

# HISTORIC DEUTSCHTOWN DEVELOPMENT CORPORATION

September 19, 2019

Jamie Younger, President  
Northside Leadership Conference  
1319 Allegheny Ave, 2<sup>nd</sup> Flr  
Pittsburgh PA 15233

Re: Arnold's Tea

Jamie:

I am writing to express the appreciation of the Historic Deutschtown Development Corporation Board for the services of the Northside Leadership Conference as Property Manager for our building at 502 E Ohio St.

As you know, HDDC is a non-profit dedicated to strengthening the East Ohio Street business district and has successfully completed several key projects in the district. The HDDC Board consists of 5 volunteer community representatives and it meets monthly to make decisions regarding our various properties.

HDDC is the Managing Partner of 502 E Ohio LP, the owner of the building that houses Arnold's Tea. NSLC holds a small equity position in the property and serves as HDDC's Property Manager, assisting the HDDC Board in planning, constructing and operating our projects. Ultimately, the decision-making responsibility for these properties rests solely with the HDDC Board.

As the Landlord for 502 E Ohio St, the HDDC Board has wrestled with concerns about Arnold's Coffee & Tea ever since Claudy Pierre first proposed purchasing the business from Ms Verna Arnold. Mr Pierre had defaulted on an earlier restaurant lease and did not have a clean credit history. We worked through those concerns with him and negotiated a Lease that started Oct 1, 2018. Unfortunately, the very first two checks written to us by Mr Pierre, for a security deposit and first month's rent, were returned for insufficient funds. Again, with the assistance of NSLC staff, we worked through those issues with Mr Pierre and he took over operation of the business.

Unfortunately, things have not improved since those early difficulties. Mr Pierre has been delinquent on his payment of rent and/or reimbursement of water bills in every month in the first year of the lease. He produced several additional bounced checks and paid on several occasions with post-dated checks. He has failed to store and dispose of his trash in compliance with City code requirements and the Lease, resulting in a rat infestation.

NSLC staff (Mark Fatla, Judy Melvin and Cody Walters) have, at the request of the HDDC Board, made every effort to work with Mr Pierre to improve his operations and achieve compliance with his obligations under the Lease. These efforts have ultimately been unsuccessful, but not without sincere effort by the NSLC staff.

By September of this year, Mr Pierre had been delinquent in every month for a year and was now more than 3 months delinquent on rent, late fees and water bills. The HDDC Board decided it had no further choice but to file with the Magistrate for back due rent and a judgement of possession. The hearing was held before the Magistrate on Sep 4 and an Order was issued that same day granting the Landlord the full relief requested.

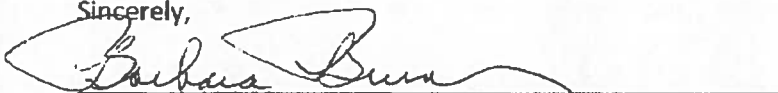
Even after obtaining a judgement from the Court, HDDC explored terms that would enable Arnold's Tea to stay. On Sep 11 Mr Pierre met with Mr Fatla. Mr Pierre paid the full back due amount and agreed to several conditions going forward, including compliance with the Lease and City ordinances regarding trash storage and handling, a matter of serious concern because of the adjoining neighbor's recent sighting of rats in the trash. Mr Fatla prepared that proposed agreement for consideration by the HDDC Board at its September Board meeting.

In less than 3 days, Mr Pierre violated the very conditions he had just agreed to on the storage and handling of trash. He also advised me and Mr Fatla on Sep 14 that, in addition to the rats outside the premises, he had "an internal infestation". Nonetheless he stated that he would be improperly storing more trash over the weekend. This information was provided to the HDDC Board. He has proven to be incapable or unwilling to abide by the clear terms of the Lease or even the simplest conditions to avoid eviction, even when those involve an infestation of rats.

As community volunteers, the HDDC board members sincerely appreciate the professional skill and dedication of the NSLC staff and the support of the NSLC Board, but we hasten to add that the difficult decisions on enforcement of the terms of the Lease, on this property or any of our other properties, lie solely and squarely with the HDDC Board. In this matter we have been very deliberate and extremely patient, affording Tenant repeated opportunities over a year to comply with the Lease. Tenant's failure is his alone, and the decision to terminate the Lease is HDDC's.

Thank you again. Do not hesitate to call or visit me if you have any questions.

Sincerely,



Barbara Burns, President, Historic Deutschtown Development Corp.