

**IN THE FRANKLIN COUNTY MUNICIPAL COURT
ENVIRONMENTAL DIVISION
FRANKLIN COUNTY, OHIO**

STATE EX. REL KLEIN,	:	
	:	
Relator-Plaintiff,	:	Case No. 2022 EVH 060061
	:	
-vs-	:	Judge Stephanie Mingo
	:	
PAXE LATITUDE LP, et al.,	:	
	:	
Respondents-Defendants,	:	
	:	
-and-	:	
	:	
LUMENT COMMERCIAL MORTGAGE TRUST, as successor in interest to OREC Structured Finance Co., LLC,	:	
	:	
Interested Party-Defendant.	:	

AGREED JUDGMENT ENTRY

THIS CAUSE is before the Court on the Motions for Contempt filed by Relator-Plaintiff State ex rel. Zach Klein (“Plaintiff”) on December 27, 2022, and by Cross-Claimants Tenant Defendants (“Tenant Defendants”) on January 3, 2023, (collectively “Contempt Motions”) against Respondents-Defendants Paxe Latitude LP (“Paxe”) and Integra Affordable Management, LLC (“Integra,” and, collectively with Paxe, “Defendants”). Plaintiff, Defendants, Cross Claimants, and Interested Party-Defendant Lument Commercial Mortgage Trust, as successor in interest to Interested Party-Defendant OREC Structured Finance Co., LLC (collectively, “Lument”) by and through counsel, have resolved the Contempt Motions on the terms set forth in this Agreed Judgement Entry. This Agreed Judgement Entry supersedes all previous Orders of this Court and serves as the operative Order in this litigation.

Plaintiff, Defendants, Lument, and Tenant Defendants (collectively, the “Parties”) stipulate, and the Court **FINDS**, as follows:

- A. The subject property is located at 521, 525 and 529 Sawyer Boulevard, Columbus, Ohio, Parcel Number 010-288512 (“the Property”).
- B. On May 24, 2022, Plaintiff and Defendants stipulated to, and this Court issued, a Final Agreed Entry (“May Order”) in this matter.
- C. On Sept 12, 2022, Plaintiff filed a Motion for Contempt against Paxe arising from alleged violations of the May Order.
- D. On October 21, 2022, Lument filed an action for foreclosure and other relief against Paxe and Boruch Drillman (“Drillman”) in the Court of Common Pleas, Franklin County, Ohio, Case No. 22 CV 7387 (“the Foreclosure Action”).
- E. On November 8, 2022, Plaintiff and Defendants stipulated to, and this Court issued, an Agreed Entry in this matter (“First Agreed Entry”).
- F. Following a status conference before this Court on November 18, 2022, the Court entered a Judgment Entry (“Judgment Entry”).
- G. Following a status conference before this Court on November 30, 2022, the Court entered a Court Entry (“Court Entry”).
- H. The Parties agree that it is in their mutual interest to resolve this case.
- I. The Parties agree that this Agreed Judgement Entry supersedes the First Agreed Entry, Judgment Entry, Court Entry, and all previous Orders of this Court and serves as the operative Order in this litigation.

The Parties therefore stipulate, and the Court **ORDERS** as follows:

1. **Sale of Property.** Paxe agrees to sell the Property pursuant to the following timeline:
 - a. **Purchase Contract.** On or before January 6, 2023, Paxe shall enter into a Purchase and Sale Agreement (“PSA”) for the sale of the Property to an unrelated party (the “Buyer”), on terms and price reasonably acceptable to Lument and upon terms that conform with this Agreed Entry.
 - b. **Nonrefundable Deposit.** On or before January 6, 2023, Buyer shall deposit in a Repair Reserve Account held with and administered by Lument \$500,000.00 which is immediately nonrefundable pursuant to the PSA. Subject to Section 1.c., if Buyer defaults, the Repair Reserve Account shall be administered and dispersed in accordance with the PSA and the Lument loan documents.
 - c. **Use of Deposit Funds.** Lument shall make up to \$150,000.00 in disbursements to Paxe from the Nonrefundable Deposit to pay costs and expenses incurred and/or billed for work at the Property. Paxe shall submit to Lument a written disbursement request and Lument shall disperse funds to the payee within five business days of receipt with written confirmation of payment to Paxe. If the \$150,000.00 is exhausted, Lument may return to this Court to request an order requiring Paxe to deposit additional funds.
 - d. **Closing Date.** On or before January 31, 2023, Paxe shall close the sale of the Property to Buyer (“the Closing”).
 - e. **Closing Extension.** The Closing may be extended until February 10, 2023, under the terms of the PSA at the request of Buyer.

2. **Continuation of Utilities.** Paxe shall enter into written modification agreements extending the payment deadline in the written payment agreements entered into with the Utility Providers referenced below at (a)-(d) (the "Utility Providers") extending the payment deadline for payment in full to the new Closing date from the proceeds of the sale of the Property subject to all prior liens.

- a. American Electric Power
- b. Columbus Department of Public Utilities
- c. Columbia Gas
- d. Spectrum Telephone.

Paxe shall maintain such utilities in place through the Closing.

3. **Repair of Heat, Hot Water and Elevators.** On or before January 29, 2023, Paxe shall complete repairs and/or the replacements necessary to fully restore heat, hot water and elevator service to the Property.

4. **Compliance with Emergency Orders and Orders to Correct.** No re-occupying of the Property shall occur until Paxe has complied with the Emergency Orders issued by Code Enforcement and the Orders to Correct issued by Columbus Fire Department. Copies of said orders are attached as exhibits A through G. Paxe shall obtain all necessary permits for work completed in order to comply with said orders.

5. **Immediate Payment to the City.** On or before January 10, 2023, Paxe shall pay to the City Fifty-Thousand Dollars (\$50,000.00) to reimburse it for any and all overtime costs incurred in responding to the Property on and after December 25, 2022.

6. **Reimbursement for Temporary Housing.** Paxe shall reimburse all costs incurred for temporarily housing displaced tenants of the Property from December 25, 2022, through

the termination of Paxe's ownership of the Property. Said costs shall include hotel room rental, bus passes, food delivery and food service. The Parties agree that said reimbursement amount shall not exceed Three Hundred Forty Thousand Dollars (\$340,000.00) as of the dates of closing stated in Paragraph 1. In the event the Closing does not occur on the dates of closing stated in Paragraph 1, said limitation shall not apply.

7. **Access to Property.** Defendants shall control access to the Property as follows:

- a. Paxe shall maintain one or more private security guards at the Property at all times.
- b. Paxe shall maintain a dedicated fire watch, performed continuously and logged hourly, at any and all times that persons are present at the Property.
- c. Except for persons described in Paragraphs 7.d., 7.e. and 10 of this order, Paxe shall not grant access to the Property to any persons unless accompanied by a Code Enforcement Officer.
- d. Paxe shall provide Code Enforcement Assistant Administrator Edgar Dillon with the names of any and all maintenance personnel and contractors at the Property at all times.
- e. The Court's Environmental Specialists shall have full access to conduct inspections at the Property.

8. **Tenants' Right to Terminate Existing Leases.** Paxe agrees that any tenant displaced as a result of the Vacate Order will be provided the right to terminate their Lease Agreement and surrender his/her apartment with no penalty. Tenants are not waiving any other claims with respect to this incident.

9. **Abatement of January Rent.** No tenant shall be required to pay January rent. If a tenant chooses to reoccupy the Property in January, rent shall be prorated accordingly.
10. **Lument's Right to Inspect.** Paxe grants Lument the right to inspect the Property upon reasonable notice to Paxe's representatives or its Counsel.
11. **Abatement of Litigation and Stay of Foreclosure Action.** Lument, Paxe and Drillman agree that the Foreclosure Action shall be stayed pending further Court Order and that Paxe and Drillman shall not be required to take any action in the Foreclosure Action including, but not limited to, filing an Answer or other responsive pleading, until the earlier of: (a) fourteen (14) days after the appointment of a receiver in the Foreclosure Action, or (b) fourteen (14) days after the Closing. The stay of the Foreclosure Action shall be automatically lifted upon the earlier of: (a) an Order by the Environmental Court that Paxe and/or Integra have violated the terms of this Agreed Order; or (b) fourteen (14) days after the Closing.
12. **Automatic Appointment of Receiver in Foreclosure.** In the event the Environmental Court determines that Defendants violated this Order, Paxe, Drillman and Plaintiff hereby stipulate that Lument shall be automatically entitled to appointment of a Receiver of Lument's choice for the Property in the Foreclosure Action. Defendants agree to an expedited hearing before the Environmental Court to determine whether a violation of this Agreed Entry has occurred. The Receiver shall have each and every power and authority conferred upon receivers by the laws of Ohio including, but not limited to, R.C. 2735.01, *et seq.*, Civ.R. 66, and Franklin Co. Common Pleas Court Loc.R. 66.

13. **Controlling Nature of this Order.** This Agreed Entry is intended to supersede all prior Agreed Entries or Orders of this Court. This Order serves as the operative Order in this litigation.
14. **Continuing Jurisdiction.** This Court shall retain jurisdiction over this action for the purpose of enforcing or modifying this Order.
15. Except as expressly and specifically stated herein, nothing contained herein has any effect on the Foreclosure Action or on Lument's rights against Paxe and Drillman under the "Loan Documents" (as such term is defined in the Foreclosure Action).
16. **Compliance Hearing.** This matter shall be set for a **Compliance Hearing on February 13, 2023, at 10:00 a.m.** to determine compliance with this Order. Said Compliance Hearing may be vacated upon prior notice to the Court by all Parties that no violations of the Order have occurred. The Status Conference currently scheduled for February 13, 2023 is hereby vacated.

This is a final order. Pursuant to Ohio Civil Rule 58, the Clerk is directed to notify the parties as they appear below.

SO ORDERED.

JUDGE STEPHANIE MINGO

DATE

APPROVED BY AND COPIES TO:

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