

EXHIBIT 1

AGREEMENT TO SETTLE CLASS ACTION CLAIMS

This Agreement to Settle Class Action Claims (“Settlement” or “Agreement”) is made by Josette Oliver, Keona Montgomery, and Taryn Travis (“Plaintiffs” or “Class Representatives” or “Named Plaintiffs”), on behalf of themselves and each of the Class Members as defined herein, on the one hand, and the Chicago Housing Authority (“CHA”), on the other hand, in the above-captioned action (“Action”).

I. PROCEDURAL HISTORY

On July 21, 2022, Plaintiffs filed this lawsuit, on behalf of themselves and others similarly situated, alleging that CHA violated their rights under the United States Housing Act, 42 U.S.C. § 1437a(a)(3), and its implementing regulations, violated their rights under the Due Process Clause of the Fourteenth Amendment, and breached their residential leases. CHA has disputed and continues to dispute the Plaintiffs’ characterizations of the factual background and legal sufficiency of this case and the claims brought against it. The Parties have now reached a settlement of those claims.

II. DEFINITION OF “SETTLEMENT CLASS MEMBERS”

1. No class has yet been certified in this Action. As part of this Settlement, the Parties will ask the Court to certify the following Settlement Class:

All current residents of CHA-owned, operated, or controlled public housing units, and all former residents of CHA-owned, operated, or controlled public housing units who resided in those units at any point since July 13, 2016, whose rent is now, has been, or will be set at the federally-authorized minimum rent.

These persons are referred to as “Class Members” or “Settlement Class Members” herein.

2. In their Motion For Preliminary Approval, Plaintiffs will ask the Court to certify the Settlement Class pursuant to Rules 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure. This Agreement does not constitute an admission of any liability or any wrongdoing by CHA and also does not constitute a waiver of CHA's defenses, including but not limited to the propriety of class certification, or an admission that class certification, if contested, could properly be granted in this case. CHA, however, will not oppose certification of this class for the sole purpose of obtaining the Court's approval of this Agreement. If, for any reason, the Court does not grant final approval of this Agreement, at Plaintiffs' or CHA's option, the Parties' stipulation to class certification shall be void *ab initio*, and CHA expressly reserves its right to oppose the merits of the Plaintiffs' claims and whether class certification is appropriate.

3. Neither this Agreement nor any statements made or documents exchanged solely for settlement of the Action, nor any documents filed or exchanged by the Parties in connection with this Agreement shall be admissible, offered into evidence, or used for any purpose in this Action or any other action for any purpose whatsoever other than for this Settlement or as agreed upon in writing by the Parties.

III. BENEFITS OF SETTLEMENT

1. An arm's-length settlement negotiation took place between the Parties, including settlement meetings either in person or over Zoom on July 7, 2021, September 2, 2021, October 18, 2021, December 13, 2021, December 15, 2021, January 20, 2021, and February 11, 2022. After each meeting the parties communicated in writing to confirm what had been stated and to continue the negotiation process.

2. This Agreement will provide significant, immediate procedural changes to benefit Class Members. *See* Section IV.2-7. This Agreement will also provide substantial relief to Class

Members in the form of rent credits for past minimum rent payments and removal of minimum rent arrearages. *See* Section IV.8-10. Plaintiffs recognize the expense and length of the proceedings necessary to litigate against CHA through trial and through any possible appeals. Plaintiffs also have taken into account the uncertainty and risk of litigation, the defenses CHA would likely raise, and the difficulties and delays inherent in litigation. Based on the foregoing, the Plaintiffs and Plaintiffs' Counsel have determined that the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

3. CHA has concluded that any further defense of this litigation would be protracted, uncertain and expensive for all Parties. Therefore, without admitting any wrongdoing or liability and without conceding any of its defenses to Plaintiffs' claims or class certification, and solely to avoid the inconvenience, expense and uncertainty of litigation, CHA has agreed to settle in the manner and upon the terms set forth in this Agreement to effectuate the full, final, and complete resolution of the Action.

4. Plaintiffs and CHA believe the Settlement is the best way to resolve the Action between them. It is the intention of the Parties that this Settlement shall constitute a full and complete settlement and release of all claims asserted, arising from, or based on the same factual predicate as the underlying claims in the Action against CHA, whether asserted individually by any Settlement Class member or on behalf of the Settlement Class, even if the claim was not presented in this Action.

5. The Parties agree to cooperate and take all necessary and appropriate steps to effectuate the terms of this Settlement. Following entry of an order granting final approval to this Settlement, the Parties shall request entry of an order dismissing the case without prejudice as set forth below.

IV. SETTLEMENT TERMS

NOW, THEREFORE, IT IS HEREBY STIPULATED, by and among the Plaintiffs on behalf of the Settlement Class on the one hand, and CHA on the other hand, and subject to the approval of the Court, that the Action be compromised and settled pursuant to the terms and conditions set forth in this Agreement and that upon entry of an order granting final approval to this Settlement, the Action shall be dismissed without prejudice as set forth below, subject to the following terms and conditions:

1. Definitions.

As used in this Settlement, the following terms are defined as follows:

“Counsel for the Parties” means Legal Action Chicago, McDermott Will & Emery LLP, the National Housing Law Project, and Saul Ewing Arnstein & Lehr LLP.

“Current Residents” means Settlement Class Members who are comprised only of the following individuals: current residents of CHA public housing; residents who are former residents of CHA public housing but who currently participate in the CHA’s Housing Choice Voucher program; or, residents who are former residents of CHA public housing but who currently participate in the CHA’s Project Based Voucher Program.

“Effective Date” means the latest date after which all of the following have occurred: (1) this Joint Stipulation and Agreement to Settle Class Action has been executed by all Parties and counsel for the Settlement Class, the Named Plaintiffs and CHA (the “Settlement Agreement Execution Date”); (2) the Court has granted preliminary approval; (3) to the extent necessary, HUD and the CHA Board of Commissioners have approved the Settlement; (4) notice has been given to the Class Members, providing them with an opportunity to opt out or object to the Settlement; (5) Final Approval as defined below; and, (6) the later of the following events: when the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has

elapsed without any appeal, writ or other appellate proceeding having been filed; or, any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or, any appeal, writ or other appellate proceeding has upheld, in all respects, the Court's Final Approval with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective—i.e., the “Effective Date” will not occur—until the Court's order approving the Settlement is completely final and there is no further legal recourse by an appellant or objector who seeks to contest the Settlement.

“Final Approval” means the date by which this Settlement is finally approved as provided herein and the Court enters Final Judgment (“Final Judgment” or “Judgment”), or in the event of an appeal of such Final Judgment, the appellate court upholding the Court's Order.

“Former Residents” means Settlement Class Members who resided in CHA public housing at any point since July 13, 2016, and who are not Current Residents.

“Hardship Exemption Instruction Sheet” means the one-page, plain language instruction sheet that informs public housing residents about the minimum rent requirement, their right to request a hardship exemption to the minimum rent, and the process for making such a request. The Hardship Exemption Instruction Sheet is attached as Exhibit A.

The term “Parties” means the Plaintiffs (including on behalf of themselves and the Class Members) and CHA.

The terms “Plaintiffs' Counsel” and “Class Counsel” mean Legal Action Chicago, McDermott Will & Emery LLP, and the National Housing Law Project.

For purposes of this Agreement, “Resident” and “Residents” shall be defined in accordance with the CHA’s Residential Lease and is someone who signed the CHA lease as Head of Household or co-Head of Household.

2. Procedures Regarding Hardship Requests

Beginning no later than forty-five (45) days following the Effective Date of this Settlement, CHA will implement and apply the following procedures regarding hardship requests:

(a) A public housing resident who is being charged the minimum rent may request a hardship exemption either verbally or in writing. CHA will not require a “formal” request or a request using particular language (e.g., “hardship exemption”) before treating residents as having requested a hardship exemption. Property managers will record each tenant request for a hardship exemption in the tenant’s ledger. When a tenant requests a hardship exemption, consistent with its current policies, CHA will suspend the minimum rent beginning the month following the request and determine whether an exemption is warranted.

(b) Prior to initiating a hardship suspension, CHA will not require any specific documentation of the resident’s hardship. To assist in CHA’s determination of whether a resident qualifies for a hardship exemption, CHA may request from the resident reasonable documentation of the resident’s hardship, such as a notice of a household member’s death, a notice of a pending application for benefits, a notice of a loss of child support or other income, a notice of termination of benefits, or evidence of lost employment. Where a resident has lost employment, CHA will first attempt to confirm that lost employment through the Enterprise Income Verification (EIV) System before asking the resident for documentation. Residents will have a reasonable period of time—no less than three weeks—to produce any requested documentation.

(c) Every time CHA denies a request for a hardship exemption from the minimum rent requirement, CHA will issue a document identifying the reason why the request was denied (as set forth on the agreed-upon Decision Notice), stating that the resident may challenge the denial by requesting a grievance hearing, and explaining how to request such a hearing. CHA will use the decision notice attached as Exhibit B.

3. Notices Regarding Hardship Requests

CHA will notify public housing residents about their right to request a hardship exemption from the minimum rent requirement by taking the following steps:

(a) No later than forty-five (45) days following the Effective Date of this Settlement, CHA will send the Hardship Exemption Instruction Sheet to every Current Resident. The Hardship Exemption Instruction Sheet will also accompany the separate Summary Notice to CHA's public housing residents.

(b) Beginning no later than forty-five (45) days following the Effective Date of this Settlement, CHA will provide the Hardship Exemption Instruction Sheet to every public housing resident:

1. When they enter the public housing program or otherwise sign a new lease;
2. At every annual re-examination, including any annual re-examinations where the tenant does not sign a new lease;
3. At every interim recertification, if and only if the tenant will be charged minimum rent following the interim recertification;
4. Whenever a resident receives a notice of rent adjustment that states the resident is subject to the minimum rent requirement, accompanying the notice described in Section IV.3(c);

5. Whenever a resident receives a termination notice demanding an amount that includes minimum rent charges, accompanying the notice described in Section IV.4; and
6. Whenever the tenant inquires with their property manager about the hardship exemption or directly provides their property manager with information, either verbally or in writing, establishing that they may be entitled to a hardship exemption because of a qualifying circumstance identified in 42 U.S.C. § 1437a(a)(3)(B)(i), the statute's implementing regulations, or CHA's Admissions and Continued Occupancy Policy (ACOP). In these circumstances, the property manager will also verbally provide information about how to request a rent adjustment or the hardship exemption. In order to demonstrate eligibility for a hardship exemption, a resident may have to submit additional documentation in accordance with Section IV.2(b).
 - i. For purposes of Section IV.3(b)(6), CHA will err on the side of providing the Hardship Exemption Instruction Sheet and verbal information about the hardship exemption to residents. The obligation to provide the Hardship Exemption Instruction Sheet and verbal information will be triggered regardless of whether the resident provides the information described in Section IV.3(b)(6) orally or in writing. This notice obligation will be triggered whenever the resident provides the relevant information either to an individual property manager or to the property manager's staff members or agents whose duties include working with residents on rent calculation matters (*e.g.*, an assistant property manager or other staff member who is

stationed in a property management office and collects or receives information used to calculate rent). The resident will not be required to use any particular language (like “hardship exemption”) before the notice obligation is triggered.

- ii. However, for purposes of Section IV.3(b)(6), the notice obligation will not be triggered if a resident makes a report to an individual who is neither an individual property manager nor a staff member or agent of the property manager whose duties include working with residents on rent calculation matters. The notice obligation also will not be triggered if the tenant provides the relevant information at a time when the property manager or applicable property manager staff member or agent is not acting in his or her capacity as the property manager (*e.g.*, at an unrelated social event off-site).

(c) Beginning no later than forty-five (45) days following the Effective Date of this Settlement, every notice of rent adjustment that states the resident is subject to the minimum rent requirement will contain information about the resident’s right to request a hardship exemption, as well as the process for making such a request. The notice of rent adjustment will be accompanied by the Hardship Exemption Information Sheet. CHA will use the notice of rent adjustment attached as Exhibit C.

(d) If CHA intends to make any material changes to information regarding the hardship exemption in the decision notice described in Section IV.2(c), the notices described in this Section IV.3, or the notice described in Section IV.4 in the future (for example, but not by way of limitation, because of a change in the dollar amount of the minimum rent), CHA agrees to provide

an opportunity for public notice and comment. Additionally, CHA will contemporaneously inform Plaintiffs' counsel of all changes to the notices identified in this provision.

4. Procedures Regarding Termination Notices

No later than forty-five (45) days following the Effective Date of this Settlement, CHA will implement the following procedures regarding termination notices. CHA will include in every termination notice demanding an amount that includes minimum rent charges the following language: "NOTICE: Some or all of the rent that you owe is for unpaid 'minimum rent' charges of \$75 a month. IF YOU COULD NOT AFFORD TO PAY THIS RENT, YOU MAY BE ENTITLED TO A 'HARDSHIP EXEMPTION' AND TO HAVE THESE CHARGES REDUCED. **If you think you may qualify for a hardship exemption, contact your property manager before this notice expires.** See the attached notice for more information." CHA will use the termination notice attached as Exhibit D. CHA will attach the Hardship Exemption Information Sheet to all termination notices containing this language.

If a tenant facing eviction requests a hardship exemption, CHA will promptly determine if the resident is entitled to a retroactive hardship exemption for any or all of the months at issue, and therefore a reduction in the rent due for those months, regardless of whether the tenant made a formal request for a hardship exemption at a prior date. If the tenant is entitled to a reduction in the rent due and no suit has yet been filed, the CHA will revise the termination notice to reflect a new amount due that takes into account the application of the hardship exemption. If an eviction suit has already been filed, the CHA will not issue a new termination notice. However, the CHA will work with any resident facing eviction in an effort to avoid eviction.

5. Documentation of Procedures Regarding Hardship Requests

CHA will incorporate the hardship exemption procedures described in this Settlement Agreement into the ACOP training manual and into an advisory notice to its private property management services (PPMs). The Plaintiffs' counsel may provide input on the language used in the training manual and advisory notice, but CHA reserves the right to decide the final content thereof. The advisory notice and the revised ACOP training manual will be distributed to CHA's PPMs no later than forty-five (45) days following the Effective Date of this Settlement. CHA will redistribute the advisory notice to CHA's PPMs whenever CHA circulates its ACOP to the PPMs, and the advisory notice will be available on any website or internal server that PPMs use to access program documents.

6. Training on Procedures Regarding Hardship Requests

No later than forty-five (45) days following the Effective Date of this Settlement, and thereafter at least annually, CHA will train its staff and property managers on its procedures and practices regarding the minimum rent and hardship suspensions and exemptions. The Plaintiffs' Counsel will have input on the creation and implementation of the training materials, but CHA reserves the right to decide the final content thereof. Such training shall include, but not be limited to:

- a. The criteria for, and availability of, hardship suspensions of and exemptions from the minimum rent requirement;
- b. The process by which tenants can apply for a hardship exemption;
- c. The requirement that CHA staff and property managers, including staff members or agents of the property manager whose duties include working with residents on rent calculation matters, suspend the minimum rent beginning the month following

the request and promptly investigate whether a tenant qualifies for a hardship exemption after a tenant requests a hardship exemption by:

- i. working with the tenant to obtain any necessary documentation, and
 - ii. evaluating whether the tenant is experiencing a qualifying hardship under federal law;
- d. The requirement that CHA staff and property managers, including staff members or agents of the property manager whose duties include working with residents on rent calculation matters, immediately take the actions in Section IV.6(c) whenever a resident requests a hardship exemption, either verbally or in writing, and that CHA staff and property managers not require a “formal” request or a request using particular language (e.g., “hardship exemption”) before treating residents as having requested a hardship exemption.
- e. Specific examples of circumstances in which CHA employees and contractors must treat a tenant as having requested a hardship exemption; and
- f. The duties of CHA staff and property managers, including staff members or agents of the property manager whose duties include working with residents on rent calculation matters, to provide notice as set forth in this Agreement, including the requirement that these individuals provide the Hardship Exemption Information Sheet and verbal information about the hardship exemption whenever a tenant directly provides their property manager with information establishing that they may be entitled to a hardship exemption because of a qualifying circumstance identified in 42 U.S.C. § 1437a(a)(3)(B)(i), the statute’s implementing regulations, or the ACOP, as detailed more fully in Section IV.3(b)(6).

7. Application of Hardship Request Procedures

CHA agrees to apply the procedures described in this Settlement Agreement to all current and future public housing residents, as well as to all past public housing residents where described in Sections IV.8-10.

8. Arrearage Removals

(a) No later than forty-five (45) days following the Effective Date of this Settlement, CHA will remove from each public housing resident's rent ledger all unpaid minimum rent charges that have accrued from July 13, 2016 and continuing until and including the Settlement Agreement Execution Date. This relief will apply to all Class Members (including Named Plaintiffs) who do not exclude themselves from the Settlement by filing a valid and timely notice of exclusion from this Settlement. CHA will not conduct individualized assessments or demand that Residents request this relief prior to removing these arrearages.

(b) No later than 45 days following the Effective Date of this Settlement, CHA agrees to provide updated rent ledgers to all tenants who are entitled to the relief described in this provision.

9. Rent Credits

(a) No later than forty-five (45) days following the Effective Date of this Settlement, CHA will initiate the process of awarding Class Members credits for past minimum rent payments as described in this provision. Subject to the individualized assessment procedure discussed below, CHA agrees to provide every public housing resident who has made one or more minimum rent payments (including Named Plaintiffs) and who do not exclude themselves from the Settlement by filing a valid and timely notice of exclusion from this Settlement with a rent credit equal to the total amount of minimum rent payments the tenant has actually paid since April 13, 2020 and continuing until and including the Settlement Agreement Execution Date. These credits will have

no expiration date and may be offset against existing amounts owed to CHA for unpaid back rent (except that the credits shall not be used to reduce unpaid minimum rent arrearages that would otherwise be removed pursuant to Section IV.8 of this Agreement), as well as current or future rent.

Rent credits will be excluded from the calculation of a tenant's adjusted annual income, similar to the forms of excludable income defined in 24 C.F.R. § 5.609(c).

A resident's eligibility for a rent credit will not depend on the source of the resident's past minimum rent payment(s). For example, if CHA received the minimum rent payments through a pandemic-related federal rental assistance program, a resident who would otherwise be eligible for a rent credit will still be entitled to a credit for each minimum rent payment.

(b) At CHA's option, CHA may conduct individualized assessments to determine whether Class Members are entitled to receive rent credits. However, if CHA chooses to conduct individualized assessments, CHA may not demand any additional request from a Class Member to initiate the individualized assessment; the assessments must be initiated for all Class Members who have made one or more minimum rent payments since April 13, 2020 and continuing until and including the Settlement Agreement Execution Date and who do not exclude themselves from the Settlement by filing a valid and timely notice of exclusion from this Settlement. Class membership is deemed consent for the CHA to run income verification for each Class Member and review documentation in the Class Member's file to determine the Class Member's eligibility for the hardship exemption. CHA will use all information it currently has on file for each Class Member to conduct any individualized assessment, and CHA will also consider any additional documentation that Class Members choose to timely submit to support their entitlement to rent credits. If CHA elects to conduct an individualized assessment process, CHA will inform

Plaintiffs' Counsel and Class Members of the initiation of that process no later than forty-five (45) days following the Effective Date of this Settlement using the notice attached as Exhibit E, which informs Class Members of their right to submit documentation of their eligibility for a hardship exemption and the process and time-frame for submitting such documentation.

Any individualized assessments CHA conducts will evaluate not only the Class Member's entitlement to a credit for past minimum rent payments, but also the Class Member's current eligibility for the hardship exemption. As applicable, CHA will apply the hardship exemption retroactively for rent credit purposes and/or prospectively for future rent payments. Any individualized assessments CHA conducts will consider the eligibility criteria listed in 42 U.S.C. § 1437a(a)(3)(B)(i), and CHA will not impose additional conditions on a Class Member's entitlement to a rent credit.

The CHA reserves the right to grant rent credits without conducting an individualized assessment should it determine that an individualized assessment is too burdensome.

(c) No later than 45 days after CHA has awarded rent credits to eligible class members, CHA agrees to provide updated rent ledgers to all residents who are entitled to this relief. If CHA conducts individualized assessments and determines that individual residents are not entitled to rent credits for certain past minimum rent payments, CHA will provide written notice to these residents that their request for a hardship exemption for those months has been denied, in accordance with Section IV.2(c) of this Settlement.

(d) Class Members are responsible for all implications and considerations with regard to their own taxes, including but not limited to determining and paying the appropriate individual taxes due on the credits they receive. CHA and Counsel for the Parties do not intend this Agreement to constitute legal advice relating to tax liability of any Class Member. To the extent

that this Agreement, any of its attachments or any other related communications are interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

10. Relief for Evicted Past Residents

No later than six months following the Effective Date of this Agreement, CHA will identify each and every public housing resident who, during a period commencing five years prior to July 13, 2021, has been evicted for nonpayment of an amount that includes the minimum rent. No later than six months following the Effective Date of this Agreement, CHA will take reasonable steps to remove unpaid minimum rent arrearages from these former residents' ledgers that accrued from July 13, 2016 and continuing until the Settlement Agreement Execution Date, unless the former residents have excluded themselves from the Settlement by filing a valid and timely notice of exclusion from this Settlement.

If CHA has reported these debts to any other entities, including to the U.S. Department of Housing and Urban Development through its Enterprise Income Verification System, CHA will take reasonable steps to report to such other entities that the CHA has cleared the former residents' record of these debts. Plaintiffs and the CHA understand that CHA does not control how the U.S. Department of Housing and Urban Development or any other third party ultimately uses the information that CHA provides to that third party.

11. Incentive Credits and Arrearage Reductions for Named Plaintiffs

(a) Class Counsel shall apply for "Class Representative Incentive Credits and Arrearage Reductions" to the Class Representatives Josette Oliver, Taryn Travis, and Keona Montgomery in the form of additional arrearage removals and rent credits to be awarded for the time and effort

that the Named Plaintiffs spent pursuing the Action and in recovering relief on behalf of thousands of Class Members. Class Counsel shall apply for CHA to (1) erase all unpaid minimum-rent charges that have accrued throughout the tenancies of Josette Oliver, Taryn Travis, and Keona Montgomery with CHA, regardless of whether the charges would otherwise be removed pursuant to Section IV.8; and (2) provide credits for any minimum rent payments the three Named Plaintiffs made to CHA during their tenancies, regardless of whether the credits would otherwise be provided pursuant to Section IV.9. CHA agrees not to oppose such application.

(b) If the Court approves of the Class Representative Incentive Credits and Arrearage Reductions described in Section IV.11(a), these Class Representative Incentive Credits and Arrearage Reductions will replace the relief pursuant to Sections IV.8 and 9 for which the Named Plaintiffs would otherwise qualify as Class Members. However, if the Court approves a Class Representative Incentive Credit and Arrearage Reduction to any Named Plaintiff for rent credits and/or arrearages that are less than those described in Sections IV.8 and/or 9, then the Named Plaintiff shall receive at least the relief for Class Members described in Sections IV.8 and/or 9 instead of the Class Representative Incentive Credit and Arrearage Reduction.

(c) Any Class Representative Incentive Credits and Arrearage Reductions shall be applied to the Named Plaintiffs' ledgers on or before forty-five (45) days after the Effective Date of this Agreement.

12. Reporting

No later than six (6) months following the Effective Date of this Agreement, CHA shall send written confirmation to Plaintiffs' Counsel confirming that CHA has satisfied Sections IV.8-10 of this Agreement. This written confirmation shall identify the number of tenants whose rent ledgers were adjusted, the number of tenants who received rent credits, and the number of evicted

tenants who received relief. It shall also identify the total dollar amount of minimum rent charges removed from tenants' ledgers, and the total dollar amount of rent credits that CHA issued.

13. Payment of Attorneys' Fees and Costs

(a) Forty-five (45) days following the Effective Date of this Agreement, CHA shall pay to Class Counsel all attorneys' fees and litigation costs, including class administration costs, approved by the Court, which together may not exceed \$75,000.

(b) Class Counsel shall ask the Court to award them \$75,000 as attorneys' fees and litigation costs, including class administration costs. CHA will not oppose this request. If the Court approves an award of attorneys' fees and litigation costs in an amount less than \$75,000, then the CHA shall retain, and shall not pay, the difference between \$75,000 and the amount awarded to Class Counsel.

(c) The payment of the attorneys' fees and costs awarded to Class Counsel shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, expenses, or costs in connection with this Action, this Settlement or any appeal, incurred by any attorney on behalf of the Class Members with respect to the claims against the CHA, including class administration costs. This payment shall relieve CHA of any other claims or liability to any other attorney or law firm for any attorneys' fees, expenses or costs to which any of them may claim to be entitled on behalf of the Class Members and which arise out of the allegations in the Action.

(d) Class Counsel are entitled to file for additional attorneys' fees associated with work performed in connection with any motion to enforce this Agreement.

14. Release

Upon the Effective Date of this Settlement, Class Members (including Named Plaintiffs) who do not exclude themselves from the Settlement by filing a valid and timely notice of exclusion from this Settlement, on their own behalf and on behalf of their respective current, former and future spouses, family members, heirs, executors, administrators and assigns, forever discharge and fully release Chicago Housing Authority or the “CHA,” defined to be the named-defendant, its associated entities and agencies, related public bodies, including but not limited to the U.S. Department of Housing and Urban Development (“HUD”), the State of Illinois and the City of Chicago, sister entities, related organizations and corporations, subsidiaries, parents, its insurers, reinsurers, officers, owners, directors, members, volunteers, contributors, employees, managers, landlords, property management firms utilized by the CHA, independent contractors, commissioners, attorneys, representatives, agents and shareholders, from any claims, demands, debts, liabilities, actions, causes of action of every kind and nature, obligations, damages, losses, attorneys’ fees, expenses, interests and costs, whether known or unknown, actual or potential, suspected or unsuspected, direct, indirect or derivative, contingent or fixed, that were brought or could have been brought in this Action and that arise out of the facts alleged in this Action, namely claims challenging CHA’s policies and practices for implementing the hardship exemption to the minimum rent requirement as detailed in the Plaintiffs’ Complaint, based upon claimed violations of the United States Housing Act, the Due Process Clause of the Fourteenth Amendment, and the CHA public housing residential lease (“Released Claims”).

Each of the releases in this Paragraph may be pleaded as, and constitute, a full and complete defense to any action, suit or other proceeding that may be instituted or prosecuted with respect to any of the Released Claims.

15. Timeline of Settlement Events.

The following timeline of Settlement events sets forth a non-exclusive list of the actions that must be taken under this Agreement. The date of Preliminary Approval is the base timeline for all actions. The Parties contemplate presenting this Agreement to the Court on or before July 21, 2022. If presentation or approval is accelerated or delayed, the timeline stated below will be amended accordingly.

1. No more than thirty (30) days after Preliminary Approval or upon the approval of the Settlement by HUD and the CHA Board of Commissioners (if necessary), whichever is later, CHA will distribute the Summary Notice, attached as Exhibit F, and Hardship Exemption Instruction Sheet in accordance with Section IV.3(a) and IV.16 of this Agreement.
2. Forty-five (45) days after the mailing of Class Notice, all requests for exclusion from the Settlement must be received by CHA or Class Counsel to be deemed valid and timely.
3. Twenty-one (21) days before the Final Approval Hearing, all objections to the Settlement must be filed or received by the Counsel for the Parties.
4. Fourteen (14) days before the Final Approval Hearing, or on another date set by the Court, Plaintiffs' Counsel shall file a Motion for Final Approval of this Settlement and Plaintiffs' Petition for Attorneys' Fees.
5. Forty-five (45) days after the Effective Date and as approved by the Court, CHA shall pay Class Counsel's attorneys' fees and litigation costs in accordance with Section IV.13 of this Agreement and shall apply any Class Representative Incentive Credits and Arrearage Reductions to the Named Plaintiffs' ledgers in accordance with Section IV.11 of this Agreement.

6. No later than forty-five (45) days following the Effective Date of the settlement, CHA will:
 - a. Implement and apply the procedures regarding hardship requests described in Section IV.2;
 - b. Notify public housing residents about their right to request a hardship exemption from the minimum rent requirement in accordance with Section IV.3;
 - c. Implement procedures regarding termination notices in accordance with Section IV.4;
 - d. Train its staff and property managers in accordance with Section IV.6;
 - e. Remove from each public housing resident's rent ledger all unpaid minimum rent charges that have accrued from July 13, 2016 and continuing until and including the Settlement Agreement Execution Date, in accordance with Section IV.8; and
 - f. Initiate the process of awarding Class Members credits for past minimum rent payments, in accordance with Section IV.9.
7. No later than 45 days following the Effective Date of this Settlement, CHA agrees to provide updated rent ledgers to all tenants who are entitled to the relief described in Section IV.8.
8. No later than six months following the Effective Date of this Agreement, CHA will:
 - a. Conclude any individualized assessments subject to Section IV.9;
 - b. Provide the relief for evicted past residents described in Section IV.10; and
 - c. Send a report to Plaintiffs' Counsel confirming that CHA has complied with Sections IV.8-10 of this Agreement.

16. Notice/Approval of Settlement and Settlement Implementation.

As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary court approval of the Settlement, notifying Class Members about the Settlement, obtaining final court approval of the Settlement, and implementing the procedures described in this Agreement:

(a) Preliminary Approval Hearing. After this Court grants a Preliminary Approval of the Settlement (“Preliminary Approval” or “Order”), the Parties will request a hearing date. In conjunction with this pleading, Plaintiffs will submit this Agreement, which sets forth the terms of this Settlement, and will include proposed forms of all notices and other documents as attached hereto necessary to implement the Settlement.

(b) Notice to Class Members. On the timetable specified in Section IV.15 of this Agreement, the CHA shall distribute a copy of the Summary Notice, attached hereto as Exhibit F, to each Settlement Class Member. The Summary Notice shall state each Settlement Class Member’s right to object or opt-out of the Settlement and shall be accompanied by a copy of the Hardship Exemption Information Sheet.

The notice will be delivered to Current Residents by hand-delivery or by U.S. Mail. The Notice will be mailed to Former Residents using the most current mailing address in CHA’s records. Within twenty (20) days of the date of the initial mailing, CHA shall promptly conduct a second mailing to any Former Resident whose Summary Notice is returned as undelivered and shall send notice to any forwarding address provided by the U.S. Postal Service. In the event no forwarding address is provided, then the notice mailing process shall end for that Former Resident.

Upon completion of these steps by CHA, the Parties shall be deemed to have satisfied their obligation to provide the Summary Notice to each Class Member, and such Class Member shall be bound by all terms of the Settlement and the Court’s Order and Final Judgment.

17. Procedure for “Opting In,” Objecting to, or Requesting Exclusion from Class Action Settlement.

(a) Procedure for “Opting In”. The Notice shall explain to Class Members that by taking no further action, including by failing to send a valid and timely written statement to CHA requesting that he or she be excluded from the Class (as set forth below in Section IV.17(c)), they are agreeing to stay in the Class and participate in the Class Settlement. The Notice also will explain to Class Members that each Class Member who stays in the Settlement Class will release their claims against CHA, as set forth in Section IV.14, and will lose their right to sue, continue to sue, or be part of any other lawsuit or legal proceeding against CHA about any of the Released Claims in this Action.

(b) Procedure for Objecting. The Notice shall provide that Class Members who wish to object to the Settlement must mail a written statement to each Party in the care of their Counsel at the following addresses:

Lawrence Wood
Legal Action Chicago
Attn: CHA Minimum Rent Settlement
120 South LaSalle Street, Suite 900
Chicago, IL 60603

Toby Eveland
Saul Ewing Arnstein & Lehr LLP
Attn: CHA Minimum Rent Settlement
161 N. Clark, Suite 4200
Chicago, IL 60601

Such written statement must be received by Counsel for the Parties no later than twenty-one (21) days before the Final Approval Hearing. Class Members who fail to submit timely written objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement.

(c) Procedure for Requesting Exclusion (“Opt Outs”). The Notice shall provide that Class Members who wish to exclude themselves from the Class must submit a written statement requesting exclusion from the Class. Such written request for exclusion must contain the name,

address, telephone number, and the last four digits of the Social Security number the Class Member used when living at CHA, must be returned by mail to CHA at a specified address, and must be received no later than forty-five (45) days after mailing of the settlement notice. Any Class Member who opts out of the Class will not be entitled to any relief under the Settlement; they will not be bound by the Settlement or have any right to object, appeal, or comment thereon. No later than twenty-one (21) calendar days after the Exclusion Deadline, CHA shall furnish to CHA's Counsel and Class Counsel a complete list of all Class Members who have timely requested exclusion from the Class.

18. Final Settlement Approval Hearing and Entry of Final Judgment.

With the Court's permission, a Final Approval Hearing shall be conducted to determine final approval of the Settlement along with the amount payable for the attorneys' fees and costs. Class Counsel will prepare, for CHA's Counsel's review, a motion for final approval of the Settlement and draft order of final approval. Class Counsel will timely file the motion for final approval of the Settlement, which will include a proposed order: (1) granting final approval of the Settlement; (2) adjudging the terms of settlement to be fair, reasonable, and adequate; (3) directing the Parties to carry out the Settlement's terms and provisions; and (4) approving payment of attorneys' fees, litigation expenses, and costs to Class Counsel in an amount not to exceed \$75,000.00. The proposed order will dismiss the case without prejudice. The Court will retain jurisdiction to enforce and otherwise implement the terms and conditions of the Settlement Agreement, and the dismissal without prejudice will convert to one with prejudice upon notice of the parties to the Court of the execution of all terms of the settlement agreement or as otherwise set forth in Section IV.34.

19. Nullification or Rescission of Settlement Agreement.

(a) In the event: (i) the Court does not finally approve the Settlement as provided herein; (ii) the Court does not enter a Final Judgment which becomes final as a result of Final Approval; (iii) this Settlement is not approved by the U.S. Department of Housing and Urban Development, to the extent necessary, within ninety days of preliminary approval; (iv) this Settlement is not approved by the CHA Board of Commissioners, to the extent necessary, within ninety (90) days of preliminary approval, or (v) the Settlement does not become final for any other reason that cannot be cured by the Parties, then this Settlement Agreement shall be null and void, and CHA shall be under no obligation to provide relief under this Agreement. In such case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is sought prior to the Final Approval, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

(b) If the Court does not preliminarily approve the settlement or if the Court grants preliminary approval but with material modifications (not including any modifications with regard to the attorneys' fees awarded pursuant to Section IV.13 or to Class Representative Incentive Credits and Arrearage Reductions pursuant to Section IV.11, which changes shall not be deemed material modifications), then any signatory to the Agreement or underlying terms shall have the right but not the obligation to void or rescind the settlement. If a Party chooses to exercise his, her or its right to void or rescind the settlement because of a material modification by the Court, such right must be exercised no later than fourteen (14) days after the preliminarily approval of the settlement, or else the Parties agree that any attempted rescission shall be without effect. In the

event a Party chooses to exercise its right to rescind under this Paragraph, the settlement shall be deemed void *ab initio* and the Parties will be deemed to be in the same position as existed prior to the execution of this Agreement, except the exercising party shall bear the costs for notice and settlement administration incurred.

(c) If more than three percent (3%) of the Settlement Class opts-out of the settlement, the CHA shall have the right, but not the obligation, to terminate the settlement after reasonable notice to the Plaintiffs, and this Agreement shall be null and void and no stipulation, representation, assertion of fact or information provided in this Agreement or for purposes of negotiation may be used by any party. CHA shall reserve the right in its sole discretion to rescind the Settlement within fourteen (14) days of reasonably discovering this fact by giving written notice to Plaintiffs' Counsel.

20. Exhibits and Headings.

The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

21. Interim Stay of Proceedings.

Pending the Final Approval Hearing, the Parties agree to hold in abeyance all proceedings in the Action, except proceedings necessary to implement and complete the Settlement. In this regard, the Parties stipulate that until the Settlement is either approved fully or nullified, neither party need serve or respond to responsive pleadings or motions.

22. CAFA Notice.

Within ten (10) days of the Parties filing a motion for preliminary approval of this Settlement, CHA shall serve the notices required by 28 U.S.C. § 1715.

23. Amendment or Modification.

This Agreement may be amended or modified only by a written instrument signed by all of the Parties or their successors in interest or by the Court on good cause shown.

24. Entire Agreement.

This Agreement and any attached Exhibits constitute the entire agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

25. Authorization to Enter Into Settlement Agreement.

Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement, subject to the limitations set forth in Section IV.19(a)(iii)-(iv), *supra*. Subject to these same limitations, the signatories hereto hereby represent that they are fully authorized to enter into this Agreement and bind the respective Parties to the terms and conditions set forth herein. In the event that the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

26. Binding on Successors and Assigns.

This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties to this Agreement and the successors or assigns of the Parties hereto, as previously defined, and by any resident subject to the minimum rent requirement. The parties specifically acknowledge that there is sufficient consideration contained in and for this Agreement.

The parties, including the plaintiff class, if certified, agree that this Agreement shall be final and binding. The parties agree not to challenge the enforceability, legality, or final and binding nature of the Agreement in any court or other forum.

27. No Prior Assignments.

The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

28. No Admission.

Nothing contained herein, nor the consummation of this Agreement, is to be construed or deemed, either in whole or in part, as an admission of liability, culpability, negligence, or wrongdoing on the part of the CHA or any of the Released Parties. CHA expressly denies any liability or wrongdoing and does not concede any of its defenses to the Released Claims or to certification of the class alleged. The Parties have entered into this Agreement solely with the intention to avoid further disputes and litigation and attendant inconvenience and expense.

29. Illinois Law Governs.

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of Illinois, except as to any issues governed by federal law.

30. Counterparts.

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts.

31. Jurisdiction of the Court.

The Court shall retain exclusive jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

32. Cooperation and Drafting.

Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

33. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable. Any provision(s) declared invalid shall be severed and shall not adversely impact the validity of the surviving provisions of the Agreement.

The Parties further agree that should the material requirements of federal law change with respect to minimum rent eligibility, or minimum rent hardship exemption eligibility, the Parties will seek corresponding alterations to this Agreement from the Court at any time while this case

remains dismissed without prejudice, but will comply with this Agreement until the Court approves any changes. If this case has been dismissed with prejudice pursuant to Section IV.34, then the CHA may make changes to its notices or training materials so long as the CHA agrees to provide an opportunity for public notice and comment.

34. Enforcement Actions.

The Parties agree that acts or omissions that violate this Agreement may be the basis for a motion to enforce this Agreement. The Parties agree that the United States District Court for the Northern District of Illinois shall retain jurisdiction to enforce this Agreement until the terms of this Agreement are satisfied or the expiration of one (1) year following the dismissal without prejudice, whichever occurs first, unless Plaintiffs seek an extension of time for the court to retain jurisdiction because the terms of this Agreement have not been satisfied; provided, however, that once CHA has complied with its obligations under this agreement to implement the required changes to its hardship exemption procedures and to create and begin the required training on these procedures, no extension will be available based solely on an alleged failure by CHA to provide training or notices on an ongoing basis. The burden is on the Plaintiffs to demonstrate that the Defendant has not substantially satisfied the terms of the settlement agreement. The Court will retain jurisdiction to rule on any motions that are pending on the date the Court's jurisdiction would otherwise expire under the terms of this Agreement. The Parties agree that thirty (30) days prior to the filing of any motion for enforcement, Plaintiffs shall provide CHA with written notice of their intent to file such a motion and an opportunity to discuss it. The Parties agree that the prevailing party in any Enforcement Action shall be entitled to recover from the non-moving party its reasonable attorneys' fees, costs and expenses incurred in any Enforcement Action.

35. Signatories.

It is agreed that because the number of Class Members is so numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Notice will advise all Class Members of the binding nature of the Release, and the Release shall have the same force and effect as if this Agreement were executed by each Class Member.

[SIGNATURE PAGE FOLLOWS]

PLAINTIFFS

DATED: _____, 2022

By:

Josette Oliver

DATED: _____, 2022

By:

Keona Montgomery

DATED: _____, 2022

By:

Taryn Travis

CLASS COUNSEL

DATED: _____, 2022

By:

Lawrence Wood

Attorney for Plaintiffs

THE CHICAGO HOUSING AUTHORITY

DATED: _____, 2022

By:

EXHIBIT A

MINIMUM RENT HARDSHIP EXEMPTIONS

**This information sheet applies only to those residents
who are paying the minimum rent of \$75 a month**

WHAT IS A HARDSHIP EXEMPTION?

If you cannot afford to pay the minimum rent of \$75 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 the CHA 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 or CHA 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 will be able to request an informal hearing.

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.

DO I HAVE TO PAY ANY RENT IF I RECEIVE A HARDSHIP EXEMPTION?

That depends. Even if you are granted the hardship exemption, that does not necessarily mean your rent will be reduced to \$0. You may still be required to pay some amount that is less than \$75.

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

EXHIBIT B

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.

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 non-payment
- Someone in your family died

Effective Date: _____

Your rent will be set at _____.

You have been granted a temporary hardship suspension.

Reason for the decision (why a temporary hardship was granted and a long-term hardship was denied):

- Your hardship was determined to be temporary in nature
- Another reason (please describe)

Your hardship suspension began on _____ and will end on _____.

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.

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.

Reason for the denial:

- You did not submit documentation evidencing your hardship
- You did not establish a qualifying event
- Another reason (please describe)

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 in writing 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.

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

Sincerely,

[Name]

EXHIBIT C

[Address]

Date: []

[Tenant Name]

Client Number / Unit Number: []

Dear [Tenant Name],

We have completed our re-examination of your family composition and family income.

Annual Household Income: _____

Family Count: [X]

You must pay either an income-based rent or a flat rent. Please circle your choice of rent payment and sign your name next to your choice.

Your new monthly rent amount will be effective on ____.

Your **INCOME-BASED** rent is \$75

[Tenant Name]

Your **FLAT-BASED** rent is _____

[Tenant Name]

If you cannot afford to pay \$75 a month, you may qualify for a “hardship exemption” and pay a reduced rent of between \$0 and \$74.

To apply for a hardship exemption, speak with your property manager right away. See the attached notice for more information.

You are scheduled to sign your new lease on ___ at ___. Please bring this signed letter with you, at which time management will discuss your choice in detail.

If you have any questions concerning the rent change shown above, please be prepared to discuss them at the scheduled meeting.

Sincerely,

Property Manager

Attachments:

Hardship Exemption Information Sheet

EXHIBIT D

LANDLORD’S NOTICE AND DEMAND FOR RENT
[NAME OF MANAGEMENT GROUP/LOCATION OF RESIDENCE]

Client No: _____

1. You occupy the described premises together with closets, laundry rooms, perambulator rooms and other rooms and spaces used in connection with said premises, for which the monthly rental payable in advance is: _____

2. YOU ARE HEREBY NOTIFIED THAT THERE IS NOW DUE [NAME] THE SUM OF _____ FOR ABOVE DESCRIBED PREMISES.

3. NOTICE: Some or all of the rent that you owe is for unpaid “minimum rent” charges of \$75 a month. IF YOU COULD NOT AFFORD TO PAY THIS RENT, YOU MAY BE ENTITLED TO A “HARDSHIP EXEMPTION” AND TO HAVE THESE CHARGES REDUCED. **If you think you may qualify for a hardship exemption, contact your property manager before this notice expires.** See the attached notice for more information.

4. You are notified that payment of said sum so due is demanded of you. Unless payment is made on or before the expiration of 14 days after the date of service of the Notice, your lease of the premises will be terminated on the day following the expiration of said 14 days after service of this Notice upon you and you will be required to vacate said premises on that date. You have the right to make such reply as you wish and the right to a hearing in accordance with the Resident’s Grievance Procedures. ONLY FULL PAYMENT OF THE RENT DEMANDED IN THIS NOTICE WITHIN THE SAID 14 DAYS WILL WAIVE [NAME’S] RIGHT TO TERMINATE THE LEASE UNDER THIS NOTICE, UNLESS [NAME] AGREES IN WRITING TO CONTINUE THE LEASE IN EXCHANGE FOR RECEIVING PARTIAL PAYMENT.

4. Resident shall have the right by appointment, prior to any hearing or trial to examine any relevant documents, records, or regulations directly related to the eviction at the resident’s development office.

5. Under the penalties by law pursuant to Section 1-109 of the Code of Civil Procedures, the undersigned certifies that the statements set forth in this Affidavit of Service are true and correct.

Dated this ___ day of _____

[Name], Landlord

To [Name] and ALL OCCUPANTS
[ADDRESS]

By: _____

[Service information]

EXHIBIT E

ATTENTION: YOU MAY QUALIFY FOR A RENT CREDIT

*A federal court authorized this notice.
This is not a solicitation from a lawyer.*

You are receiving this notice because CHA's records show that you lived in public housing and made one or more minimum rent payments of \$75 between April 13, 2020 and **[Insert Date of Settlement Agreement Execution]**. As a result of a federal lawsuit, CHA is required to decide if you qualify for rent credits for each of these payments. These credits will not expire and can be used to pay CHA for unpaid back rent, as well as current or future rent.

How do I know if I qualify for rent credits?

You may qualify for rent credits if you were experiencing financial hardship and were eligible for a further "hardship exemption" at the time you paid the minimum rent.

For example, you may qualify if, since April 13, 2020:

- 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 were waiting to hear if you were eligible for benefits;
- You were unable to pay the minimum rent and faced eviction for non-payment; or
- Someone in your family died.

See the attached information sheet for more details on the hardship exemption.

I think I am eligible. What do I need to do to get the rent credits?

Contact CHA immediately by calling _____. Tell CHA that you believe you are entitled to rent credits under the class action settlement agreement and work with CHA to submit any documents that show that you qualified for a hardship exemption at the time of your minimum rent payments. If you *currently* qualify for a hardship

exemption to the minimum rent, CHA will also review evidence of your current situation now—see below for more details.

You have until ____ __, ____ [insert date five months after the Effective Date of the Settlement] to submit documents to show that you qualify for rent credits.

Documents you may submit include: a notice of a household member's death (such as a death certificate), a notice of a pending application for benefits, a notice of a loss of child support or other income, a notice of termination of benefits, or evidence of lost employment.

If you do not have documents establishing that you qualified for a hardship exemption when you paid the minimum rent, you may ask CHA to determine whether you were eligible based on information in CHA's possession.

Any documents you want CHA to consider must be sent to CHA at the following address and received by **[insert date five months after the Effective Date of the Settlement]**:

[Insert address]

What if I can't afford to pay the minimum rent *now*?

Contact CHA immediately by calling _____. Tell CHA or your property manager that you want to request a hardship exemption to the minimum rent, and work with CHA or your property manager to submit any necessary documents. See the attached information sheet for more details.

What happens if I do nothing?

If you do nothing, CHA will decide if you are eligible for rent credits based on your income verification and on documents in your file. CHA will also evaluate whether you currently qualify for a hardship exemption based on your income verification and on the documents in your file.

If you have additional evidence that would help CHA make a decision in your case, you should submit those documents by **[insert date five months after the Effective Date of the Settlement]** so that evidence can be considered. If you do not

submit that documentation, CHA will make its determination on your eligibility for the rent credits solely on whatever information it has in your file. You will not be able to submit documentation in order to prove entitlement to rent credits after **[insert date five months after the Effective Date of the Settlement]** or to contest the decision of the CHA that you are ineligible to rent credits based on your file by submitting documentation after **[insert date five months after the Effective Date of the Settlement]**.

When will I know if I have received rent credits?

CHA will finish its individualized assessments by **[insert date six months following Effective Date of the Settlement]**. Within forty-five days of that date, CHA will provide updated rent ledgers to all residents who are entitled to rent credits that reflect those rent credits.

What happens if I become eligible for a hardship exemption later?

Ask your property manager for a hardship exemption. The property manager will consider your request and determine whether you are eligible. Even after the rent crediting process is complete, you always have a right to request a hardship exemption. See the attached information sheet for more details.

EXHIBIT F

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

You have received this notice because you may be a Class Member and eligible for rent credits and/or a write-off of past-due minimum rent amounts

*A federal court authorized this notice.
This is not a solicitation from a lawyer.*

On July 21, 2022, Josette Oliver, Taryn Travis, and Keona Montgomery (“Class Representatives” or “Plaintiffs”) filed a class action lawsuit alleging that the Chicago Housing Authority (“CHA”) breached CHA residents’ leases and violated federal law by failing to provide qualifying tenants with “hardship exemptions” to the \$75 minimum rent, which caused these tenants to be overcharged rent. See the attached information sheet for more details on the hardship exemption. CHA denies that it violated the law. However, in order to settle this lawsuit, CHA has agreed to:

- Remove unpaid minimum rent charges between July 13, 2016 and **[Insert Date of Settlement Agreement Execution]** from residents’ ledgers;
- Provide qualifying tenants with rent credits for minimum rent payments they made between April 13, 2020 and **[Insert Date of Settlement Agreement Execution]**;
- Provide additional rent relief to Josette Oliver, Taryn Travis, and Keona Montgomery for the work that they performed in bringing this lawsuit; and,
- Pay the Plaintiffs’ lawyers for their costs, expenses, and attorney’s fees.

*Your legal rights will be affected whether you act or don’t act.
Please read this notice carefully.*

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Get rent relief (a possible rent credit if eligible and/or balance adjustment) as provided in the settlement and give up your rights to sue CHA for failing to properly implement the hardship exemption to the minimum rent.
EXCLUDE YOURSELF	Get no rent relief. You will not participate in the settlement. This is the only option that allows you to be part of a different lawsuit against CHA about the claims in this case.
OBJECT	Write to the Court about why you believe the settlement is unfair.
GO TO A HEARING	Ask to go to Court in Chicago and speak about the fairness of the settlement.

This notice explains your rights and the deadlines to exercise them.

Questions? Call the Toll Free Number at [Insert toll-free line].

The Court in charge of this case still has to decide whether to approve the settlement. Rent relief (rent credits if eligible and/or balance adjustments) will be provided if the Court approves the settlement and after any appeals are resolved. The approval process may take several months. Please be patient.

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have been charged the “minimum rent” of \$75. The Court sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, CHA will provide the relief to class members that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits may be available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of Illinois, and the case is known as *Oliver et al. v. Chicago Housing Authority*, Case No. 22-cv-3786. The people who sued are called Plaintiffs, and the entity they sued, the Chicago Housing Authority (“CHA”) is called the Defendant.

2. What is this lawsuit about?

This lawsuit alleges that CHA did not provide public housing residents with adequate notice about how to receive a “hardship exemption” to the minimum rent, and as a result many residents were allegedly charged the minimum rent of \$75 when they may have been entitled to pay a lower rent. Plaintiffs sought to recover relief from CHA for this alleged violation and to change CHA’s minimum rent procedures going forward. The CHA denies it did anything wrong.

3. Why is this a class action?

In a class action, one or more people called Class Representatives sue as representatives of a larger group of people with similar legal claims. Together, they are called a “Class.” Individuals in the Class are called “Class Members.” As part of

Questions? Call the Toll Free Number at [Insert toll-free line].

the Settlement Agreement, the Parties agreed that this case could be settled as a class action so that one court will resolve the issues for all Class Members, except for those who exclude themselves from the Class. United States District Judge _____ in Chicago is in charge of this class action.

4. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or in favor of CHA. There has been no trial or other ruling on the Plaintiffs' claims, and this proposed settlement should not be construed as an admission of liability or wrongdoing on the part of CHA. Instead, both sides have agreed to a proposed settlement to avoid further litigation. The proposed settlement would provide affected Class Members relief and avoid the costs, delays, and uncertainties of further litigation and a trial. Plaintiffs and their attorneys think the settlement is best for all Class Members.

5. How do I know if I am in the settlement?

Judge _____ decided that everyone who fits this description is a Class Member: All current residents of CHA-owned, operated, or controlled public housing units, and all former residents of CHA-owned, operated, or controlled public housing units who resided in those units at any point since July 13, 2016, whose rent is now, has been, or will be set at the federally-authorized minimum rent.

You are receiving this notice because CHA's records show that you currently live in public housing.

THE SETTLEMENT BENEFITS — WHAT YOU MAY GET

6. What benefits does the settlement provide to Class Members?

CHA will modify its procedures to, among other things, provide additional notices to public housing residents about their right to request and receive a hardship exemption from the minimum rent if they are experiencing financial hardship. See the attached information sheet for more details on the hardship exemption.

All public housing residents who have any unpaid minimum rent charges on their ledgers dating back to July 13, 2016 will have those unpaid charges removed from

Questions? Call the Toll Free Number at [Insert toll-free line].

their ledgers through **[Insert Date of Settlement Agreement Execution]**. This relief will be automatic for Class Members who do not exclude themselves from the settlement.

Certain public housing residents will also be awarded rent credits that will have no expiration date and can be used to pay CHA for unpaid back rent or for current or future rent. Residents may qualify for rent credits if they paid any minimum rent between April 13, 2020 and **[Insert Date of Settlement Agreement Execution]**. CHA will have the option of awarding these credits to all residents who paid the minimum rent during this period, or of considering cases individually and only awarding credits to residents who qualified for a hardship exemption at the time they paid the minimum rent. If CHA decides to review cases individually, Class Members who may be entitled to rent credits will receive a separate notice about that review process. If CHA uses an individualized process, the settlement gives CHA permission to verify residents' income and review documents in Class Members' files to see if the residents were eligible for hardship exemptions at the time their minimum rent payments were made. Residents would also be invited to submit additional proof of their eligibility for a hardship exemption.

The settlement includes a payment to Class Counsel for \$75,000 in attorneys' fees. The settlement also includes additional rent relief for the Class Representatives for the risk they incurred and the time they spent in pursuing these claims.

7. How can I get my rent balance reduced or get a rent credit?

To qualify for a balance adjustment, you do not have to do anything. If you do nothing, then CHA will review your ledger and remove any unpaid minimum rent charges between July 13, 2016 and **[Insert Date of Settlement Agreement Execution]**.

To qualify for rent credits for past minimum rent payments you made between April 13, 2020 and **[Insert Date of Settlement Agreement Execution]**, you may not need to do anything. CHA may simply provide rent credits to anyone who made these payments during the relevant time period. However, CHA may decide to review cases individually. **If CHA decides to review cases individually and your case will be reviewed, you will receive a separate notice telling you how to submit evidence that you qualified for a hardship exemption at the time you made your minimum rent payments** (see attached notice for more information on hardship exemptions). If you do nothing, CHA will decide if you are eligible for rent credits based solely on your income verification and on documents in your file.

Questions? Call the Toll Free Number at [Insert toll-free line].

8. When will I get my rent balance reduced and/or rent credits awarded?

The Court will hold a hearing on **[Insert Final Approval Date, Time, and Place]**, to decide whether to approve the settlement. If Judge _____ approves the settlement after the hearing and there are no appeals, rent balances should be adjusted within 75 days of the judge's decision. Rent credits should be awarded within approximately seven months of the judge's decision. If there are appeals, resolving them can take time, perhaps more than a year. If there are no appeals, relief will be much quicker.

EXCLUDING YOURSELF FROM THE SETTLEMENT

9. If I want to get out of the settlement, what do I do?

If you want to keep the right to sue CHA on your own about the legal issues in this case, then you must take steps to get out. This is called "excluding" yourself — or is sometimes referred to as "opting out" of the Settlement Class.

To exclude yourself from the settlement, you must mail a signed letter stating:

"I am requesting to be excluded from the class settlement in *Oliver et al. v. Chicago Housing Authority*, No. 22-cv-3786. I understand that I will receive no rent relief from the settlement."

The letter must contain your name, address, telephone number, last four digits of your social security number, and signature. Your letter must be sent to the address below and **received** no later than **[Insert Date 45 Days After Notice Is Mailed]**.

Toby Eveland
Saul Ewing Arnstein & Lehr LLP
Attn: CHA Minimum Rent Settlement
161 N. Clark, Suite 4200
Chicago, IL 60601

If you request to exclude yourself from the settlement before the deadline, then you **will** be excluded from the settlement, **you will not get any settlement relief**, and you **cannot** object to the Settlement, but you will not be legally bound by anything that happens in this lawsuit.

Questions? Call the Toll Free Number at [Insert toll-free line].

10. What am I giving up to get rent relief or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues in this case. More specifically, by doing nothing you agree to release CHA, as well as certain affiliated governmental entities or sister organizations, and its independent contractors, commissioners, attorneys, representatives, property managers, agents and shareholders, from all claims challenging CHA's policies and practices for implementing the hardship exemption to the minimum rent requirement as detailed in the Plaintiffs' Complaint.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has appointed the law firms of Legal Action Chicago, McDermott Will & Emery LLP, and the National Housing Law Project to represent you and the other Class Members. These lawyers are called Class Counsel.

12. How will the lawyers be paid?

You will not be charged, personally, to be represented by Class Counsel. Instead, Class Counsel will be paid separately by CHA pursuant to the settlement. If you want to be represented by your own lawyer, then you may hire one at your own expense.

Class Counsel will ask the Court to approve payment of \$75,000 to compensate them for their attorneys' fees and litigation expenses incurred in investigating the facts, litigating the case, and negotiating the settlement. It will be up to the Court to determine the amount of fees to be paid to Class Counsel. Before the final approval hearing, Class Counsel will file a motion with the Court setting forth the basis of their proposed fee award.

OBJECTING TO THE SETTLEMENT

You have the legal right to inform the Court that you do not believe the proposed settlement is fair.

Questions? Call the Toll Free Number at [Insert toll-free line].

13. How do I tell the Court if I don't like the settlement?

You can object to the settlement if you don't believe that any part of it is fair. You must give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send or deliver a letter to the following two addresses. The letter must be **received** no later than **[Insert Date 21 Days Before Final Approval Hearing]**.

CLASS COUNSEL	DEFENSE COUNSEL
Lawrence Wood Legal Action Chicago Attn: CHA Minimum Rent Settlement 120 South LaSalle Street, Suite 900 Chicago, IL 60603	Toby Eveland Saul Ewing Arnstein & Lehr LLP Attn: CHA Minimum Rent Settlement 161 North Clark Street, Suite 4200 Chicago, IL 60601

If you choose to object to the settlement, then your objection must be in writing and must be signed by you. It must be specific about your reasons for objecting to the settlement. It also must include: (a) your full name and current address, and (b) a clear description of the basis for your objection.

14. What's the difference between Objecting and Excluding?

Objecting is simply telling the Court that you don't believe something about the settlement is fair. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend, and you may ask to speak, but you don't have to. If you would like to attend, you are responsible for your own travel costs and expenses.

Questions? Call the Toll Free Number at [Insert toll-free line].

15. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on **[Insert Date of Fairness Hearing]**, at the United States District Court for the Northern District of Illinois, 219 South Dearborn, Chicago, IL, 60604, in Courtroom _____. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are written objections, then the Court will consider them. After the hearing, the Court will decide whether to approve the settlement and how much to pay Class Counsel. We do not know how long this decision will take.

16. Do I have to come to the hearing?

No. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as your written objection was received on time, the Court will consider it. You may also get your own lawyer to attend the Fairness Hearing, but it is not necessary. You cannot speak at the hearing or appear through a lawyer if you excluded yourself.

17. What happens if the settlement is not approved?

If the settlement is not approved by the Court, then it will be voided, no money will be paid, and the case will continue to be litigated. If that happens, there is no assurance that: (a) the case will proceed as a class action; (b) any decision at trial would be in favor of the Class Members; (c) any trial or other ruling favorable to the Class would be as favorable to the Class Members as this settlement; or (d) any trial or other ruling favorable to the Class would be upheld if there are appeals.

18. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can review a copy of the Settlement Agreement and other papers filed in this case at the Office of the Clerk of the U.S. District Court located at Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL, 60604 during regular business hours of each court day.

Questions? Call the Toll Free Number at [Insert toll-free line].

You also may obtain copies of this Notice and/or the Settlement Agreement, or further information regarding the Settlement, from _____ by dialing **[Insert established toll-free line]**.

19. What should I do if I move or change my contact information?

If you do not keep _____ informed of your current address and other contact information, then you may forfeit any entitlement to receive rent relief. If there is any change in your address or other contact information, please notify _____ at:

[Insert Address]

[Insert established toll-free line]