Agreement, Counsel for Plaintiff shall draft, circulate, and file a joint stipulation of dismissal and proposed order. The stipulation shall advise the Court that the Parties have entered into this Agreement, and that they seek dismissal of this Lawsuit, with prejudice, subject to the Court retaining jurisdiction for the sole purpose of interpreting and enforcing the Agreement.

11. **Subsequent Disputes.** If either Party believes the other is in breach of any term or condition of this Agreement, said Party shall provide the other with written notice of the alleged

breach and shall state clearly the requested action. The Party in receipt of said notice shall have fourteen (14) days to issue a written response. Notice from NRHA to Plaintiff shall be delivered by email to Counsel for Plaintiff, whereas notice by Plaintiff to NRHA shall be delivered by email to John Palenski at john.palenski@wilsonelser.com, Giovanna Bonafede at giovanna.bonafede@wilsonelser.com, and Delphine Carnes at dcarnes@delphinecarneslaw.com. The Parties agree to work cooperatively with one another and use their best efforts to informally resolve any such dispute before bringing such matters to the Court.

12. **Release.** The Parties hereby release and forever discharge each other and their agents, including their insurance carriers, if applicable, from any and all known and unknown claims, causes of action, defenses, set-offs, counterclaims, suits, debts, damages, liabilities, demands, judgments, and controversies—whether matured or unmatured, at law or in equity, or liquidated or unliquidated—that arise out of the facts alleged in this Lawsuit. However, this release shall not apply to any alleged breaches of this Agreement.

13. **No Admission of Liability.** It is understood and agreed between the Parties that this Agreement is a compromise and shall never be construed as an admission of liability, wrongdoing, or responsibility on the part of any Party or on the part of any Party's predecessors, successors, assigns, agents, parents, subsidiaries, affiliates, officers, directors, employees, heirs, or personal representatives.

14. **Fees and Costs.** Each Party shall bear its own legal and other costs incurred in connection with this Lawsuit, including the preparation and performance of this Agreement.

15. **Opportunity to Consult with Counsel.** Each Party to this Agreement acknowledges that the Party has had an opportunity to review and draft this Agreement with legal counsel and that each Party enters into this Agreement voluntarily, and with a full understanding of the Agreement's obligations and implications.

16. **Authority of Signatories.** Each Party hereby represents and warrants that the Party has the full right, power, authority, and capacity to enter into this Agreement and that this Agreement constitutes a legal, valid, and binding agreement, enforceable in accordance with its terms.

17. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective agents, attorneys, principals, partners, officers, directors, owners, shareholders, parent companies, subsidiary companies, affiliated entities, predecessors, successors, employees, personal representatives, heirs and past, present and future assigns.

18. **Merger Clause.** This Agreement contains the entire and exclusive agreement between the Parties pertaining to this Lawsuit and supersedes any and all prior and/or contemporaneous agreements and understandings, if any, of the Parties in connection therewith.

19. **Amendments.** No change, alteration, modification, termination, or amendment of this Agreement shall be effective unless set forth in a written instrument signed by the Parties.

20. **Execution by Counterpart.** This Agreement may be executed in counterparts and each such fully executed counterpart shall constitute an original, all of which together shall constitute one and the same instrument, provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts. A facsimile or electronic signature shall be deemed as an original signature.

21. **Severability.** The Parties agree that any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be rendered ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

22. **Waiver.** The delay or failure of a Party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of the right to subsequently insist upon the strict performance of the same or any other term or condition of this Agreement.

AGREED AND APPROVED:



Dated: _____

NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY

By: [Handwritten Signature]

Title: Executive Director

Dated: 8/28/2025

22. **Waiver.** The delay or failure of a Party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of the right to subsequently insist upon the strict performance of the same or any other term or condition of this Agreement.

AGREED AND APPROVED:

[Redacted signature area]

Dated: 8 29 25

NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY

By: _____

Title: _____

Dated: _____

MINIMUM RENT HARDSHIP EXEMPTIONS

This information sheet applies only to those residents who are paying the minimum rent of \$50 a month.

WHAT IS A HARDSHIP EXEMPTION?

If you cannot afford to pay the minimum rent of \$50 a month, you may be entitled to a hardship exemption that will reduce your rent payment. Once you ask for a hardship exemption, your obligation to pay the minimum rent will be *suspended* the month immediately following your request, and NRHA will not evict you for non-payment for 90 calendar days following your request.

Following your request, your property manager will determine whether you are entitled to the exemption.

WHO QUALIFIES FOR A HARDSHIP EXEMPTION?

You may qualify for a hardship exemption if:

- You or a household member lost a job;
- You lost another source of income, such as child support;
- Your family lost federal, state, or local benefits, or you are waiting to hear if you are eligible for benefits;
- You are unable to pay the minimum rent and would face eviction for non-payment; or
- Someone in your family died.

HOW DO I REQUEST A HARDSHIP EXEMPTION?

Ask your property manager for a hardship exemption. The property manager will then consider your request and determine whether you are eligible. The property manager may ask for documentation to establish your eligibility for the hardship exemption and you must provide that documentation if requested. After your property manager reviews your case, your property manager will send you a decision letter.

If you disagree with the decision in your case, you may request an informal hearing. You may contact the Legal Aid Society of Eastern Virginia at (757) 827-5078 or (www.laseva.org), to apply for potential legal representation.

HOW LONG DOES AN EXEMPTION LAST?

A hardship exemption may be short-term or long-term.

If you receive a short-term exemption (for financial hardships less than 90 calendar days):

1. Your minimum rent will be suspended.
2. After 90 calendar days, the minimum rent will be reinstated and you will be required to pay the minimum rent charges for the period of time your rent was suspended, as well as minimum rent charges going forward.
3. You will be offered a repayment agreement for the three months of unpaid rent.

If you receive a long-term exemption (for financial hardships of 90 calendar days or more):

- 1.** The suspension of minimum rent continues until the hardship ends.
- 2.** You will not be required to repay the suspended minimum rent.

If you have any questions about minimum rent or the hardship exemption program, please call _____ at (____) ____-____.

Hardship Exemption Application

FOR THE TENANT TO FILL OUT:

- I am requesting a hardship exemption from the minimum rent because:**
 - I or a household member lost a job
 - I lost another source of income
 - My family lost federal, state, or local benefits, or I am waiting to hear if I am eligible for benefits
 - I am unable to pay the minimum rent and would face eviction for nonpayment
 - Someone in my family died
- I understand that once I fill out this application, NRHA will immediately stop charging me minimum rent but that NRHA may ask me to provide documentation to prove I have a hardship.**
 - If I need to provide documents, I will be notified, in writing, that I have 10 days from the date of receipt to submit them to the rental office.
- I understand that I will be provided a copy of this application.**

Date: _____
 Tenant Printed Name: _____
 Tenant Signature: _____
 Address: _____

FOR THE RENTAL OFFICE TO FILL OUT:

The resident is to be provided a copy of this application upon receipt. You are also to provide a copy of this application if you determine it is necessary to request documentation to verify the claimed hardship.

- Within 10 days from _____, the tenant must provide [insert office address] with the following document: _____.
- If the tenant’s claimed hardship is loss of income, employment, or benefits, I affirm that I checked the Enterprise Verification System (“EIV”) and was unable to verify the same.
- I also affirm that if I requested documentation from any employer or other third party and that employer or third party did not timely respond, I followed the verification hierarchy first outlined by HUD in PIH Notice 2010-19 (HA) Administrative Guidance for Effective and Mandated Use of the EIV System (extended by various PIH notices) and reiterated in PIH Notice 2023-27 (see page 121, Table J2).

NRHA Representative Printed Name: _____
 NRHA Signature: _____
 Date: _____

Hardship Exemption Decision Notice

[Address]

Date: []

[Tenant Name]

Client Number / Unit Number: []

Dear [Tenant Name],

You submitted an application for a hardship exemption on [ADD DATE], and your property manager has made the following determination:

You have been granted a hardship exemption.

- o Reason why the hardship exemption was granted:
 - You or a household member lost a job
 - You lost another source of income
 - Your family lost federal, state, or local benefits, or you are waiting to hear if you are eligible for benefits
 - You are unable to pay the minimum rent and would face eviction for nonpayment
 - Someone in your family died

Effective Date: _____

Your rent will be set at _____.

You have been granted a temporary hardship suspension.

- o Reason for the decision (why a temporary hardship was granted and a long-term hardship was denied): _____.
- o Your hardship suspension began on _____ and will end on _____.
- o Because your hardship has been determined to be temporary, rather than long-term, you will have to repay the minimum rent that was waived for the 90 day minimum rent suspension period. Your property manager will contact you to enter a reasonable repayment plan.
- o You have a right to dispute this decision through the grievance process, as described below. You also have a right to request a hardship exemption again in the future.

Your request for a hardship suspension or exemption has been denied.

- o Reason for the denial:
 - You did not submit documentation evidencing your hardship
 - You did not establish a qualifying event
 - Another reason (please describe): _____.
- o Because your property manager has determined that you do not have any qualifying hardship, your minimum rent will be reinstated.

- You have a right to dispute this decision through the grievance process, as described below. You also have a right to request a hardship exemption again in the future.

Grievance Process

If you disagree with the above decision regarding your application for a hardship exemption, you may request an informal grievance conference/hearing to resolve this dispute. You must contact your property manager within fourteen (14) calendar days of the date of this letter. If you do not request an informal grievance hearing within fourteen (14) days from the date of this letter, you will have waived your right to dispute the decision in this matter.

You may contact the Legal Aid Society of Eastern Virginia at (757) 627-5423 (www.laseva.org), to apply for potential legal representation.

If you have any questions, please contact [add contact name and telephone number].

Sincerely,

[Name]