

IN THE UNITED STATE DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
Civil Action No. 1:20-cv-1049

JESSICA JOHNSON, on behalf of)
herself and all others similarly situated,)
)
Plaintiff,)
v.)
)
PALMS ASSOCIATES, LLC, and)
DURHAM MEWS, LLC, f/k/a)
DURHAM SECTION I ASSOCIATES,)
)
Defendants.)
)
)

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by Plaintiff Jessica Johnson (“Plaintiff”), on behalf of herself and as putative class representative, and Palms Associates, LLC, and Durham Mews, LLC f/k/a Durham Section I Associates (“Defendants”) (collectively referred to as “the Parties”).

I. Recitals

A. Plaintiff filed a putative class action complaint against Defendants in the General Court of Justice, Superior Court Division, in Durham County on October 7, 2020 (“the Action”).

B. Plaintiff alleged that Defendants unlawfully charged complaint filing fees, service fees, and attorneys’ fees (collectively “Eviction Fees”) when filing or threatening a summary ejection action against their tenants.

C. Plaintiff brought the Action on behalf of herself and a class of tenants who were threatened with and/or charged eviction fees.

D. On October 20, 2020, Defendants filed a Notice of Removal to the United States District Court for the Middle District of North Carolina, Case No.: 1:20-cv-1049.

E. On December 17, 2020, Defendants filed an Answer to the Complaint.

F. On January 22, 2021, Plaintiff filed a Motion for Partial Judgment on the pleadings pursuant to Rule 12(c). The motion was fully briefed on March 5, 2021.

G. On July 30, 2021, Defendants filed a Motion to Stay pending the determination of Plaintiff's Motion for Partial Judgment on the Pleadings and Defendant's forthcoming Motion for Partial Judgment on the Pleadings.

H. On September 24, 2021, The Honorable William Osteen, Jr. denied Plaintiff's Motion for Partial Judgment on the Pleadings and Defendants' Motion to Stay.

I. On September 27, 2021, Defendants filed a Motion for Judgment on the Pleadings pursuant to Rule 12(c). This motion has also been fully briefed, and on February 8, 2022, the Court issued a Stay pending the outcome of *Bass v. Weinstein Mgmt. Co. Inc. et al.*, No. 1:20-CV-916, which had been pending in the Middle

District and then appealed to the Fourth Circuit Court of Appeals and docketed as Case No. 21-2101. The Honorable Catherine Eagles ruled in *Bass* that property managers were allowed to charge the fees at issue under the amended version of N.C. Gen. Stat. § 42-46, and that the statutory amendment was retroactive. As a result, the trial court dismissed all of plaintiff's claims in that action with prejudice. *Bass*, No. 1:20-CV-916, 2021 WL 4078507 (M.D.N.C. Sept. 8, 2021).

J. While this matter was stayed pending the appeal of the *Bass* ruling, the Parties engaged in extensive, arm's length negotiations regarding the settlement of this Action, assisted by a respected mediator, Judge Doug McCullough (ret.), with mediation held on March 1, 2022.

K. While the mediation resulted in an impasse, following the mediation, the parties continued discussions and have agreed to settle this matter based upon the terms described herein.

L. The Parties have conducted an investigation of the facts and after carefully considering the circumstances of the Action, including the claims asserted and the legal and factual defenses thereto, have concluded that it would be in the Parties' best interests to enter into this Agreement to avoid the uncertainties, burden, and risks of litigation, and that this Agreement is fair, reasonable, adequate, and in the best interests of all putative class members.

M. Defendants, despite their belief that they have strong defenses to the claims described herein, have agreed to enter this Agreement to reduce and avoid the further expense, burden, and inconvenience of protracted and uncertain litigation, and to resolve finally and completely the claims of Plaintiff and the putative class.

N. At the time the parties agreed to settle this matter, the *Bass* case had been fully briefed and argued, but the Fourth Circuit had not issued a decision.

O. Defendants have agreed to a total Settlement Contribution, as defined below, in the amount of a Cash Fund of \$225,000.00 and Debt Relief for suitable class members in the amount of \$654,827.31.

P. The Settlement Contribution is not to be construed as an admission of liability on the part of the Released Persons. The Released Persons contend that the Settlement Contribution is made only in settlement of doubtful claims and to otherwise buy their peace—liability or improper conduct of any kind on the part of the Released Persons being expressly denied.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff and Defendants, acting in good faith and subject to the approval of the Court, that all class and individual claims alleged against Defendants and those claims that could have been alleged are hereby compromised, settled,

fully released, wholly discharged and dismissed with prejudice in accordance with the terms and conditions set forth below.

II. Definitions

A. “Agreement” or “Settlement Agreement” means this Settlement Agreement resolving the litigation and all attachments and exhibits, which the Parties understand and agree set forth all of the terms and conditions of the settlement between them, and which is subject to Court approval.

B. “Cash Fund” means the amount of \$225,000.00 to be paid by the Released Parties to the Claims Administrator for the benefit of the Settlement Classes pursuant to this Agreement. The Parties understand and agree that this number reflects the total cash payment obligation with regard to this settlement.

C. “Claim Form” means the claim form substantially in the form attached hereto as **Exhibit A**.

D. “Claims Period” means the time period for the filing of all claim forms. The Claims Period shall start on the date of the first day of the Notice Period and continuing until sixty (60) calendar days after the entry of the Preliminary Approval Order, or as otherwise determined by the Court.

E. “Claims Administrator” means the qualified third-party administrator and agent agreed to by the Parties and approved and appointed by the Court in the

Preliminary Approval Order to administer the Settlement, including providing the Notice of Class Settlement. The Parties agree to recommend that the Court appoint Angeion Group as Claims Administrator to: (a) design, consult on, and implement the Notice Plan and related requirements of this Agreement; and (b) implement the Notice Plan, the Settlement website, www.ncpalmstenantsclass.com, the submission and review of Claim Forms, and related requirements of this Agreement, subject to the Court's approval.

F. "Class Counsel" means the following attorneys: Scott C. Harris and Patrick M. Wallace of Milberg Coleman Bryson Phillips Grossman, PLLC and Edward H. Maginnis and Karl S. Gwaltney of Maginnis Howard.

G. "Class Period" means the period of time between October 7, 2016 and June 25, 2018.

H. "Class Releasers" means each Settlement Class Member, as well as each Settlement Class Member's predecessors, successors, heirs, executors, trustees, legal representatives, administrators, agents and assigns.

I. "Class Representative" means Jessica Johnson.

J. "Collection Letter" means any letter sent by Defendants to Settlement Class Members during the Relevant Time Period that asserts that Settlement Class Members will either (a) be charged with Eviction Fees upon the filing of a summary

ejectment action or (b) that Eviction Fees are owed.

K. “Court” means the United States District Court for the Middle District of North Carolina, where the action is pending. The Honorable William L. Osteen, Jr. shall retain jurisdiction to effectuate and resolve any disputes concerning the Settlement.

L. “Debt Relief” means the release and waiver of the Outstanding Debt which is \$654,827.31.

M. “Defendants’ Properties” means any apartment community located in the State of North Carolina owned and/or managed by Defendants at any point during the Class Period.

N. “Effective Date” is the date defined in Section IV.F. of this Agreement.

O. “Eviction Fees” means those out-of-pocket expenses associated with filing a complaint in summary ejectment, consisting of court filing fees, sheriff service fees, and/or attorneys’ fees.

P. “Long Form Notice” means the long form notice of settlement, substantially in the form attached hereto as **Exhibit B**.

Q. “Monetary Relief” means the \$225,000.00 Cash Fund and the \$654,827.31 in Debt Relief.

R. “Notice Period” means the period of time running from the date the Claims Administrator commences the Notice Plan until such Notice Plan is complete. The Notice Period must commence within fourteen (14) calendar days after the entry of the Preliminary Approval Order and should be substantially complete no later than forty-five (45) days after the entry of the Preliminary Approval Order.

S. “Notice Plan” means the plan for dissemination of the notice of this Agreement as set forth in Section IV.C of this Agreement. The Notice Plan shall commence no later than fourteen (14) calendar days after the date of the entry of the Preliminary Approval Order.

T. “Notice of Class Settlement” means all notices, including the Long Form Notice, the Postcard Notices, the Summary Email Notices, the settlement website, and toll-free telephone number, provided to the Settlement Class pursuant to the Notice Plan.

U. “Outstanding Debt” means the total amount owed by Eviction Fee Class members to Defendants at the time they vacated their apartments, including but not limited to rent, fees, costs, expenses, and charges. Defendants represent that the total amount of Outstanding Debt is \$654,827.31.

V. “Postcard Notices” means the postcard notice, to be sent to Settlement Class Members who do not have a facially valid email address or for whom the Claims Administrator has received two undeliverable return messages, substantially in the forms of the notice attached hereto as **Exhibit C**.

W. “Released Claims” means any and all claims, demands, actions, allegations, suits, causes of action, theories of liability, damages whenever incurred, and the liabilities of any nature whatsoever, including costs, expenses, restitution, punitive damages, exemplary damages, compensatory damages, incidental damages, pecuniary damages, fines, penalties, and attorneys’ fees, known or unknown, suspected or unsuspected, whether past, present or future, in law or in equity, in tort or in contract, that Class Releasers, whether or not they object to this Settlement or make a claim upon or participate in the Settlement, ever had, now has, or hereafter can, shall, or may have, directly, indirectly, representatively, derivatively, or in any capacity, arising out of or relating in any way to the charging, threatening to charge, collecting, or attempting to collect Eviction Fees or any Outstanding Debt.

X. “Released Persons” means Defendants, along with their parent companies, lenders, insurers that contributed to the Cash Fund, investors, affiliates, suppliers, successors, assigns, subsidiaries, related entities and trustees and/or

beneficiaries of trusts which have an interest in the above-referenced companies; and/or any current, past or future owners, members, directors, officers, employees, attorneys, accountants, direct and indirect shareholders, partners, members, or agents of the foregoing, as well as any and all entities with a current interest in any apartment complex in which any Settlement Class Member resided to the extent such apartment complex was owned or managed by Defendants during the Relevant Time Period.

Y. “Relevant Time Period” means the period of time between October 7, 2016 and June 25, 2018.

Z. “Settlement” means the settlement embodied in this Agreement, including all exhibits (which are an integral part of this Agreement and are incorporated in their entirety by reference).

AA. “Settlement Class” or “Settlement Classes” or “Settlement Class Members” are defined as those natural persons who meet the requirements for either the Collection Letter Class or Eviction Fee Class as set forth below in Section III(A).

AB. “Settlement Contribution” consists of (a) the Cash Fund in the amount of \$225,000.00, and (b) Debt Relief in the amount of \$654,827.31.

AC. “Summary Email Notice” means and includes the notice to be sent to Settlement Class members who have a facially valid email address and is substantially similar to the form attached hereto as **Exhibit D**.

III. Settlement Terms

A. Certification of Settlement Class

The Parties agree and consent, for settlement purposes only, to the certification of the following classes in the Action:

Collection Letter Class: All natural persons who (a) at any point between October 7, 2016 and June 25, 2018, (b) resided in any of the properties in North Carolina owned and/or managed by Defendants and (c) received a Collection Letter.

Eviction Fee Class: All natural persons who (a) at any point between October 7, 2016 and June 25, 2018, (b) resided in any of the properties in North Carolina owned and/or managed by Defendants and (c) were charged and (d) paid Eviction Fees.

Excluded from the Settlement Classes are (1) persons who are employees, directors, officers, and agents of Defendants; (2) persons who timely and properly exclude themselves from the Settlement Class as provided in this Agreement; (3) anyone who has previously executed a written release of all claims against Defendants related to the collecting of Eviction Fees and would otherwise be a member of the Settlement Class; and (4) the Court, the Court’s immediate family, and Court staff.

Defendants agree and consent to certification of the Settlement Classes for settlement purposes only, and subject to the conditions of this Agreement only. Defendants' agreement is contingent upon execution of this Agreement by the Parties and entry of a Final Order and Judgment. If this Agreement, for any reason, is not finally approved or is otherwise terminated, Defendants reserve the right to reassert all of their objections and defenses to the claims alleged and certification of any class. Plaintiff will not offer this Agreement as evidence in support of a motion to certify any class, dispositive motion, for trial purposes, or at any hearing other than to seek approval of this settlement.

B. Settlement Class Relief and Compensation

In consideration of a full, complete, and final settlement of the Action, dismissal of the Action with prejudice, and the release, and subject to the Court's approval and the terms of this Settlement, the Parties agree to the following compensation and allocations.

Defendants shall provide the total Monetary Relief, which consists of the Cash Fund of \$225,000.00 and Debt Relief of \$654,827.31 as set forth below.

1. Monetary Relief

a. Cash Fund

i. Collection Letter Class Cash Payments

Members of the Collection Letter Class shall receive compensation on a claims-made basis. Each Collection Letter Class member who submits a valid and timely claim form is eligible to receive \$20.00 for each Collection Letter sent by Defendants. Collection Letter Class members shall be eligible to receive a maximum of \$60.00 for all Claims submitted, subject to a pro rata reduction based on claims rates. The Collection Letter Class shall be allotted \$10,000.00 of the Cash Fund. Any amounts unclaimed from the \$10,000.00 allotted for the Collection Letter Class shall be re-allocated to the Eviction Fee Class.

ii. Eviction Fee Class Cash Payments

Defendants' records demonstrate those individuals who were charged and actually paid Eviction Fees to Defendants during the Relevant Time Period and comprise the Eviction Fee Class. There are approximately 381 unique sets of tenants who were charged and paid Eviction Fees during the Relevant Time Period. Accordingly, members of the Eviction Fee Class shall receive compensation directly without the submission of a claim form. Assuming 100% participation by eligible persons, Eviction Fee Class members shall receive approximately \$190 for being charged and paid the Eviction Fees, subject to pro rata increase or reduction based on Settlement Class Member participation. If any amounts allocated pursuant to this Section cannot be evenly distributed among all Eviction Fee Class members,

such amounts shall be paid half to the *cy pres* recipient and the other half shall revert to the Defendants. In addition, any amounts unclaimed for the Settlement Class shall be paid half to the *cy pres* recipient and the other half shall revert to the Defendants.

b. Debt Relief

Defendants represent that, according to their records, Class members have Outstanding Debt in the amount of \$654,827.31. Defendants agree to waive all Outstanding Debt owed by Class members. Defendants agree to cease from attempting to collect, collecting, or assigning any right to collect Eviction Fee Class members' Outstanding Debt. Defendants shall instruct any third-party with which it has a contractual obligation to collect Outstanding Debt to cease all attempts to collect the Outstanding Debt. Defendants shall not refer, sell, assign, or otherwise transfer the Outstanding Debt. Defendants release dominion and all legal and equitable right, title, and interest to the Outstanding Debt. To the extent that Defendants or any third-party entity that has contracted with Defendants to collect the Outstanding Debt receives any payments toward the Outstanding Debt after the Effective Date, Defendants shall, within 30 days of receipt, refund any such payments.

To effectuate this release and waiver, Defendants or its third-party agent will send an automated universal data form, or its equivalent, to the three major consumer reporting agencies (TransUnion, Experian, and Equifax) and to all credit reporting agencies that Defendants or their third-party agent has utilized during the Relevant Time Period to delete their tradelines relating to the Settlement Class Members, within 21 days of the Effective Date. Because the amount of the Outstanding Debt is in dispute, Defendants, or any agent on behalf of Defendants, shall not furnish Settlement Class Members with any IRS 1099-Misc form related to the Debt Relief identified herein. It is expressly understood that Defendants' reporting or their third-party agent's reporting as described above shall fulfill their obligations under this paragraph. Defendants shall have no further obligations with respect to the Debt Relief portion of this Settlement and shall not be liable for any reporting agencies' failure to accurately reflect or report a tenant's information.

For avoidance of doubt, it is agreed by the Parties that the Debt Relief contained in this section is in addition to other benefits available in this Agreement, including monetary and the non-monetary relief described herein.

C. Administrative Expenses, Attorneys' Fees, and Costs

Within thirty (30) days after the Effective Date, Defendants, or the released insurers, shall pay \$225,000.00 minus the amounts paid to the attorneys for cost

reimbursement, service award, or attorneys' fees, to the Claims Administrator.

Within thirty (30) days after the Effective Date, Defendants, or the released insurers, shall pay to Maginnis Howard PLLC or Milberg (as directed by the attorneys) the amount approved for attorneys' fees, costs, and a service award. Defendants will not object to a request for attorneys' fees so long as the request does not exceed one-third of the total Monetary Relief, nor will Defendants object to a request by Plaintiff's attorneys for request for reimbursement of expenses and costs. These amounts shall be subtracted from the Cash Fund.

D. Service Award

The Class Representative, or Class Counsel on their behalf, may make an application for service awards in an amount not to exceed \$2,500. Defendants will not oppose or otherwise comment on the service award if in the amount referenced above. The service award shall be subtracted from the Cash Fund.

E. Cy Pres

One-half of any amounts not distributed to Settlement Class Members or awarded as administrative expenses, attorneys' fees and costs, or as a service award, shall be distributed equally to Haven House Services and SafeChild North Carolina subject to Court approval. The other one-half of any amounts not distributed to Settlement Class Members or awarded as administrative expenses, attorneys' fees

and costs, or as a service award will revert to the Defendants.

IV. Procedure for Approval and Implementation of Settlement

The Parties and their counsel shall take reasonable steps that may be requested by the Court relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and effect the reasonable implementation of this Agreement. The procedure for obtaining Court approval of and implementing this Agreement shall be as follows:

A. Submission to the Court for Preliminary Approval

Class Counsel shall submit this Agreement to the Court, along with a motion seeking preliminary approval of the proposed Settlement, as soon as practicable following the execution of this Agreement. The motion shall request entry of the Preliminary Approval Order. Defendants agree to consent to entry of the Preliminary Approval Order in accordance with this Agreement.

In the event the Court does not approve this Agreement, the Effective Date does not occur, or this Agreement is otherwise terminated, all proceedings shall resume as if no settlement had been reached, in principle, by the parties.

B. Appointment of Claims Administrator

Subject to the approval of the Court, Class Counsel has proposed the appointment of Angeion Group as Claims Administrator in this matter. The Claims Administrator shall perform the following duties: (a) prepare the Notice Plan; (b) disseminate the Notice of Class Settlement; (c) process claim forms and opt-out forms; (d) receive and serve on Class Counsel, Defendants' Counsel, and the Court any written objections and opt-out requests; determine the amounts of the awards due to eligible Settlement Class Members in accord with the terms and procedures set forth herein; (e) report, in summary or narrative form, to Class Counsel and Defendants' counsel regarding the completion of the tasks identified in this paragraph; (f) issue other reports and provide any and all files, documents, and data related to this Agreement, upon request, to Defendants' Counsel, or Class Counsel; (g) carry out other related tasks in accordance with the terms of this Agreement; and (h) agree to employ their best efforts to faithfully and fully perform any and all obligations and duties imposed on the Claims Administrator pursuant to this Agreement and its exhibits and amendments (if any).

All disputes relating to the Claims Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations contemplated by the Settlement Agreement have

been fully executed. The Claims Administrator will send reports and notices related to the distribution of the Monetary Relief, including any issues related to a potential Class Member's eligibility, to Class Counsel and Counsel for the Defendants.

C. Plan for Dissemination of Notice

It is the Parties' intent that class members receive constitutionally adequate notice of the Settlement. Class Representative shall submit to the Court for approval the Notice Plan and the Notice of Class Settlement. The parties agree for purposes of this action that the Notice Plan will provide the best notice practicable under the circumstances of the Action, conform to all aspects of Fed. R. Civ. P. 23, and comply with the terms and conditions of this Agreement.

The dissemination of the Notice of Class Settlement shall be commenced by the Claims Administrator within fourteen (14) calendar days of the entry of the Preliminary Approval Order.

The Notice Plan shall include the following:

1. Class Member Information

Defendants provided the declaration attached to this Agreement as **Exhibit E** summarizing the number of units that are in the Settlement Classes. In addition, Defendants shall provide the names of all Eviction Fee Class members, as well as all those who could potentially be included as Collection Letter Class members, to

Class Counsel and the Claims Administrator. The accuracy and completeness of the identities of those names listed of the Eviction Fee Class Members and Collection Letter Class Members are material terms to this agreement.

Within fourteen (14) days after signing this Settlement Agreement, Defendants shall confirm to the Claims Administrator the following regarding the Settlement Class Members to the extent available: email addresses and tenant address while at Defendants' Properties. The Claims Administrator shall use this information for the sole purpose of identifying the current physical address and/or email address for the Settlement Class Members.

Internet Website

At the commencement of the Notice Period, the Claims Administrator shall establish an internet website that will inform Settlement Class Members of the terms of this Settlement, their rights, dates and deadlines and related information. The website shall include, in .pdf format and available for download, the following: (i) the Long Form Notice; (ii) the Claim Form; (iii) the Preliminary Approval Order; (iv) this Agreement (including all of its exhibits), (v) the operative Complaint filed in the Action; and (vi) any other materials agreed upon by the Parties and/or required by the Court. The Internet website shall provide Class Members with the ability to complete and submit the Claim Form electronically.

2. Toll-Free Telephone Number

Prior to the commencement of the Notice Period, the Claims Administrator shall establish a toll-free telephone number, through which Settlement Class Members may obtain information about the Action and the Settlement and request a mailed copy of the Long Form Notice and/or the Claim Form, pursuant to the terms and conditions of this Settlement. The Long Form Notice and Claim Form will be mailed to all persons who request one via the toll-free phone number maintained by the Claims Administrator.

3. Direct Notice – Email Notice

No later than five (5) days after the commencement of the Notice Period, the Claims Administrator shall email the Summary Email Notices attached hereto as **Exhibit D** to each Class member with a facially valid email address provided by Defendants.

The Summary Email Notices will be created using an embedded html text format. This format will provide text that is easy to read without graphics, tables, images and other elements that would increase the likelihood that the message could be blocked by Internet Service Providers (ISPs) and/or SPAM filters. The emails will be sent using a server known to the major email providers as one not used to send bulk “SPAM” or “junk” email blasts. Also, the emails will be sent in small

groups so as to not be erroneously flagged as a bulk junk email blast. Each Summary Email Notice will be transmitted with a unique message identifier. If the receiving e-mail server cannot deliver the message, a “bounce code” should be returned along with the unique message identifier. For any Summary Email Notice for which a bounce code is received indicating that the message is undeliverable, at least one additional attempt will be made to deliver the notice by email. If any Summary Email Notice is returned undeliverable two times, the Claims Administrator will send the Postcard Notices. The Summary E-mail Notices will include an embedded link to the Settlement Website.

4. Direct Notice – United States Mail

No later than five (5) days after the commencement of the Notice Period, the Claims Administrator will commence the sending of Postcard Notices by United States Postal Service (“USPS”) first-class mail to all Settlement Class Members for whom the Claims Administrator has a physical mailing address and does not have a facially valid email address. The Claims Administrator shall send the Postcard Notice to Class Members.

Prior to the initial mailing of the Postcard Notices, postal mailing addresses will be checked against the National Change of Address (“NCOA”) database maintained by the USPS. Any addresses returned by NCOA as invalid will be

updated through a third-party address search service prior to mailing. All addresses will be certified via the Coding Accuracy Support System (“CASS”) to ensure the quality of the zip codes, and verified through the Delivery Point Validation (“DPV”) to verify the accuracy of the addresses. Postcard Notices returned as undeliverable will be re-mailed to any new address available through postal service information, for example, to the address provided by the postal service on returned pieces for which the automatic forwarding order has expired, but which is still available during the period in which the postal service returns the piece with the address indicated, or more current or correct addresses that may be found using a third-party lookup service (e.g., “ALLFIND”, maintained by LexisNexis). Upon successfully locating better addresses, the Postcard Notices will be promptly re-mailed. Additionally, the Notices will be mailed to all persons who request one via the toll-free phone number maintained by the administrator.

5. Post-Notice Declaration of Claims Administrator

Following the completion of the Notice Plan, the Claims Administrator shall prepare a declaration attesting to its compliance. Such declaration shall be provided to Class Counsel and Defendants’ Counsel following the end of the Notice Period and be filed with the Court no more than ten (10) days prior to the Final Fairness Hearing or seven (7) days prior the filing of any motion in support of final approval

of the Settlement, whichever is earlier.

D. Opt-Outs and Objections by Settlement Class Members

1. Requests for Exclusion from Class or Opt-Outs

Any potential Settlement Class Member may request to be excluded from the Settlement Class by submitting a Request for Exclusion pursuant to the terms set forth in the Notice of Class Settlement. Any such request must be made in accordance with the terms set forth in the Notice of Class Settlement, must be mailed or delivered to the designated Claims Administrator as provided in the Notice of Class Settlement, and will be timely only if postmarked no later than sixty (60) days following the entry of the Preliminary Approval Order.

Each Settlement Class Member not timely opting out of the proposed Settlement shall be bound by all the terms and conditions of any final approved Settlement. The Parties agree that, should a potential Settlement Class Member submit objections to the proposed Settlement and also timely submit a Request for Exclusion, that potential Settlement Class Member shall be deemed to have excluded himself or herself from the Settlement Class and his or her objections shall not be considered.

Any potential Settlement Class Member that effectively excludes him or herself from the Settlement shall not participate in or be bound by the Settlement

ultimately approved by the Court.

Within seventy (70) calendar days after the expiration of the deadline for submitting a Request for Exclusion, the Claims Administrator shall send Defendants' Counsel and Class Counsel a report of the total number of valid Opt-Outs. The report will include the names and address of each valid Opt-Out, and copies of each Request for Exclusion it receives from putative members of the Settlement Class (whether or not valid).

2. Objections to Settlement

Any Settlement Class Member who has not submitted a timely Request for Exclusion and who wishes to object to the fairness, reasonableness, or adequacy of any aspect of the Settlement, must deliver an objection, in writing, to Class Counsel and Defense Counsel and file the objection with the Court no later than sixty (60) days after the entry of the Preliminary Approval Order or as the Court may otherwise direct.

Written objections must include: (i) the objector's name, address, and telephone number; (ii) the name of this Action and the case number; (iii) a statement of each objection; (iv) proof of class membership, and (v) a written brief detailing the specific basis for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector

wishes to introduce in support of the objection.

If the objection is made through an attorney, the written objection must also include: (1) the identity and number of the Settlement Class Members represented by objector's counsel; (2) the number of such represented Settlement Class Members who have opted out of the Settlement Class; and (3) the number of such represented Settlement Class Members who have remained in the Settlement Class and have not objected. If the attorney intends to seek fees and expenses from anyone other than the objectors he or she represents, the attorney shall also file with the Court and serve upon Class Counsel and Defense Counsel not later than fifteen days before the Final Fairness Hearing or as the Court may otherwise direct a document containing the following: (1) the amount of fees sought by the attorney for representing the objector and the factual and legal justification for the fees being sought; (2) a statement regarding whether the fees being sought were calculated on the basis of a lodestar, contingency, or other method; (3) the number of hours already spent by the attorney and an estimate of the hours to be spent in the future; and (4) the attorney's hourly rate.

Class Counsel shall have the right to take discovery, including via subpoenas *duces tecum* and depositions, from any objector. Objectors must make themselves available for deposition by counsel for the Parties between the time the objection is

filed and a date no later than five (5) business days before the Final Fairness Hearing, and the objection must include the dates when the objector is available for deposition.

Any Settlement Class Member who files and serves a written objection satisfying the requirements of this section, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Settlement Class Member's expense, to object to any aspect of the fairness, reasonableness, or adequacy of the Settlement Class members, or their attorneys, intending to make an appearance at the Final Fairness Hearing must deliver to Class Counsel and Defense Counsel and have file-marked by the Court, no later than sixty (60) days after the end of the entry of the Preliminary Approval Order, a Notice of Intent to Appear. The Notice of Intent to Appear must: (1) state how much time the Settlement Class Member reasonably anticipates needing to present the objection; (2) identify, by name, address, and telephone number all witnesses the Settlement Class Member proposes to have testify; (3) summarize in detail the anticipated testimony of all such witnesses; (4) identify all exhibits the Settlement Class Member intends to offer in support of the objection; and (5) attach complete copies of all such exhibits.

3. Failure to Object

Any Settlement Class Member who fails to timely file such a written statement of his or her intention to object shall be foreclosed from making any objection to the Settlement and shall waive and forfeit any and all rights he or she may have to appear separately and/or object, and shall be bound by all the terms of this Agreement and by all proceedings, orders and judgments, including but not limited to, the Release contained in Section VI.A. of this Agreement.

E. Claim Process

1. Monetary Benefits

a. Collection Letter Class Cash Payments

Collection Letter Class members are eligible to receive cash payments upon the submission of a valid and timely claim form. To make a claim, Collection Letter Class members must complete and sign under penalty of perjury, and either mail or submit electronically through the settlement website, a valid claim form. A copy of the Claim Form is attached as **Exhibit A**. If the Claim Form is mailed, it must be mailed via first class mail to the Claims Administrator and postmarked on or before the last day of the Claims Period. If the Claim Form is submitted electronically, then it must be submitted electronically through the settlement website on or before the last day of the Claims Period.

b. Eviction Fee Class Cash Payments

Eviction Fee Class members are eligible to receive compensation without submission of a Claim Form. Eviction Fee Class members shall receive an Email Summary Notice or Postcard Notice, whichever is applicable, that contains the estimated recovery for each Eviction Fee Class member subject to any deduction for attorneys' fees, costs, expenses, service awards, and claims administration, and subject to increase or decrease based on participation. An Eviction Fee Class member is not required to take any affirmative action in order to qualify for compensation.

c. Debt Relief

Class members who do not opt-out of the Settlement are eligible to receive the Debt Relief benefit automatically without the submission of a claim form.

2. Miscellaneous

The Claims Administrator, in consultation with Class Counsel, shall determine whether a claimant is a Settlement Class Member.

F. Effective Date

The Agreement shall be effective upon the day all of the following events have occurred:

1. Entry of the Order Preliminarily Approving Class Settlement;

2. Final approval by the Court of this Settlement, following notice to Settlement Class Members and a Final Fairness Hearing. The Parties recognize that all relief contemplated by this Agreement is expressly contingent upon the Court's Final Approval;

3. Entry by the Court of a Final Order and Judgment; and

4. The claims alleged by Plaintiffs in the Complaint have been dismissed with prejudice.

5. If any Settlement Class Member objects, the Effective Date shall not occur until the expiration of any time for appeal or review of such Final Order and Judgment. If any appeal is filed and not dismissed, the Effective Date shall not occur until after such Final Order and Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal. If there is no objection, then the Effective Date shall be the date the Court enters the final approval order.

G. Disbursements and Distributions from the Cash Fund

Payment, disbursements, and distributions of the Cash Fund shall proceed as follows:

1. First payment: : Within thirty (30) calendar days after the Effective Date, Defendants, or their insurers that are being released, shall cause \$225,000.00 of the Cash Fund -- less amounts any awarded attorneys' fees, costs,

and service fee -- to be remitted to the Claims Administrator.

2. Second payment: Any attorneys' fees, expenses, and costs awarded by the Court, and any service award determined by the Court for services rendered by the Class Representatives shall be paid by the Defendants, or their insurers that are being released, into the Maginnis Howard or Milberg trust account as directed by the attorneys for distribution to Class Counsel in accordance with this Agreement. Payment of such attorneys' fees, expenses, costs, and service award shall be paid by the Defendants, or their insurers that are being released, within thirty (30) calendar days after the Effective Date of this Agreement.

3. Within twenty (20) calendar days after the Claims Period ends, the Claims Administrator shall advise Class Counsel of its proposed distribution, taking into consideration the compensation outlined in this Agreement, all valid and timely claims submitted by Settlement Class Members.

4. Within thirty (30) calendar days after the receipt of the Monetary Payment, the Claims Administrator shall disburse all approved amounts to Settlement Class members in accordance with the proposed distribution described in section IV.H.5, in accordance with the terms of this Agreement. All disbursement checks shall be cashed within six (6) months of the date of the mailing. The Claims Administrator shall also distribute the Set-Aside and Dismissals to those Eviction

Fee Class members who submitted a valid and timely claim requesting one within thirty (30) calendar days after the receipt of the Monetary Payment.

5. If, after the 6-month period for Settlement Class Members to cash checks expires, any amount in the Cash Fund left undisbursed shall, subject to Court approval, be split in half with half being paid equally to the cy pres recipients and the other half reverting to Defendants. The Claims Administrator shall provide a report to Class Counsel of all money in the Cash Fund left undisbursed within fifteen (15) calendar days after the 6-month period has elapsed.

H. Retention of Records

The Claims Administrator shall retain all records relating to payment of claims under this Agreement for a period of five (5) years from the Effective Date of this agreement.

V. Exclusive Remedy, Dismissal of Claims, and Retention of Jurisdiction

A. Exclusive Remedy

This Agreement shall be the exclusive remedy for any and all Released Claims, any claim arising out of the subject matter of this Agreement, and any complaint by any Settlement Class Member against the Released Persons related to the Released Claims. No Released Party shall be subject to liability or expense of any kind to any Settlement Class Member related to the Released Claims except as

provided in this Agreement. Upon Final Approval of this Agreement, each Settlement Class Member shall be barred from initiating, asserting or prosecuting any Released Claims against any Released Party. This Agreement shall be binding upon, and inure to the benefit of, the Parties' successors and assigns.

B. Dismissal of Claims

The Parties agree that upon the Effective Date of this Agreement, all Released Claims shall be dismissed with prejudice in accordance with the Final Order and Judgment.

C. Jurisdiction

The Court shall retain exclusive and continuing jurisdiction over the Parties and this Agreement with respect to the performance of its terms and conditions (and disputes arising out of or relating to this Agreement), the proper provision of all compensation, the implementation and enforcement of its terms, conditions, and obligations, and the non-performance by the Claims Administrator of its duties.

VI. Releases and Reservations

A. Released Claims

Upon the Effective Date of this Agreement, the Released Persons shall be released and forever discharged by the Class Releasers from all Released Claims. All Class Releasers covenant and agree that they shall not hereafter seek to establish

liability against any Released Party based, in whole or in part, on any of the Released Claims. Each Class Releasor expressly waives and fully, finally, and forever settles and releases any known or unknown, suspected or unsuspected, contingent or non-contingent Released Claims without regard to the subsequent discovery or existence of different or additional facts.

Without acknowledging that Defendants would have any such liability, Defendants agree that these Releases do not cover, and that it will not assert these Releases or the settlement of claims pursuant to this Settlement as a defense to, any claim for actual personal injury or any other claim not arising from the allegations contained in Plaintiff's complaint or regarding the Outstanding Debt.

Upon the Effective Date of the Settlement, all Settlement Class Members that have not filed a timely notice of exclusion shall be forever enjoined and barred from asserting any of the Released Claims, and any such Settlement Class Member shall be deemed to have forever released the Released Parties from any and all such Released Claims.

B. Reservation of Claims and Rights, No Admission

Released Claims shall not include (a) any claim against any person or entity that is not a Released Party or (b) any claim for breach of this Agreement. The Parties agree that this Agreement, whether or not the Effective Date occurs, and any

and all negotiations, documents, and discussion associated with it shall be without prejudice to the rights of any Party (other than those compromised herein); shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, of any liability or wrongdoing by Released Persons, or of the truth of any of the claims or allegations contained in any Complaint or pleading whether in this Action or in any action or proceeding of any kind whatsoever, civil, criminal or otherwise, before any court, administrative agency, regulatory body or any other body or authority present or future. Neither this Agreement, nor any of its provisions, nor any statement or document filed in connection herewith nor the fact of this Agreement, shall be filed, offered, received in evidence or otherwise used in any action or proceeding. This Agreement and all of the terms herein constitute compromises and offers to compromise. In the event that this Agreement is terminated, nothing in this Agreement or its negotiation may be used as evidence in any action between the Parties. The Parties expressly reserve all their rights if this Agreement fails to become final and effective substantially in accordance with its terms.

Notwithstanding the preceding paragraph, this Agreement may be pleaded as a full and complete defense to any action, suit or other proceeding that has been or may be instituted, prosecuted or attempted with respect to any of the Released

Claims, and may be filed, offered, received into evidence, and otherwise used for such defense. This Agreement may also be used in connection with the Parties' application for approval or enforcement of this Agreement and all proceedings incident thereto, including requests for attorneys' fees, costs, disbursements and compensation to the Settlement Class and any disputes arising from this Agreement.

VII. Miscellaneous Provisions

A. Reasonable Best Efforts

The Parties agree to (i) use their reasonable best efforts, including all steps required by this Agreement and other efforts that may be necessary or appropriate, by order of the Court or otherwise, to carry out the terms of this Agreement; (ii) use their reasonable best efforts to defeat any lawsuit seeking to challenge this Agreement; and (iii) support the Settlement in all statements in any forum. Class Counsel has carefully reviewed this Agreement and has concluded that it is in the best interests of the Settlement Class Members and represents a fair and efficient method of compensating them for their claims against the Released Persons. Accordingly, Class Counsel hereby represents that they shall recommend that each Settlement Class Member accept his or her settlement offer under the terms of this Agreement. The Parties recognize, however, that the decision whether to participate in this Agreement rests with each individual Settlement Class Member.

B. Authorization to Enter Agreement

The undersigned representatives of Defendants represent that they are fully authorized to enter into and execute this Agreement on behalf of Defendants. Class Counsel represent that they are fully authorized to conduct settlement negotiations with Defendants' Counsel on behalf of Plaintiff and to enter into and execute this Agreement on behalf of Plaintiff and the putative Settlement Class, subject to approval by the Court.

C. Binding Effect

This Agreement shall be binding upon, and inure to the benefit of the successors and assigns of the Parties.

D. No Party is the Drafter

None of the Parties to this Agreement shall be considered the drafter of this Agreement or any included provision for the purpose of any statute, case law, or rule of construction that would or might cause any provision to be construed against the drafter.

E. Choice of Law

This Agreement shall be governed by and interpreted according to the substantive laws of the State of North Carolina without regard to its choice of law or conflict of laws principles.

F. Integrated Agreement

This Agreement, including its exhibits, contain an entire, complete, and integrated statement of the terms agreed to by and between the Parties.

G. No Collateral Attack

This Agreement shall not be subject to collateral attack by any Settlement Class member or any recipient of the Notice of Class Settlement after the Final Order and Judgment is entered. Such prohibited collateral attacks shall include, but not be limited to, claims that the Settlement Class Member failed for any reason to receive timely notice of the procedure for submitting a claim.

H. Amendments

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by Class Counsel and Defendants' Counsel who executed this agreement and (b) approved by the Court.

I. Meet and Confer regarding Disputes

Should any dispute arise among the Parties or their respective Counsel regarding the implementation or interpretation of this Agreement, Class Counsel and Defendants' Counsel shall meet and confer with one another in an attempt to resolve such disputes prior to submitting such disputes to the Court.

J. Waiver of Compliance

Any failure of any Party, Defendants' Counsel, and/or Class Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

K. Severability

In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision if the Defendants and Class Counsel mutually elect to proceed as if such invalid, illegal or unenforceable provision had never been included in the Agreement.

L. Execution of Counterparts

This Agreement may be executed in counterparts. Facsimile or PDF signatures shall be valid signatures as of the date thereof, although the original signature pages shall be appended to this Agreement and filed with the Court thereafter.

M. Payment Instructions

A completed IRS Form W-9 and any other information needed to process payment to each of (i) the Claims Administrator and (ii) Milberg Coleman Bryson Phillips Grossman PLLC's trust account will be provided to Defendants at least 30 days before any payment of the Monetary Payment is due from Defendants.

IN WITNESS WHEREOF, the Parties hereto, by and through their fully authorized representatives, have executed this Agreement.

COUNSEL FOR PLAINTIFF JESSICA JOHNSON:

Scott C. Harris
Dated: 12/28/2022

FOR PALMS ASSOCIATES, LLC

J Marshall Webb
Dated: 12/28/2022

FOR DURHAM MEWS, LLC f/k/a DURHAM SECTION 1 ASSOCIATES, LLC

J Marshall Webb
Dated: 12/28/2022

EXHIBIT A

CLAIM FORM INSTRUCTIONS

<i>Your Claim must be submitted online or mailed and postmarked by:</i> XXXXX	<i>Johnson v. Palms Associates, LLC, et al.</i> c/o Settlement Administrator XXXX XX, XX XX www.ncpalmstenantsclass.com	XX
--	---	----

Instructions for Completing the Claim Form

You are eligible to submit a Claim Form if you are a member of the **Collection Letter Class** and want to obtain Monetary Relief – Cash benefits available to Collection Letter Class. **Eviction Fee Class Members** do NOT need to file a Claim Form to obtain Monetary Relief – Cash or Debt Relief benefits available to Eviction Fee Class.

For more information about all available benefits, including Monetary Relief – Cash or Monetary Relief – Debt Relief benefits available automatically to certain Eviction Fee Class members that do not require a filing of a Claim Form, please read the Notice available at www.ncpalmstenantsclass.com or contact the Settlement Administrator.

You are a **Collection Letter Class Member** if you are a natural person who:

- (1) At any point between October 7, 2016 and June 25, 2018, resided in any of the properties in North Carolina owned and/or managed by the Defendants, **and**
- (2) You received a Collection Letter, which is any letter sent by Defendants between October 7, 2016 and June 25, 2018 that asserts that the individual will either (a) be charged with Eviction Fees upon the filing of a summary ejectment action or (b) that Eviction Fees are owed.

If you are a **Collection Letter Class Member** and submit a valid and timely Claim Form, you will be eligible to receive \$20 for each Collection Letter sent by Defendants, up to a maximum of \$60 regardless of the number of letters received, which is subject to pro rata increase or reduction if under or over-subscribed. If you make a claim for benefits, you must swear, under penalty of perjury, to receiving a Collection Letter, and state the month and year of each Collection Letter received. You must provide specific information and dates about any Collection Letters you received to qualify for any award.

You are an **Eviction Fee Class Member** if you are a natural person who:

- (1) At any point between October 7, 2016 and June 25, 2018, resided in any of the properties in North Carolina owned and/or managed by the Defendants, **and**
- (2) You were charged and actually paid Eviction Fees.

Eviction Fee Class Members do NOT need to file a Claim Form to obtain Monetary Relief – Cash benefits for Eviction Fee Class. They are automatically eligible to receive approximately \$190, subject to pro rata increase or reduction if under or over-subscribed.

If you are a member of the **Eviction Fee Class**, you **may** also be a member of the **Collection Letter Class** if you meet the requirements of both Classes and may claim Collection Letter benefits, as explained above. You must submit a Claim Form if you want to obtain Monetary Relief – Cash benefits available to Collection Letter Class in addition to Monetary Relief – Cash benefits available to Eviction Fee Class for which you are eligible automatically.

If you submit a valid and timely Claim Form, the amount you actually receive may be significantly reduced depending on how many valid claims are ultimately submitted by other Class Members. The available Monetary Relief—Cash will be distributed on a proportional basis once the Settlement becomes final. The exact amount of compensation will be determined after administrative expenses, service award(s), and attorneys' fees and costs are deducted.

Please note that none of these benefits will be distributed or available until the Settlement is finally approved by the Court.

Please submit only one (1) Claim Form per person.

Your completed Claim Form must be submitted online at www.ncpalmstenantsclass.com on or before XXXXX or postmarked no later than XXXXXX and mailed to:

Johnson v. Palms Associates, LLC, et al.
c/o Settlement Administrator
XXXX
XX, XX XX

ALL CLAIMS ARE SUBJECT TO VERIFICATION.

PLEASE KEEP A COPY OF YOUR COMPLETED CLAIM FORM FOR YOUR RECORDS.

CLAIM FORM

Your Claim must be submitted online or mailed and postmarked by:

XXXXXX

Johnson v. Palms Associates, LLC et al.
c/o Settlement Administrator

XXXX
XX, XX XX

www.ncpalmstenantsclass.com

XX

SECTION A: NAME AND CONTACT INFORMATION

Provide your name and contact information below. It is your responsibility to notify the Settlement Administrator of any changes to your contact information after the submission of your Claim Form.

First Name

Last Name

Street Address (Mailing Address)

City

State

Zip Code

Email Address

Phone Number

SECTION B: COLLECTION LETTER INFORMATION (applicable only for Collection Letter Class Members)

By submitting this Claim Form, I certify under penalty of perjury that I am a member of the Class and received one or more Collection Letters from the Defendants between October 7, 2016 and June 25, 2018.

A. Please list the total number of Collection Letters received from Palms Associates, LLC and Durham Mews, LLC f/k/a Durham Section I Associates between October 7, 2016 and June 25, 2018:

B. Please provide the months and years when you received Collection Letters from Palms Associates, LLC and Durham Mews, LLC f/k/a Durham Section I Associates:

SECTION C: SETTLEMENT COMPENSATION SELECTION

If your Claim is deemed eligible for payment, select the method by which you would like to receive your settlement benefit.

Select only one:

Check via mail

Direct credit to my PayPal account – Provide the email address associated with your PayPal account below.

Email Address for PayPal option. Please write clearly and legibly.

SECTION D: CLASS MEMBER VERIFICATION: (please check the box below)

I certify under penalty of perjury pursuant to 28 U.S.C. § 1746 that the information provided in this Claim Form is true and correct to the best of my knowledge, information and belief. I understand the Settlement Administrator may contact me to request further verification of the information provided in this Claim Form.

Name: _____

Date: _____

EXHIBIT B

If you resided in any of the properties in North Carolina owned and/or managed by PALMS ASSOCIATES, LLC and/or DURHAM MEWS, LLC f/k/a DURHAM SECTION I ASSOCIATES, you may be entitled to benefits from a class action Settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- This Notice informs you of a proposed settlement in a class action lawsuit filed by Jessica Johnson (the “Plaintiff”) against Palms Associates, LLC, and Durham Mews, LLC, f/k/a Durham Section I Associates (the “Defendants”). Plaintiff alleged that Defendants unlawfully charged and threatened certain fees when filing summary ejection/eviction actions against their tenants at the apartment complexes of varying names that Defendants own, owned, manage, or managed in North Carolina. The Settlement resolves the lawsuit. Defendants deny that they did anything wrong or unlawful, including denying any liability to Plaintiff or to the members of the Settlement Classes.
- If you are included in the Settlement, you may qualify to receive compensation. The amount of compensation is dependent on whether you are a member of the Collection Letter Class or Eviction Fee Class.
 - **Collection Letter Class Members.** If you are a natural person who (a) at any point between October 7, 2016 and June 25, 2018, (b) resided in any of the properties in North Carolina owned and/or managed by Defendants and (c) received a Collection Letter, then you are a member of the Collection Letter Class.
 - **Eviction Fee Class Members** If you a natural person who (a) at any point between October 7, 2016 and June 25, 2018, (b) resided in any of the properties in North Carolina owned and/or managed by Defendants and (c) were charged and (d) paid Eviction Fees, then you are a member of the Eviction Fee Class.
 - See Question 5 for a detailed explanation of the Classes.
- **Please see the chart on the next page which provides a quick reference guide to the deadlines and obligations of Class Members for each Class described above.**
- **If you are a member of the Class, your legal rights are affected whether you act or do not act. Read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

COLLECTION LETTER CLASS	
SUBMIT A CLAIM FORM BY ___, 2023	If you wish to receive benefits from the Settlement, you must submit a valid and timely Claim Form.
EXCLUDE YOURSELF BY ___, 2023	You will receive no payment from the Settlement. This is the only option that allows you to ever be a part of any other lawsuit against the Defendants about the legal claims in this case.
OBJECT BY ___, 2023	Write to the Court about why you think the Settlement is unfair, inadequate, or unreasonable.
GO TO A HEARING ON _____, 2023 AT _____.	Ask to speak in Court about the fairness of the Settlement.
FILE A NOTICE OF INTENT TO APPEAR BY _____, 2023	Your Notice of Intent to Appear in Court at the Hearing must be filed with the Court and served on Class Counsel and Defendants' Counsel no later than this date.
DO NOTHING	Get no payment. Give up rights to ever sue the Defendants about the legal claims in this case.
EVICITION FEE CLASS	
DO NOTHING	You will remain a member of the Eviction Fee Class and will automatically receive a Settlement Benefit. Members of this Class do not need to file a Claim, unless they are also members of the Collection Letter Class.
EXCLUDE YOURSELF BY XX, 2023	You will receive no payment from the Settlement. This is the only option that allows you to ever be a part of any other lawsuit against the Defendants about the legal claims in this case.
OBJECT BY XX, 2023	Write to the Court about why you think the Settlement is unfair, inadequate, or unreasonable.
GO TO A HEARING ON XX, 2023 AT XX	Ask to speak in Court about the fairness of the Settlement.
FILE A NOTICE OF INTENT TO APPEAR BY XX, 2023	Your Notice of Intent to Appear in Court at the Hearing must be filed with the Court and served on Class Counsel and Defendants' Counsel no later than this date.

- These rights and options—and the deadlines to exercise them—are explained in this Notice. The deadlines may be moved, canceled, or otherwise modified, so please check the Settlement Website, www.ncpalmstenantsclass.com regularly for updates and further details.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS:

BASIC INFORMATION

1. Why is there a Notice?
2. What is this lawsuit about?
3. Why is this a class action?
4. Why is there a Settlement?

WHO IS IN THE SETTLEMENT?

5. How do I know if I am in the Settlement?
6. What if I am still not sure if I am included in the Settlement?

SETTLEMENT BENEFITS

7. What does the Settlement provide?
8. What can I get from the Settlement?
9. What am I giving up to stay in the Class?

HOW TO GET A PAYMENT

10. How can I get a payment?
11. When will I get my payment?

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I get out of the Settlement?
13. If I do not exclude myself, can I sue the Defendants for the same thing later?
14. If I exclude myself, can I still get a payment?

OBJECTING TO THE SETTLEMENT

15. How can I tell the Court if I do not like the Settlement?
16. What is the difference between objecting and excluding?

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?
18. How will the lawyers be paid?

THE COURT'S FAIRNESS HEARING

19. When and where will the Court decide whether to approve the Settlement?
20. Do I have to come to the Hearing?
21. May I speak at the Hearing?

IF YOU DO NOTHING

22. What happens if I do nothing at all?

GETTING MORE INFORMATION

23. How do I get more information?

BASIC INFORMATION

1. **Why is there a notice?**

You have a right to know about a proposed Settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the Settlement.

The Court in charge of this case is the Honorable William J. Osteen, Jr., a United States District Court Judge who was assigned this case, and the case is called *Jessica Johnson v. Palms Associates, LLC, and Durham Mews, LLC f/k/a Durham Section I Associates*, Case No. 1:20-cv-1094 (United States District Court for the Middle District of North Carolina). The individual who sued is called the Plaintiff or Class Representative, and the companies being sued are called the Defendants.

2. **What is this lawsuit about?**

The lawsuit alleges that the Defendants unlawfully charged complaint filing fees, sheriff service fees, and attorneys' fees ("Eviction Fees") when filing summary ejection/eviction actions against their tenants. Plaintiff also alleged that Defendants unlawfully threatened to charge Eviction Fees through written correspondence (the "Collection Letter").

The lawsuit brought various claims for relief: a violation of the North Carolina Residential Rental Agreements Act (N.C.G.S. § 42-46), a violation of the North Carolina Debt Collection Act (N.C.G.S. § 75-50 et seq.), a violation of the North Carolina Unfair and Deceptive Trade Practices Act (N.C.G.S. § 75-1.1 et seq.), and for declaratory judgment.

The Defendants deny these claims, contend that they have numerous defenses to the action, and deny that class certification is required or appropriate.

3. **Why is this a class action?**

In a class action, one or more people, called "Class Representatives," sue on behalf of people who have similar claims. All these people are in a "class" or "settlement class members," except for those who exclude themselves from the Class. The Honorable William J. Osteen, Jr. of the United States District Court for the Middle District of North Carolina, is in charge of this class action.

4. **Why is there a Settlement?**

The Defendants deny that they did anything wrong. Both sides want to avoid the cost of further litigation. The Court has not decided in favor of the Representative Plaintiff or the Defendants. The Representative Plaintiff and her attorneys think the Settlement is best for everyone who is affected. The Settlement provides the opportunity for Settlement Class Members to receive Settlement benefits.

WHO IS IN THE SETTLEMENT?

5. **How do I know if I am in the Settlement?**

There are two types of Class Members in this Action:

A) Collection Letter Class Members

You are a Collection Letter Class Member if you are a natural person who at any point between October 7, 2016 and June 25, 2018, resided in any of the properties in North Carolina owned and/or managed by Defendants, and you received a Collection Letter.

B) Eviction Fee Class Members

You are an Eviction Fee Class Member if you are a natural person who at any point between October 7, 2016 and June 25, 2018, resided in any of the properties in North Carolina owned and/or managed by Defendants, and you were charged and paid Eviction Fees.

Eviction Fee Class Members may also be Collection Letter Class Members if they meet the requirements of both Classes.

Excluded from the Settlement Classes are (1) employees, directors, officers, and agents of Defendants; (2) persons who timely and properly exclude themselves from the Settlement Classes as provided in this Notice; (3) anyone who has previously executed a written release that related to the collecting or threatening to collect Eviction Fees; and (4) the Court, the Court's immediate family, and Court staff.

6. What if I am still not sure if I am included in the Settlement?

If you are not sure whether you are a Settlement Class Member, or have any other questions about the Settlement Agreement, you should visit the Settlement Website, www.ncpalmstenantsclass.com, or call the toll-free number, [XXX-XXX-XXXX](tel:XXX-XXX-XXXX).

SETTLEMENT BENEFITS

7. What does the Settlement provide?

The Settlement provides two types of benefits: Monetary Relief and Non-Monetary Relief. Monetary Relief means \$225,000 in cash and approximately \$660,000.00 in Debt Relief. The Monetary Relief shall be used to pay all costs associated with the Settlement, including but not limited to (a) the costs of notice and administration of the Settlement, including for a Settlement Notice and Claims Administrator to process claims, objections, and opt-out requests; (b) the payment of valid approved claims; (c) attorneys' fee awards (if any); (d) attorneys' expenses and costs (actually incurred litigation expenses and other hard costs apart from fees); (e) service awards (if any) to the Representative Plaintiffs; and (f) any other expenses.

8. What can I get from the Settlement?

A. Monetary Relief - Cash Fund

If you are a member of the *Collection Letter Class*, you must submit a valid and timely Claim Form either online at www.ncpalmstenantsclass.com or print it off and mail it to the address below by [XXXX, XX, 2023](tel:XXXX, XX, 2023). If you submit such a Claim Form, you are eligible to receive \$20.00 if you certify under penalty of perjury that you received a Collection Letter threatening that Defendants would assess Eviction Fees. You may be eligible to receive \$20.00 per letter, up to a maximum of \$60.00, for each Collection Letter received. You must certify under penalty of perjury the number of Collection Letters received and provide the month and the year when those Collection Letters were received. You must provide specific information and the months and the years about any Collection Letters you received to receive any award.

If you submit a valid and timely Claim Form, the amount you actually receive may be significantly different depending on how many valid claims are ultimately submitted by other Class Members. The available Settlement Fund will be distributed on a proportional basis once the Settlement becomes final. The Collection Letter Class has been allotted \$10,000.00 of the Settlement Fund. The exact amount of compensation will be determined after administrative expenses, service award, and attorneys' fees and costs are deducted.

You must submit a valid Claim Form to obtain Collection Letter benefits.

If you are a member of the *Eviction Fee Class*, you do NOT need to file a claim to obtain Eviction Fee benefits. Defendants' records demonstrate how many instances in which you were charged and paid Eviction Fees to Defendants during the Relevant Time Period. Accordingly, each Eviction Fee Class Member may receive compensation of approximately \$190.00 for being charged and paid Eviction Fees.

If you are a member of the *Eviction Fee Class*, you may also be a member of the *Collection Letter Class*. You must submit a Claim Form if you want to obtain Collection Letter Class benefits in addition to Eviction Fee Class benefits for which you are eligible automatically as explained above.

The available Settlement Fund will be distributed on a proportional basis once the Settlement becomes final, subject to the allotment available to the Collection Letter Class described above. The Eviction Fee Class has been allotted the remainder of the Settlement Fund and any unclaimed funds allotted to the Collection Letter Class. The exact amount of compensation will be determined after administrative expenses, service award, and attorneys' fees and costs are deducted, and awards may be subject to a pro rata reduction if oversubscribed.

You do not need to submit a Claim Form to obtain Eviction Fee Class cash benefits.

B. Monetary Relief-Debt Relief

In addition to the cash payments described above, Defendants agree to waive all Outstanding Debt owed by Class members who resided at certain Defendants' Properties. This amounts to approximately \$650,000.00. This benefit is automatically available to qualified Eviction Fee Class members; **you do not need to submit a Claim Form to obtain Debt Relief benefits.**

9. What am I giving up to stay in the Class?

Unless you exclude yourself from the Settlement, you cannot sue the Released Persons, continue to sue, or be part of any other lawsuit against the Released Persons about the claims released in this Settlement. It also means that all of the decisions by the Court will bind you. The Released Claims and Released Persons are defined in the Settlement Agreement and describe the legal claims that you give up if you stay in the Settlement Class. The Settlement Agreement is available at the Settlement Website, www.ncpalmstenantsclass.com.

HOW TO GET A PAYMENT

10. How can I get a payment?

A. *Monetary Relief- Cash Payments*

Eviction Fee Class Members do not need to submit a claim to obtain Eviction Fee benefits. Defendants' records will be used to determine your eligibility to participate in the Settlement. ***Eviction Fee Class Members*** are also members of the ***Collection Letter Class***. As an Eviction Fee Class Member, you **must** submit a Claim Form as explained below if you want to obtain Collection Letter Class benefits, in addition to Eviction Fee Class benefits for which you are eligible automatically.

Collection Letter Class Members must complete and submit a timely Claim Form to be eligible to receive a payment. You can complete and submit your Claim Form online at the Settlement Website. The Claim Form can be downloaded from the Settlement Website, as well. You can also request a Claim Form be sent to you by sending a written request to the Settlement Administrator by mail or by email.

B. *Monetary Relief-Debt Relief*

Qualified Class members do not need to submit a claim to obtain Debt Relief benefits. This benefit will be automatically conferred to Eviction Fee Class members who resided at certain Defendants' Properties.

Claims may be mailed or emailed at the following addresses

MAIL: *Johnson v. Palms Associates, Inc., et al., c/o Settlement Administrator, [REDACTED]*.

EMAIL: [info@\[REDACTED\].com](mailto:info@[REDACTED].com)

Please read the instructions carefully, fill out the Claim Form, and mail it postmarked no later than **[REDACTED], 2023** or submit your Claim Form online at the Settlement Website, www.ncpalmstenantsclass.com, by **[REDACTED], 2023**.

If you do not submit a valid Claim Form by the deadline, you will not receive a payment, and your claims will be extinguished.

11. When will I get my benefits?

Benefits will be made after the Court grants "final approval" to the Settlement and after all appeals are resolved. If the Court approves the Settlement, there may be appeals. It's always uncertain whether these appeals can be resolved and resolving them can take time.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from the Settlement, and you want to keep the right to sue or continue to sue the Released Persons on your own about the claims released in this Settlement, then you must take steps to get out. This is called excluding yourself—or it is sometimes referred to as “opting out” of the Settlement Class.

12. How do I get out of the Settlement?

To exclude yourself, you must mail or email the Settlement Administrator, including the following:

- a. A caption or title that identifies it as “Request for Exclusion in *Johnson v. Palms Associates, LLC., et al.*, Case No. 1:20-cv-1094”;
- b. Your full name and address; and
- c. A signed statement that you wish to be excluded from the Settlement.

Your request for exclusion must be emailed or postmarked no later than **XX, 2023** to the Settlement Administrator at:

SETTLEMENT ADMINISTRATOR Class Action Opt-Out <i>Johnson v. Palms Associates, LLC., et al</i> Settlement PO Box XX XXX, XX XXX Email: info@XXXXXX.com
--

No person or entity may opt-out on behalf of another Class Member.

If you don't include the required information or timely submit your request for exclusion, you will remain a Settlement Class Member and will not be able to sue the Released Persons about the claims in this lawsuit.

13. If I don't exclude myself, can I sue the Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue the Defendants and Released Persons for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from this Settlement Class to continue your own lawsuit. If you properly exclude yourself from the Settlement Class, you shall not be bound by any orders or judgments entered in the Action relating to the Settlement Agreement.

14. If I exclude myself, can I still get a payment?

No. You will not get any money from the Settlement if you exclude yourself. If you exclude yourself from the Settlement, do not send in a Claim Form asking for benefits.

OBJECTING TO THE SETTLEMENT

15. How can I tell the Court if I do not like the Settlement?

Any Class Member who does not timely and properly opt out of the Settlement may object to the fairness, reasonableness, or adequacy of the proposed Settlement under Federal Rule of Civil Procedure 23. Each Class Member who wishes to object to any term of this Agreement must do so, in writing, by filing a written objection with the Clerk of the Court and mailing it to Settlement Class Counsel, and counsel for Defendants.

The written objection must include: (i) the objector's name, address, and telephone number; (ii) the name of this Action and the case number; (iii) a statement of each objection; (iv) proof of class membership, and (v) a written brief detailing the specific basis for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection.

If the objection is made through an attorney, the written objection must also include: (1) the identity and number of the Settlement Class members represented by objector's counsel; (2) the number of such represented Settlement Class members who have opted out of the Settlement Class; and (3) the number of such represented Settlement Class members who have remained in the Settlement Class and have not objected. If the attorney intends to seek fees and expenses from anyone other than the objectors he or she represents, the attorney shall also file with the Court and serve upon Class Counsel and Defendants' Counsel not later than fourteen days before the Final Fairness Hearing, or as the Court may otherwise direct, a document containing the following: (1) the amount of fees sought by the attorney for representing the objector and the factual and legal justification for the fees being sought; (2) a statement regarding whether the fees being sought were calculated on the basis of a lodestar, contingency, or other method; (3) the number of hours already spent by the attorney and an estimate of the hours to be spent in the future; and (4) the attorney's hourly rate.

Objectors must also make themselves available for deposition by counsel for the Parties between the time the objection is filed and a date no later than five (5) business days before the Final Fairness Hearing, and the objection must include the dates when the objector is available for deposition.

Any Settlement Class member who files and serves a written objection satisfying the requirements of this section, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Settlement Class member's expense, to object to any aspect of the fairness, reasonableness, or adequacy of the Settlement. Class members, or their attorneys, intending to make an appearance at the Final Fairness Hearing must deliver to Class Counsel and Defendants' Counsel and have file-marked by the Court, no later than sixty days after the entry of the Preliminary Approval Order, or as the Court otherwise may direct, a Notice of Intent to Appear. The Notice of Intent to Appear must: (1) state how much time the Settlement Class member anticipates needing to present the objection; (2) identify, by name, address, and telephone number all witnesses the Settlement Class member proposes to have testify; (3) summarize in detail the anticipated testimony of all such witnesses; (4) identify all exhibits the Settlement Class member intends to offer in support of the objection; and (5) attach complete copies of all such exhibits.

Your objection, along with any supporting material you wish to submit, must be filed with the Court, with a copy delivered to Class Counsel, Defendants' Counsel and Settlement Administrator no later than, **XX, 2023** at the following addresses:

CLASS COUNSEL	DEFENDANTS' COUNSEL	COURT	SETTLEMENT ADMINISTRATOR
Scott Harris Patrick Wallace Milberg Coleman Bryson Phillips Grossman, PLLC 900 W. Morgan Street Raleigh, North Carolina 27603 Edward H. Maginnis Karl S. Gwaltney Maginnis Howard 7706 Six Forks Road Raleigh, North Carolina 27615	Richard T. Boyette F. Marshall Wall Steven A. Bader Cranfill Sumner LLP Post Office Box 27808 Raleigh, North Carolina 28603	US District Court L. Richardson Preyer Courthouse 324 W. Market Street Greensboro, NC 27401	<i>Johnson v. Palms Associates, LLC, et al.</i> c/o Settlement Administrator XXXXXX

16. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object to the Settlement only if you do not exclude yourself from the Settlement. Excluding yourself from the Settlement is telling the Court that you don't want to be part of the Settlement. If you exclude yourself from the Settlement, you have no basis to object to the Settlement because it no longer affects you.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

Yes. The Court has appointed "Class Counsel" as designated in Question 15 of this Notice to represent the Settlement Classes.

You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Class Counsel intends to file a motion on or before **XXXXXX, 2023** seeking an award up to one-third of the Monetary Relief (includes the Cash Fund and Debt Relief) in fees and approximately \$7,500 in out-of-pocket expenses, as well as a service award in the amount of \$2,500 for the Representative Plaintiff to be drawn from the Settlement Fund. The Court will determine the amount of fees and expenses and service awards.

THE COURT'S FAIRNESS HEARING

19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **XXXXXX, 2023 at XXX.** at the **XXXXXX** before the Hon., William L. Osteen, Jr., United States District Court Judge, in Courtroom No. **X**, located at **XXXXXX**, North Carolina.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider how much to pay Class Counsel and the Representative Plaintiffs. If there are objections, the Court will consider them at this time. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Court may have, but you may come at your own expense. If you submit an objection, you don't have to come to Court to talk about it. As long as you filed and mailed your written objection on time to the proper addresses, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

21. May I speak at the hearing?

Yes. You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intent to Appear." Your request must be filed with the Clerk of the Court and served on Class Counsel and Defendants' Counsel no later than **XXXXXX, 2023**.

Any such request must state the name, address, and telephone number of the Class Member, as well as the name, address, and telephone number of the person who shall appear on his or her behalf. Any request for appearance that fails to satisfy these requirements, or that has otherwise not been properly or timely submitted, shall be deemed ineffective and a waiver of such Class Member's rights to appear and to comment on the Settlement at the Fairness Hearing. Only the Parties, Settlement Class Members, or their counsel may request to appear and be heard at the Fairness Hearing. Persons or entities that opt out may not request to appear and be heard at the Fairness Hearing.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you are a **Collection Letter Class Member** and do nothing, you will not get a payment from the Settlement. Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Released Persons about the legal issues in this case, ever again.

If you are an **Eviction Fee Class Member** and do nothing, you will receive a payment as described above. You won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Released Persons about the legal issues in this case, ever again.

Qualified Class members who do not file a timely and valid claim form shall still receive the Debt Relief.

GETTING MORE INFORMATION

23. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, available at the Settlement Website. If you have additional questions or want to request a Claim Form, you can visit the Settlement Website or contact the Settlement Notice & Claims Administrator:

MAIL: *Johnson v. Palms Associates, LLC et al.* c/o Settlement Administrator, XXXX

EMAIL: info@XXXXX.com

TOLL-FREE: XXX-XXX-XXXX

Updates will be posted at the Settlement Website as information about the Settlement process becomes available.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE
CONCERNING THIS CASE.**

EXHIBIT C

to be included? You received this Notice because Defendants Palms Associates, LLC and/or Durham Mews, LLC (the Durham Section I Association Defendants) records indicate that you MAY be a member of the Collection Letter Class. There are two types of Class Members in this Action: Collection Letter Class Members and Eviction Fee Class Members. You are a Collection Letter Class Member if you are a natural person who, between October 7, 2016 and June 25, 2018, resided in any of the Defendants' properties in North Carolina and you received a Collection Letter. You are an Eviction Fee Class Member if you are a natural person who, between October 7, 2016 and June 25, 2018, (a) resided in any of the Defendants' properties in North Carolina, (b) was charged Eviction Fees by the Defendants or their affiliates; and (c) actually paid such Eviction Fees. Eviction Fee Class Members may also be Collection Letter Class Members if they meet the requirements of both Classes.

What does the Settlement provide? If the Settlement is approved by the Court, Settlement Class Members will receive certain Monetary and Non-Monetary Relief benefits. Monetary Relief means approximately \$650,000.00 in Debt Relief and \$225,000 in cash as a Settlement Contribution for payment of all approved Eviction Letter Class and Eviction Fee Class claims. The exact amount of compensation will be determined after administrative expenses, service award(s), attorneys' fees, expenses, and costs are deducted. Awards may be subject to a pro rata reduction based on availability.

What can I get from the Settlement? The amount of compensation is dependent on whether you are a member of the Collection Letter Class or Eviction Fee Class. **Cash benefit:** If you are a Collection Letter Class Member, you must submit a valid and timely Claim Form online at www.ncpalmslensclass.com or XXXXX. You may also download a Claim Form at www.ncpalmslensclass.com and mail it to the Settlement Administrator as long as it is postmarked XXXX. **Collection Letter Class Members** are eligible to receive \$20 for each Collection Letter that they received, with a maximum of \$60. If you make a claim for a Collection Letter benefit, you must swear, under penalty of perjury, to receiving a Collection Letter, and state the month and year of each Collection Letter received. You must provide specific information and dates about the Collection Letters you received to qualify for any award amount. If you are a member of the Eviction Fee Class, you may also be a member of the Collection Letter Class if you meet the requirements of both Classes and may claim Collection Letter benefits, as explained above. You must submit a Claim Form if you want to obtain Collection Letter benefits in addition to Eviction Fee benefits for which you are eligible automatically. The Claim Form can be submitted online at www.ncpalmslensclass.com. The Claim Form must be submitted online or postmarked on or before XXXXX.

How do I obtain information about Cash benefits and Debt Relief benefits available to Class Members, please refer to the Notice that is available at the Settlement Website or contact the Settlement Administrator.

What are your options? If you don't want to receive a payment or other Settlement benefits and don't want to be bound by the Settlement and any judgment, you must send a written request to exclude yourself from the Class, postmarked no later than XXXXXX. If you exclude yourself, you will not receive benefits from the Settlement. If you don't exclude yourself, you will give up the right to sue the Defendants about any of the issues related to this case. If you don't exclude yourself, you may object to the Settlement or to the request for fees and costs by Class Counsel. The Notice, available at www.ncpalmslensclass.com explains how to object. The Court will hold a Hearing in this case on XXXXX at XXXXX m. The date and time of the Hearing may change, please check the Settlement website for updates.

uments, to file a Claim and to review information regarding your opt-out and objection rights and the Final Approval Hearing, visit www.ncpalmsienaniscass.cc
u may also contact the Settlement Administrator by email: info@XXXX.com, or by phone: 1-XXX-XXX-XXXX.

XX
XXXXXX

LEGAL NOTICE

between October 7, 2016 and June 3, 2018, you resided in any of the properties in North Carolina owned and/or managed by Defendants Palms Associates, LLC and/or Durham Mews, LLC f/k/a Durham Section 1 Associates, and received a Collection Letter or were charged Eviction Fees, a Class Action Settlement affects your rights.

This is a court-approved legal Notice. This is not a solicitation from a lawyer.

US Postage
Paid
Permit # _____

«Barcode»

Postal Service: Please do not mark barcode

Notice ID: XXX- «Notice ID» - «MailRec»

Confirmation Code: «Confirmation Code»

«First1» «Last1»

«CO»

«Addr1» «Addr2»

«City», «St» «Zip»

EXHIBIT D

TO: [Name]

Notice ID: [Notice ID]

Confirmation Code: [Confirmation Code]

Legal Notice

If, between October 7, 2016 and June 25, 2018, you resided in any of the properties in North Carolina owned and/or managed by Palms Associates, LLC and/or Durham Mews, LLC f/k/a Durham Section I Associates, and received a Collection Letter or paid Eviction Fees, a Class Action Settlement affects your rights.

You received this Notice because Palms Associates, LLC and/or Durham Mews, LLC f/k/a Durham Section I Associates records indicate that you may be a member of the Collection Letter Class.

If you are a member of the *Collection Letter Class*, you must file a Claim Form online at www.ncpalmstenantsclass.com by XXXXX to obtain Collection Letter benefits. *Eviction Fee Class Members* are automatically eligible and do NOT need to file a Claim Form to obtain Monetary Relief—Cash benefits.

For more information, visit www.ncpalmstenantsclass.com email Info@XXXXX.com, or call 1-XXX-XXX-XXXX.

This Notice informs you of a proposed Settlement in a class action lawsuit filed by Jessica Johnson (the "Plaintiff") against Palms Associates, LLC and Durham Mews, LLC f/k/a Durham Section I Associates ("Defendants"). Plaintiff alleged that the Defendants unlawfully charged Eviction Fees when filing summary ejectment/eviction actions against their tenants. Plaintiff also alleged that the Defendants unlawfully threatened to charge Eviction Fees by sending the Collection Letters. The Settlement resolves the lawsuit. The Defendants deny that they did anything wrong or unlawful, including denying any liability to Plaintiff or to the members of the Settlement Classes.

If you are included in the Settlement, you may qualify to receive Monetary and Non-Monetary Relief benefits. The amount of compensation is dependent on whether you are a member of the Collection Letter Class or Eviction Fee Class.

Who's included? There are two types of Class Members in this Action: Collection Letter Class Members and Eviction Fee Class Members. You received this Notice because Palms Associates, LLC's and Durham Mews, LLC f/k/a Durham Section I Associates' records indicate that you may be a member of the Collection Letter Class.

You are a **Collection Letter Class Member** if you are a natural person who, between October 7, 2016 and June 25, 2018, resided in any of the Defendants' properties in North Carolina and received a Collection Letter. A selection of Collection Letters can be found at: www.ncpalmstenantsclass.com.

You are an **Eviction Fee Class Member** if you are a natural person who, between October 7, 2016 and June 25, 2018, (a) resided in any of the Defendants' properties in North Carolina; (b) were charged Eviction Fees by the Defendants or their affiliates; and (c) actually paid such Eviction Fees. **Eviction Fee Class Members may also be Collection Letter Class Members if they meet the requirements of both Classes.**

What does the Settlement provide? If the Settlement is approved by the Court, Settlement Class Members will receive certain Monetary and Non-Monetary Relief benefits. Monetary Relief means approximately \$650,000.00 in Debt Relief and \$225,000 in cash as a Settlement Contribution for payment of all approved Collection Letter Class and Eviction Fee Class claims. The exact amount of compensation will be determined after administrative expenses, service award(s), and attorneys' fees and costs are deducted. Awards may be subject to a pro rata reduction based on availability.

What can I get from the Settlement? The amount of compensation is dependent on whether you are a member of the Collection Letter Class or Eviction Fee Class.

A. **Monetary Relief - Cash benefit:** If you are a **Collection Letter Class Member**, you must submit a valid and timely Claim Form online at www.ncpalmstenantsclass.com by XXXXX. You may also download a Claim Form at www.ncpalmstenantsclass.com and mail it to the Settlement Administrator as long as it is postmarked by XXXXX. **Collection Letter Class Members** are eligible to receive \$20 for each Collection Letter that they received, up to a maximum amount of \$60. This amount can be reduced if a total of more than \$10,000 is requested by Collection Letter Class Members. If you make a claim for Cash benefits available to Collection Letter Class, you must swear, under penalty

or perjury, to receiving a Collection Letter, and state the month and year of each Collection Letter received. You must provide specific information and dates about any Collection Letters you received to qualify for any award.

If you are a member of the **Eviction Fee Class**, you may also be a member of the **Collection Letter Class** if you meet the requirements of both Classes and may claim Collection Letter benefits, as explained above. You must submit a Claim Form if you want to obtain Collection Letter benefits in addition to Eviction Fee benefits for which you are eligible automatically. The Claim Form can be submitted online at www.ncpalmstenantsclass.com. The Claim Form must be submitted online or postmarked on or before **XXXXX**.

Eviction fee class members will receive approximately \$190.00 for being charged and paid eviction fees. Anyone who is in these classes will also be included to receive debt relief, the total amount of which is approximately \$650,000.

To obtain information about Cash benefits and Debt Relief benefits available only to Eviction Fee Class Members, please refer to the Notice that is available at www.ncpalmstenantsclass.com or contact the Settlement Administrator.

What are your options? If you don't want to receive a payment or other Settlement benefits and don't want to be bound by the Settlement and any judgment, you must send a written request to exclude yourself from the Class, postmarked no later than **XXXXXX**. If you exclude yourself, you will not receive benefits from the Settlement. If you don't exclude yourself, you will give up the right to sue the Defendants about any of the issues related to this case. If you don't exclude yourself, you may object to the Settlement or to the request for fees and costs by Class Counsel. The Notice, available at www.ncpalmstenantsclass.com, explains how to exclude yourself or object. The Court will hold a Hearing in this case on **XXXXX** at **XXXXX.m**. The date and time of the Hearing may change, please check the Settlement website www.ncpalmstenantsclass.com often for updates.

How can I learn more about this case? This Notice contains limited information about the Settlement. For more information, to view additional Settlement documents, to file a Claim and to review information regarding your opt-out and objection rights and the Final Approval Hearing, visit www.ncpalmstenantsclass.com. You may also contact the Settlement Administrator as indicated below.

Toll-Free: 1-**XXX-XXX-XXXX**

Email: Info@XXXXX.com

www.ncpalmstenantsclass.com

**DECLARATION
OF KARY
MARFEO**

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

JESSICA JOHNSON, on behalf of)
herself and all other similarly)
situated,)

Plaintiff,)

v.)

Civil Action No. 1:20-CV-1049

PALMS ASSOCIATES, LLC, and)
DURHAM MEWS, LLC, f/k/a)
DURHAM SECTION I)
ASSOCIATES, LLC,)

Defendants.)

DECLARATION OF KATHRYN M. MARFEO

I, Kathryn M. Marfeo, declare the following to be true and correct to the best of my knowledge and, if asked to do so, I could and would competently testify as to these facts:

1. I am over the age of 18 years and am under no disability that would prevent me from testifying competently to the matters set forth herein. I have personal knowledge of the matters set forth herein.

2. Since September 1996, I have served as Chief Financial Officer (“CFO”) for Palms Associates, LLC (“Palms”). Palms manages properties owned by Defendant Durham Mews, LLC f/k/a Durham Section I Associates,

LLC. As CFO, I have access to, and knowledge of, the business records relevant to the matters stated in this Declaration.

3. Pursuant to the parties' joint settlement of the above-captioned case, I directed that complete and accurate lists of all putative members of the Collection Letter Class and Eviction Fee Class—as defined in the Settlement Agreement—be compiled based on the business records of Palms.

Collection Letter Class

4. My staff and I analyzed the electronic ledgers for properties managed by Palms in North Carolina for any tenant who, between October 7, 2016 and June 25, 2018, was charged a late fee at least once and therefore was presumably sent at least one corresponding Late Payment Notice that may have warned of the imposition of Eviction Fees (as defined in the Settlement Agreement) and would therefore qualify as a “Collection Letter” pursuant to the Settlement Agreement.

5. It was Palms' standard business practice during this period to impose a late fee and immediately send a Late Payment Notice each time a tenant failed to pay his or her rent by the 5th of the month.

6. From this analysis, we determined that Palms sent 5,170 Late Payment Notices to 1,559 apartment units. These are likely members of the Collection Letter Class.

7. This list likely is over-inclusive because some tenants assessed a late fee may have paid in full before receiving a Late Payment Notice. However, for purposes of the settlement, we assumed every unit that was charged a late fee also received a Late Payment Notice.

Eviction Fee Class

8. My staff and I analyzed the electronic ledgers for properties managed by Palms in North Carolina for any tenant who was charged Eviction Fees (as defined in the Settlement Agreement) between October 7, 2016 and June 25, 2018.

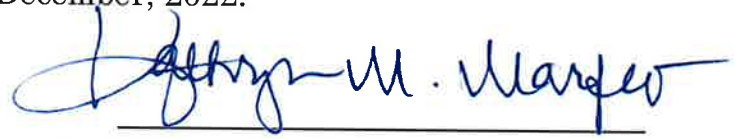
9. During this time period, Palms' standard business practice was to pass on the cost of incurred Eviction Fees to tenants against whom Palms filed summary ejection actions.

10. Per this analysis, Palms charged Eviction Fees 842 times to 381 apartment units during this time period.

11. Every member of the Eviction Fee Class also is a member of the Collection Letter Class by virtue of having received a Late Payment Notice(s)—per Palms' standard business practices—in the same month they were charged Eviction Fees.

12. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this the 23 day of December, 2022.



Kathryn M. Marfeo