

## Memorandum of Understanding

This Memorandum (sometimes referred to hereinafter as the “Agreement” or “Memorandum”) (“”), dated 11/01/24 (“Effective Date”) is agreed to by and between (i) Columbus Property Management & Development, Inc. (“**Columbus**” or “**CPM**”), Freedom Village, L.P., 2044 Columbus, L.P., and MPB School Apartments, L.P., (collectively, with Columbus, the “**Owner Entities**”) and (ii) the following tenants of Columbus-managed buildings: Marie Reese, Patricia Clark, Michele Bowers, Hashim Abdus Samad, and Dorene Vandiver of 1627 Ogden Street, Philadelphia, PA 19130 (“**Freedom Village**”); Keith Bailey, LaVance Jackson, and Janice Greene of 4113-43 Warren Street, Philadelphia, PA 19104 (“**Powelton Heights**”); and Antoinette Bowens of 2811 West Sedgley Avenue, Unit 301, Philadelphia, PA 19121 (“**MPB School Apartments**”) (collectively, the “**CPM tenants**,” and together with the Owner Entities, the “**Parties**”). Freedom Village, Powelton Heights and MPB School Apartments shall sometimes collectively be referred to as the “**Projects**” and individually, a “Project”).

1. **This Memorandum is Binding and Enforceable.** The Parties mutually and voluntarily enter into this Memorandum of Understanding, after consultation with their respective counsel, to memorialize and bind themselves to mutually-agreeable terms, notwithstanding the fact that certain of the terms herein may be supplemented or otherwise more fully expounded upon in a subsequent agreement. The Parties agree that this Memorandum is intended to be fully binding and enforceable and contains all essential terms of their agreement.

2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b.

[REDACTED]

c.

[REDACTED]

**4. Corrective Actions at Freedom Village, Powelton Heights, MPB School Apartments.**

a. Columbus to address and cure deficiencies.

- i. Within five (5) business days of the Effective Date, Columbus shall inspect each CPM tenant’s unit (if not already inspected within the last sixty days) identify and create work orders for all deficiencies which are the responsibility of landlord under the applicable tenant lease. Deficiency is defined as any condition that is deficient as a Condition under the Section 8 HQS standards (“HQS Standards”) for those units receiving subsidies from the Philadelphia Housing Authority and NSPIRE standards for those units subsidized through HUD. Note: such timetable is tolled to the extent that access is prevented by the CPM tenant(s) in question.
- ii. Within twenty-four (24) hours of discovery or notification of any emergency repair items which endanger family health and wellbeing, including but not limited to those deficiencies listed as life-threatening or severe under HQS Standards or NSPIRE standards, whichever is applicable,

and the following: (1) Plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling; (2) Natural or LP gas or fuel oil leaks; (3) Any electrical problem or condition that could result in shock or fire; (4) Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit; (5) Utilities not in service, including no running hot water (subject to any utility requirements of the account holder if such account holder is not the landlord); (6) Obstacles that prevent safe entrance or exit from the unit; (7) Absence of a functioning toilet in the unit; (8) Rat infestation; and (9) Inoperable smoke detectors, CPM shall initiate the necessary repairs to correct such conditions, with the intent that no such emergency shall continue unabated more than 24 hours after discovery.

- iii. CPM shall use best effort to cure each and every deficiency identified by CPM inspection and each and every CPM tenant complaint or request that falls within landlord's responsibilities, by no later than fifteen (15) days after the date of the inspection of such unit(s). If such cure cannot feasibly be completed within such time frame, then CPM shall have initiated such cure within such time frame and see such work to fruition. This shall include, but in no way be limited to any other outstanding deficiencies under the HQS Standards NSPIRE standards (whichever is applicable), and (i) arranging for immediate pest control service and scheduling recurring treatment; (ii) addressing any plumbing issues, including replacing or repairing toilets, faucets, bathtubs, and pipes where appropriate; (iii) adequately addressing/repairing moisture issues, mold, and water inflow, including, where needed, hiring a contractor to recommend the repairs needed and completing such recommended repairs; (iv) replacing vent filters in need of replacing and cleaning all vent covers and addressing all necessary repairs to ventilation systems; (v) patching holes in walls and ceilings and repainting them; (vi) replacing broken or defective kitchen cabinets, drawers, and damaged/or stained carpets; and (vii) repairing or replacing any broken appliance that was provided by the landlord or a fixture in the apartment at the start of the leasehold. As a matter of priority, CPM will, within two (2) days of execution of this Agreement, if not already performed, clean the vent covers and remove all residue from any vent covers and kitchen cabinets in [REDACTED]
- iv. The landlord maintains the general right to charge tenant for the cost of remediation, pursuant to the lease documentation for such unit. However, the Owner Entities agree (for the purposes of this agreement only) that as of the execution date of this agreement, no necessary repairs are deemed the responsibility of the CPM Tenants and are thus not chargeable to them.
- v. Columbus shall provide each of the CPM tenants with weekly updates (with respect to their unit repairs), issued at 12 p.m. on Friday, that specifies the action items completed during the prior week and the plan for completion the following week. Such updates may be in the form of a telephone call at the tenant's preferred number. In the event that the tenant does not pick up, the CPM representative shall leave a message and provide a number to call

back.

- vi. Columbus hereby designates the following as a direct point of contact for the CPM tenants to notify CPM of any issues or concern regarding their tenancy: [REDACTED]

departure, Columbus will promptly provide a replacement designee.

- b. Within twenty (20) days of the Effective Date, if not already completed, Columbus shall inspect all units within the Freedom Village, Powelton Heights, and MPB School Apartment buildings. The inspections shall identify and create work orders for all deficiencies pursuant to the standards identified in Paragraph 4(a)(i). Repairs pursuant to such work orders shall be completed pursuant to the schedule set forth in Paragraphs 4(a)(ii) and 4(a)(iii). Note: such timetable is tolled to the extent that access is prevented by unit tenants. Said inspection shall include inspection of the intercom system.
- c. Columbus will cure all outstanding L&I and PHA violations. Columbus will work to remediate all current outstanding violations issued by the Department of Licenses and Inspections and Philadelphia Housing Authority for Powelton Heights, Freedom Village, and MPB School Apartments, such that the remediation work is completed within sixty (60) days of the Effective Date of this Agreement. It is understood that the authorities listed above may take longer to inspect/ correct the record of any such violations and such administrative correction/clearance is outside of the control of Owner Entities. If any violation persists or a Notice of Compliance or its equivalent is not received by Columbus, Columbus will remediate such outstanding violations within seven (7) days. Columbus shall provide the CPM tenants and their counsel with Notices of Compliance issued by L&I and PHA.
- d. Within sixty (60) days, Columbus will (i) replace all locks on exterior doors that are in disrepair; (ii) replace or repair all exterior doors in need of replacement or repair to confirm that the buildings lock securely; (and (iv) retain roving security services (on terms similar to the proposal from Private Ink (provided herewith)), which would cover the location(s) that include the Projects in question;
- e. It is agreed that within ninety (90) days of the Effective Date, CPM will install a fob system at Freedom Village; and will install a system at Freedom Village that makes audible alerts when exterior doors have been left open;.
- f. Powelton Heights is in line for renovation within one (1) year of the execution of this Memorandum of Understanding. It is agreed that as part of that renovation, Powelton Heights will have a video surveillance system installed. To the extent no renovations are started by January 1, 2026, Columbus will nonetheless install a video surveillance system.
- g. Within ten (10) days of the Effective Date, CPM will contact the Police Station servicing the geographic area where Powelton is located, and will request that a Police Officer meet a CPM representative onsite so that the emergency responder

access box can be opened, and so that the CPM representative and Officer can confirm that said box contains a means by which emergency responders can access the subject building.

- h. In the event that CPM discovers that any mailbox at the subject three locations is in need of repairs, or in the event it is notified by a tenant of such need, CPM agrees to contact the United State Post Office to request a repair.
- 5. Improved Property Management Performance for Philadelphia Portfolio.** Within thirty (30) days of this Memorandum, Columbus will provide to counsel for CPM tenants a comprehensive plan for improved property management performance (the “**Plan**”), which plan cover all Columbus-managed properties in Philadelphia, New Jersey and the counties surrounding Philadelphia (the “**CPM Portfolio**”) and which Plan shall be modeled on best practices plans for similar affordable housing portfolios. CPM tenants’ counsel will have thirty (30) days to suggest any changes to the Plan, which suggestions will be implemented into the Plan unless they are unreasonable, impracticable or not economically feasible.

Columbus agrees that the Plan, at minimum, will:

- a. Identify all properties in the CPM Portfolio;
- b. Memorialize its agreement to inspect, as a matter of priority, three (3) additional buildings within the Philadelphia portfolio, and (i) create work orders for all deficiencies pursuant to the standards identified in Paragraph 4(a)(i), and (ii) conduct repairs pursuant to such work orders under the timetables set forth in Paragraphs 4(a)(ii) and 4(a)(iii).
- c. Memorialize its agreement to the following obligations:
  - i. Conduct annual affirmative inspections of all units in the CPM Portfolio. Such inspections shall identify and create work orders for all deficiencies as defined under the applicable housing standards, i.e., NSPIRE STANDARDS<sup>1</sup> for all projects receiving direct HUD funding and HQS for non-federal projects (e.g. projects that receive subsidies from state or city funding sources, including Philadelphia Housing Authority (PHA), but no direct HUD funding). All work orders shall be completed pursuant to the schedule set forth in Paragraphs 4(a)(ii) and 4(a)(iii).
  - ii. Abate flooding conditions within twenty (24) hours where feasible, and all standing water relating to flooding shall be dried in forty-eight (48) hours. Any property damage from flooding will be remediated within seventy-two (72) hours where possible;

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<sup>1</sup> Department of Housing and Urban Development’s (HUD) current National Standards for the Physical Inspection of Real Estate (“**NSPIRE Standards**”)

- iii. Maintain an average service level of no more than seven (7) days for completion of mold and excessive moisture-related work orders that can be addressed by a maintenance worker and an average service level of no more than fourteen (14) days for completion of more complex repairs;
- iv. Create a designated customer contact center, and train all relevant property management staff on updated protocol for responding to tenant complaints. Any protocol created must: have a process wherein (1) complaints made in person to CPM employees are recorded in a written log within one (1) hour of being communicated, (2) any phone call to the customer contact center is logged immediately and automatically generates a call record and corresponding work order, and (3) an online portal is created for tenants to submit, monitor, and track the status of all work orders and repair schedules;
- v. Maintain an average service level of responding to tenant complaints or requests within two (2) hours where feasible for an emergency and 48 hours for a non-emergency;
- vi. Develop and issue new standard operating procedures, policies, procedures, forms and informational materials for maintenance and management of properties;
- vii. Agree to two (2) years of monitoring by a mutually agreed upon third party, which party may be Niels Jorgensen of NHSPI and shall be paid for by CPM or the applicable owner entity. As part of such monitoring, CPM shall issue reports, on a quarterly basis, to such third-party monitor that identifies all work orders requiring corrective action, categorized by building, with the date a deficiency was reported, that are (1) open; (2) pending or in progress; and (3) completed and the date of completion. Said monitoring shall include, at a minimum, quarterly inspections of a representative sample of CPM units. Copies of reports to and from the monitor will also be available to CPM Tenants (to the extent applicable to their unit or living conditions) and their counsel, but shall not be distributed to tenants or other third parties. It is agreed that identifying information such as the renter of the unit or the unit number will be redacted from any such reports.

**6. Choice of Law and Attorney's Fees.** This Memorandum is governed exclusively by Pennsylvania law. [REDACTED]

[REDACTED] Should any of the Owner Entities materially breach this Memorandum and fail to cure said material breach within thirty (30) days of notice of the breach or initiating the cure within 30 days if the breach cannot be cured within thirty days, the CPM tenants may recover attorneys' fees and costs if they prevail to enforce this Memorandum of Understanding and to pursue any other relief in accordance with Paragraph 7. Among other things, the parties agree that implementation of the plan described in Paragraph 5 of this Memorandum is a material term. The CPM tenants may exercise their rights under this Paragraph 6 without any notice or cure precondition where Owner Entities engage in repeated or recurring material breaches after purportedly curing them.

7. **Conditional Covenant Not to Sue and to Provide Release.** As consideration for the Owner Entities' agreement to the obligations stated herein, the CPM Tenants conditionally agree that they will not pursue the Complaint filed by the CPM tenants, and will agree to dismiss same within 15 days of the execution of this Memorandum. In addition, upon thirty days of the execution of this document, the CPM tenants shall, individually, sign a General Release with respect to the claims identified in the Complaint filed by the CPM tenants in the Court of Common Pleas of Philadelphia County, Pennsylvania.

8.



9. **No Retaliation.** The Owner Entities expressly agree that they will take no adverse action against CPM Tenants in connection with their engagement of counsel and reporting of the conditions in the draft complaint transmitted on May 20, 2024. The CPM Tenants agree not to disparage the Owner Entities with respect to the allegations in the Complaint filed in the Court of Common Pleas of Philadelphia County, Pennsylvania, nor with respect to the terms of this agreement.

10. **No Admission.** This Memorandum shall not be construed as an admission by Owner Entities of any liability or of any factual allegation and shall not be used in any future litigation. Owner Entities enter this Memorandum solely to avoid the costs of threatened litigation.

11. **Termination.** It is agreed and understood, that this Memorandum of Understanding shall no longer apply to any property to the extent CPM cease to have property management responsibilities therefor.