

## THE COOPERATION AND SETTLEMENT AGREEMENT

This Cooperation and Settlement Agreement (the "Agreement") is entered into this \_\_\_\_ day of March 2022 by and between the City of Atlanta (the "City") and the owner of the property located at 900 Newtown Circle, Southeast Atlanta, Georgia 30315, Phoenix Ridge GA TC, LP ("Owner"). The City and Owner will be collectively referred to as "Parties".

### RECITALS

**WHEREAS**, on or about October 14, 2021, the City filed a complaint (the "Nuisance Action") against Owner in the Municipal Court of Atlanta captioned *CITY OF ATLANTA, Plaintiff, v. Property located at 900 NEW TOWN CIRCLE SOUTHEAST ATLANTA, GEORGIA 30315, known as FOREST COVE APARTMENTS in its entirety, including all UNITS situated thereon, a.k.a. TAX PARCEL IDENTIFICATION NUMBER(s): 14-0025-LL-007-8; 14-0025-LL-006-0; and 14-0008-LL-023-6, OWNER and OCCUPANTS, In Rem, Defendants*. The Nuisance Action related to the property commonly known as Forest Cove (the "Property").

**WHEREAS**, on or about December 27, 2021, the Municipal Court of Atlanta issued an order (the "Order") related to the Nuisance Action that declared the Property a public nuisance and required Owner, at its expense, among other items to do the following: (i) relocate the residents (ALL) and vacate the Property not later than March 1, 2022; (ii) immediately secure the Property with two security professionals during normal business hours and an additional 6 security professionals after business hours, by January 28, 2022; (iii) install security cameras throughout the property by January 31, 2022; (iv) fence the entire Property after relocation; (v) remove all junk, trash, and overgrowth by January 31, 2022; and (vi) commence demolition by April 15 to be completed within 150 days.

**WHEREAS**, on or about January 26, 2022, Owner filed an appeal (the "Appeal") to the Superior Court of Fulton County and the Appeal is currently pending.

**WHEREAS**, the City and Owner have reached a mutually acceptable resolution to resolve the Appeal and to expedite the relocation of the residents of Forest Cove:

**WHEREAS**, Owner has developed a plan for the rehabilitation of the Property, which it contends would negate the need for its demolition, and to exercise its best efforts to obtain the financing for this effort:

**NOW, THEREFORE**, in consideration of the promises, the mutual covenants and undertakings set for hereinafter, the sufficiency of which is hereby acknowledged, the City and Owner agree as follows:

**1. Relocation of the Current Residents of Forest Cove.**

- a. *Consent Order.* The City acknowledges the pending Appeal, and the Parties agree to propose a joint consent order (the “Consent Order”) which will be presented to the Fulton County Superior Court and both parties will advocate that the Consent Order be approved and entered by the Fulton County Superior Court. The Parties agree that the Consent Order will incorporate the terms of this Agreement and that the Parties will seek to have the mandate for the demolition of the Property vacated. Owner acknowledges that the City will cooperate with the vacation of the demolition mandate after all rightful residents of Forest Cove have been relocated and that the Owner will not be required to install security cameras. After this Agreement is signed, the Parties will immediately start to negotiate the mutually acceptable language of the proposed Consent Order which will substantially mirror the terms of this Agreement. As part of this Agreement, Owner agrees that it will use its best efforts to lawfully relocate all rightful residents from Forest Cove no later than July 15, 2022.
  
- b. *Financial Resources and Personnel to be used for the relocation efforts.*
  - i. *Current Engaged Relocation Partners.* The City acknowledges that Owner has entered into contracts with APD Urban Planning & Management, LLC (“APDU”) and Open Doors related to the relocation process and efforts.
  
  - ii. *The Relocation Costs.* The City further acknowledges that there are significant costs involved in the relocation process for the residents, including, but not limited to the contracts with APDU and Open Doors, moving costs, moving supplies, security deposits, transportation costs, utility hookup fees, wrap around supportive services, rent variance reserves, furniture costs, and permanent displacement (collectively, the “Relocation Costs”) and that the City has received and reviewed a relocation budget from Owner.
  
  - iii. *The City’s agreement to pay for the Relocation Costs.* The City will advance all funds associated with the Relocation Costs, as that term is defined in this document, which includes, but is not limited to any amounts paid to residents, or otherwise pursuant to the Uniform Relocation Act (24 C.F.R. 983.7), to the Community Foundation of Atlanta. Owner agrees to immediately authorize Open Doors to

release the funds it has provided so that relocation efforts can recommence immediately. Owner will pay APDU 50% of all outstanding amounts as of March 23, 2022, no later than March 28, 2022 and the remainder over the course of the next ninety (90) days.

- iv. *Owner's employees assigned to the relocation process.* As the relocation of the residents must be done pursuant to the Uniform Relocation Act, 24 C.F.R. § 983.7, Owner will dedicate two employees: Arthur Krauer, Executive Vice President of Compliance and Community Affairs and Shawntai Butler Langford, Relocation Specialist, who will be primarily dedicated to the relocation efforts.
- v. *Current Stock of Housing.* The City will share the list of the available units it has identified with Owner, APDU and Open Doors.
- vi. *Owner's agreement to reimburse the City for the Relocation Costs.* All costs paid by the City will be reimbursed by Owner within 30 days of the closing of the financing for the rehabilitation, rebuild or the sale of the Property.

## **2. Security and Operating Plan for Forest Cove.**

- a. *The Security Plan while the Property is occupied.* To date, Owner has staffed the Property with two security personnel during daylight hours and six security personnel from dusk to dawn.
- b. *The Security and Operations Plan while the Property is not occupied.* When the Property is no longer occupied because all rightful residents have been relocated, Owner plans to do the following (the "Security Plan") to address the need for the empty property to be safe and secure:
  - i. *Security patrols.* Owner will continue to have a third-party security company patrol the Property.
  - ii. *Securing the current structures.* As each building is vacated, Owner will remove all remaining debris and trash from each unit, remove all appliances; turn off the gas services to the Property; turn off water; board up all ingress and egress points of each structure; and further measures as necessary to secure the Property.
  - iii. *Additional Lighting.* Owner will secure additional lighting to ensure that the Property is well lit.

- iv. *Fencing the Property.* Once the Property has been vacated of all residents, at a minimum, Owner will have a chain link fence that is a minimum of eight (8) feet high constructed around both phases of the Property. If this is not adequate to secure the property, Owner will take other reasonable steps to do so.
  - v. *Continued Landscaping Contract.* While the Property is vacant, Owner will continue to have the grass cut and trash picked up from within the Property, as necessary.
  - vi. *Property Management Team Staffing.* In addition, Owner and the City understand that while the Property is vacant, there is still a need for the current residents to have services provided. As such, Owner agrees that while the Property is vacant, the Property will have a Property Manager to assist the residents, liaison with the various temporary landlords; and work on annual and interim recertifications.
  - vii. *Credit of the Permit Inspection Fees.* The City acknowledges that it accepted inspection fees and approved permits for Owner. The City agrees to credit any permit inspection fees that were paid by Owner or on behalf of Owner to any future inspection fees.
  - viii. *Failure to Adequately Secure the Property.* In the event that Owner fails to adequately secure the property, the City has the right to take the necessary steps to do so and to seek to recover the reasonable costs expended by the City in doing so. City also retains the right to seek any other remedies to which it may be entitled for this failure.
- c. *Pass-through leases.* The City acknowledges that the residents' rent will continue to be subsidized by HUD through the Housing Assistance Payments Contract (the "HAP Contract") provided by HUD through a pass-through lease. The City acknowledges that the HUD rental assistance is subject to annual appropriation. Owner and the City agree that an extension of the HAP contract will be sought for a period not to exceed 18 months.

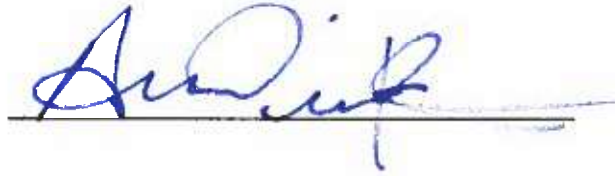
**3. Joint Messaging for Residents.** The Parties will work on a joint statement for release related to the relocation process and this Agreement.

**4. No Objections for Future Application with the State of Georgia's Department of Community Affairs ("DCA").** Owner understands and acknowledges that DCA and the City are two separate entities, and that the City does not participate in any actions of DCA. The City acknowledges that Owner plans to resubmit an application

(the "New Application") for private activity bond volume cap and 4% LIHTC for an acquisition rehabilitation with DCA. Owner represents that the New Application will be substantially similar to the previously submitted application and the City agrees that it will take no action to oppose the New Application and that the City considers the rehabilitation of property within the Thomasville Heights community a priority.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives:

The City of Atlanta

A handwritten signature in blue ink, appearing to be "A. O. ...", is written over a horizontal line.

Phoenix Ridge GA TC, LP  
a Georgia limited partnership

By: Phoenix Ridge TC Investment, LLC,  
its General Partner

By:  \_\_\_\_\_  
Frank T. Sinito, Manager