

RELEASE AND SETTLEMENT AGREEMENT
PREAMBLE

WHEREAS, for several years the Mobile Housing Authority (the “Authority”), formerly the Mobile Housing Board, has experienced significant compliance and regulatory issues.

WHEREAS, prior to 2019 the Authority was designated by the United States Department of Housing and Urban Development (“HUD”) as a troubled agency.

WHEREAS, prior to 2019 the Authority entered into a Recovery Agreement with HUD to address multiple matters of noncompliance within the agency.

WHEREAS, prior to 2019 the Authority was noncompliant with its annual audits;

WHEREAS, prior to 2019 the Authority’s inspection scores and occupancy rates were substandard;

WHEREAS, prior to 2019 the Authority’s Housing Choice Voucher Program was underperforming;

WHEREAS, because of the conditions of the Authority, the Board of Commissioners sought new leadership to address the matters of nonperformance and noncompliance;

WHEREAS, on March 7, 2019, the Board of Commissioners provisionally appointed Michael E. Pierce to serve as the Executive Director (later to be named the Chief Executive Officer) and charged him with turning around the agency;

WHEREAS, despite the provisional appointment term being for a period of one year and because of the success early in his tenure, the Board of Commissioners made the appointment of Michael E. Pierce permanent on July 15, 2019;

WHEREAS, in addition to working on and addressing the matters of nonperformance and noncompliance, Michael E. Pierce lead the Authority through its largest land disposition in the sale of three properties to the Mobile Airport Authority.

THEREFORE, in appreciation for his service to the Authority the Board of Commissioners accepts the resignation of Michael E. Pierce, in good standing and consistent with the terms herein and as follows:

Release and Settlement Agreement ("Agreement") between MICHAEL E. PIERCE ("PIERCE") and MOBILE HOUSING AUTHORITY f/k/a Mobile Housing Board ("MHA") (collectively the "parties"), to resolve the dispute between the parties on the following terms and conditions:

- 1. Non-Admission.** Each party acknowledges that the other party does not admit, and in fact denies, any violation of any contractual or other legal duty or obligation owed to the other party. Agreement to this settlement is not an admission of liability or fault by either party, but merely a business decision to avoid the costs and uncertainty of continued litigation and to fully and finally resolve the employment termination appeal by PIERCE.
- 2. Effective Date/Stay of Appeal Pending HUD Approval.** The parties acknowledge that MHA must obtain approval of this Agreement from the Department of Housing and Urban Development (HUD) before this Agreement becomes effective and MHA is authorized to release the settlement consideration described herein. After both parties execute this Agreement, the parties agree to jointly petition the Mobile County Personnel Board for a stay of the hearing currently scheduled for October 21, 2025, for a minimum of sixty (60) calendar days to obtain such HUD approval, and to jointly renew the request for a stay as necessary. MHA agrees to seek approval from HUD within six (6) days of PIERCE executing this Release and Settlement Agreement. This Agreement will become effective when HUD provides written notice of approval to MHA ("Effective Date").
- 3. Settlement Consideration.** As the total monetary consideration payable by MHA for this settlement, MHA agrees to issue payment to PIERCE in the amount of *One Hundred Fifty-Three Thousand Two Hundred Twenty-Eight Dollars and Fifty-Seven Cents* (\$153,228.57), less customary and applicable income tax and FICA payroll tax deductions as contractual severance pay PIERCE potentially might have obtained as damages in the appeal or any potential lawsuit, for which MHA will issue a W-2 tax form.

In addition to the above payment MHA agrees to issue payment to PIERCE in the amount of *One Hundred Seventy-Five Thousand Dollars and No Cents* (\$175,000.00), representing non-wage and or compensatory damages, for which MHA will issue a IRS Form 1099.

Additionally, MHA agrees to issue payment to PIERCE in the amount of *Fifteen Thousand Dollars and No Cents* (\$15,000.00) which represents reimbursement of attorney's fees paid by PIERCE.

PIERCE and his attorney will be solely responsible for the payment of any applicable state or federal taxes on the settlement consideration; *provided however*, MHA shall be responsible for paying in the amounts withheld from that payment to the appropriate taxing authorities and any employer-matching share of said withholdings. PIERCE agrees to indemnify and hold harmless MHA from and against any claim by any federal or state taxing authority for payment of any taxes PIERCE is required to and fails to pay on the settlement consideration paid.

As additional non-monetary consideration for this Agreement, MHB will provide to PIERCE a letter signed by the Chairperson of the Board of Commissioners with text mutually agreeable to the parties concerning PIERCE's previous separation from employment with MHA. PIERCE may provide the letter to prospective employers who ask about his tenure with MHA and no others.

MHA or its agents will deliver the settlement checks and the signed letter to PIERCE's attorney Edward L.D. Smith within fourteen business days after the Effective Date.

PIERCE expressly understands and agrees that (i) the Mobile Housing Authority shall not be required to make any further payment, for any reason whatsoever, to PIERCE or on his behalf regarding any claim or right whatsoever which might possibly be asserted by him, and (ii) the Mobile Housing Authority, by entering into this Agreement, in no way admits that it treated Pierce unlawfully or unfairly in any way. Pierce acknowledges that this Agreement is not an admission of liability by the Mobile Housing Authority, and the Mobile Housing Authority expressly denies any liability or fault with respect to any matter covered by this Agreement.

4. **General Release.** In consideration of the foregoing, PIERCE forever releases, discharges and agrees to hold harmless MHA, and its Commissioners, employees, agents, officers, directors, representatives, attorneys, insurance carriers, reinsurers, underwriters, successors, assigns, parent corporations, subsidiary or affiliated corporations or divisions (collectively "Released Parties") from every claim, obligation, duty, damage or expense of any kind whatsoever (collectively called "a claim" or "claims") that he has or may have against them arising from any act or failure to act occurring on or before the effective date of this Agreement. PIERCE acknowledges that this general release is intended to foreclose any right he may have to assert a claim against the Released Parties in any manner, including but not limited to any right he may have to file a lawsuit or collect damages in any lawsuit filed on his behalf by others against the Released Parties based on any act or failure to act occurring on or before the effective date of this Agreement. This release includes all claims that are known and/or unknown at the present time, including claims that arise from acts or omissions that are unknown at the present time, as long any such claim arises from an act or failure to act that occurred on or before the effective date of this Agreement. This release expressly includes any claim that PIERCE might have against the Released Parties as of the effective date of this Agreement under any federal, state or local statute, executive order, ordinance, or regulation and any claim under the common law of any jurisdiction and includes any PIERCE asserted or could have asserted in the Lawsuit.
5. **Other Proceedings.** PIERCE agrees never to file a lawsuit or join in a lawsuit against MHA or the Released Parties that asserts or alleges any claim arising from his employment that he has or may have had before the effective date of this Agreement that is released by this Agreement. PIERCE expressly waives any right to monetary relief, reinstatement, or any other legal or equitable relief from MHA or the Released Parties awarded by any governmental agency or court relating to any lawsuit, complaint, charge, or other proceeding (regardless of by whom filed or when filed) based on events occurring before the effective date of this Agreement. PIERCE further acknowledges and agrees that if he brings any lawsuit, complaint, lawsuit, or other proceeding against MHA or the Released Parties in the future based upon events occurring before the effective date of this Agreement, he will materially breach this Agreement, and MHA or the Released Parties will be entitled to recover as damages all their attorneys' fees, costs and expenses incurred to defend such lawsuit, complaint, charge or other proceeding.
6. **Joint Dismissal of Appeal.** PIERCE consents to his counsel's execution of the joint stipulation of dismissal of the Appeal, with prejudice, and with all parties to bear their respective costs. PIERCE consents to the dismissal, with prejudice, of the Appeal with the joint stipulation of dismissal to be filed within five business

days after PIERCE receives the settlement consideration described above in Paragraph 3.

7. **Confidentiality.** The parties agree that the terms of this settlement agreement are confidential unless waived by the other in writing or as disclosure is required by applicable law. PIERCE may inform, disclose or discuss the monetary consideration only with his attorney, accountant, tax preparer, or any federal or state authorities as required by state or federal law, rule or regulation. PIERCE may provide the letter described in Paragraph 3 to prospective employers who inquire about his tenure with MHA. PIERCE otherwise must not in any manner, inform, disclose or discuss the monetary and nonmonetary consideration with, or provide a copy of this Agreement or the letter described in Paragraph 3 to, any other legal entity or natural person, including without limitation any representative of the media.
8. **Neutral Reference.** In the event a potential employer or other third party asks about PIERCE or his previous employment, MHA will provide a neutral reference stating PIERCE's dates of employment and job title and, if asked about the letter described in Paragraph 3 by a potential employer, will confirm the validity of letter. MHA may provide further information to applicable state or federal governmental authorities if compelled or required by state or federal law, rule or regulation, or in defense of any claims asserted by PIERCE against them or in defense of any claims asserted by any third party against them arising from PIERCE's acts or omissions.
9. **Breach of Covenants.** PARTIES agree that if either breaches the covenants of this Agreement, particularly the confidentiality covenant, neither will have an adequate remedy at law and will therefore be entitled to recover from the breaching party the sum of Fifty Thousand Dollars and No Cents (\$50,000.00) as liquidated damages in addition to such other relief, including any legal, equitable, or injunctive relief, as may be necessary or appropriate to prevent or remedy the breach or threatened breach of the covenants of this Agreement. In the event of litigation to enforce this Agreement or to seek legal or equitable remedies for an alleged breach of this Agreement, the parties agree that the prevailing party may recover reasonable attorneys' fees and costs from the other party in addition to any damages or other relief that may be awarded at law or in equity.
10. **Knowing and Voluntary Waiver of Rights.** PIERCE acknowledges that he has read, understands, and voluntarily accepts the terms of this Agreement. PIERCE further acknowledges that the consideration paid or promised under this Agreement is the only consideration for this Agreement and that no other promise, commitment or representation of any kind has been made to induce him to enter into this Agreement. PIERCE acknowledges and agrees that he has relied solely on his own reading of this Agreement and the advice, if any, given by his own attorney, if any.
11. **Severability.** If any part of this Agreement is finally adjudged to be unlawful, void or unenforceable by a court of competent jurisdiction, such part shall be deemed deleted, but such adjudication shall not affect the enforceability of any other part of this Agreement, and all other provisions of this Agreement shall continue in effect.
12. **Merger/Amendments.** This Agreement contains the full, entire and integrated agreement and understanding of the parties on the entire subject matter covered by this Agreement. All written or verbal discussions, negotiations, commitments, proposals and representations related to the subject matter of this Agreement are merged in this Agreement. This Agreement cannot be changed, including additions, deletions or

amendments, except by written agreement signed by PIERCE and MHA's President or Chief Executive Officer.

13. **Applicable Law.** This Agreement is made in Alabama and must be governed by Alabama law, without reference to principles of conflicts of law, to the extent not inconsistent with federal law.
14. **Duplicate Originals.** This Agreement may be executed in duplicate originals, each of which, if fully executed, may be admitted in evidence as a duplicate original.
15. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of MHA's successors and assigns as well as PIERCE, and his successors, personal representatives and heirs. *Provided however*, the parties agree that the obligation to pay the monetary settlement is a personal obligation of MHA and not a debt of any parent, subsidiary, or affiliated companies.

AGREED this the 24 day
NOVEMBER, 2025.


MICHAEL E. PIERCE

AGREED this the 25 day
NOV, 2025.


MOBILE HOUSING AUTHORITY

BY: William RAY
Its: Chair