

FILED

STATE OF VERMONT
WASHINGTON COUNTY, SS.

2010 JUL -8 P 2: 50

STATE OF VERMONT,
Plaintiff,

v.

MYERS PROPERTIES,
Defendant.

Washington Superior Court
Docket No. 495-7-10Wnev

ASSURANCE OF DISCONTINUANCE

NOW COMES the State of Vermont, by and through Vermont Attorney General William H. Sorrell, and hereby accepts from Myers Properties (“Defendant”) this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459.

Background

The properties listed in Attachment A (hereinafter “the properties”) are owned by Rathe Crete, LLC. Defendant is the property management company for the properties and is responsible for maintenance services at the properties. The Vermont lead law defines “owner,” in part, as “any person who, alone or jointly or severally with others: ... has charge, care, or control of any dwelling or child care facility as property manager for the owner if the property management contract includes responsibility for any maintenance services.” 18 V.S.A. § 1751(b)(22)(C).

The properties are residential rental properties constructed before 1978 and are therefore subject to Vermont’s lead law, including the requirement of annual essential maintenance practices (“EMPs”) that are designed to reduce childhood lead poisoning risks. 18 V.S.A. § § 1751(19), 1759. Lead-based paint in housing, the focus of the Vermont lead law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ. All paint in pre-1978 housing is presumed to be lead-

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109 State Street
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based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).

EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified or reported to the owner, and posting lead paint hazard information in a prominent place. 18 V.S.A. § 1759(a)(2), (4) and (7). The Vermont lead law requires owners of rental housing to file annual compliance statements attesting to EMP performance with the Vermont Department of Health and with the owner's insurance carrier. 18 V.S.A. § 1759(b). A copy of the compliance statement must be given to all tenants and to new tenants prior to entering into a lease agreement. 18 V.S.A. § 1759(b)(3) and (4).

The Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices, including the offering for rent, or the renting of, housing that is non-compliant with the lead law.

A violation of the Vermont lead law may result in a maximum civil penalty of \$10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6). Violations of the Consumer Fraud Act are subject to a civil penalty of up to \$10,000.00 per violation. 9 V.S.A. §2458(b)(1). Each day that a violation continues is a separate violation.

The properties listed in Attachment A are not currently in compliance with the Vermont lead law. Defendant has informed the State of its intention to complete the EMP work necessary at the properties but does not expect that the work will be complete until September 1, 2010.

INJUNCTIVE RELIEF

Defendant agrees to the following:

1. Defendant shall immediately ensure that access to exterior surfaces and components of the properties with lead hazards and areas directly below the deteriorated surfaces are clearly restricted as described in 18 V.S.A. § 1759(a)(3).
2. Defendant shall give priority to completion of EMPs at any of the properties where a child age 6 or under is residing.
3. Not later than September 1, 2010 all EMP work, interior and exterior, shall be completed at both properties listed in Attachment A.
4. All work performed at the properties, whether by Defendant, its employees, or by hired contractors and/or painting companies, shall be performed using safe work practices consistent with 18 V.S.A. § 1760. It shall be the obligation of Defendant to ensure that any contractors and/or painting companies it hires to perform EMP work are aware of the provisions of 18 V.S.A. § 1760 and intend to use safe work practices at the properties.
5. Upon completion of the EMPs at the properties, Defendant will file with the Vermont Department of Health and Defendant's insurance carrier(s), a completed EMP compliance statement for each property, and will give a copy to an adult in each rented unit of the compliance statement for that tenant's property.
6. Upon completion of EMPs at any of the properties, Defendant shall provide proof of completion to the Office of the Attorney General at the following address: Robert F. McDougall, Assistant Attorney General, Office of the

Attorney General, 109 State Street, Montpelier, Vermont 05609. A copy of the EMP compliance statement for the property shall be sufficient proof of completion.

7. If Defendant anticipates not being able to fully comply with the deadlines for EMP compliance solely due to delays relating to contractors and/or painting companies hired to perform the EMP work, Defendant may request an extension of the deadline from the Attorney General's Office. Such request shall be made as soon as the delay is recognized and must include an approximate date by which the work shall be complete.
8. In the event that Defendant wishes by agreement with the Office of the Attorney General to extend any of the dates above for reasons not relating to delays caused by contractors and/or painting companies hired to perform the EMP work, such request must be made by Defendant at least 10 days in advance of the dates specified in this Assurance of Discontinuance.
9. Defendant shall fully and timely comply with the requirements of the Vermont Lead Law, 18 V.S.A., Chapter 38, as long as it provides property maintenance services to the properties listed in Attachment A or in any other pre-1978 residential housing in which it currently provides or later agrees to provide property management services (unless by property management contract the Defendant is explicitly not responsible for EMPs).

PENALTIES

10. Defendant shall pay civil penalties of ten thousand five hundred dollars (\$10,500.00). Payment shall be due September 15, 2010, and payment made to

the "State of Vermont" and shall be sent to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

11. If Defendant complies with the requirements of this Assurance of Discontinuance the penalties provided in paragraph 10 shall be waived by the State of Vermont.

OTHER RELIEF

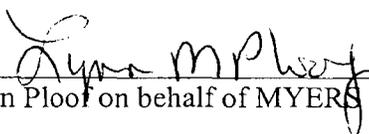
12. This Assurance of Discontinuance is binding on Defendant, however, sale of any of the properties may not occur unless all obligations set forth herein have been completed or this Assurance of Discontinuance is amended in writing to transfer to the buyer or other transferee all remaining obligations.
13. Transfer of ownership of any of the properties shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767, specifically relating to the transfer of ownership of target housing.
14. This Assurance of Discontinuance shall not affect marketability of title.
15. Should Defendant no longer provide property maintenance services to any of the properties, its responsibilities to that property under this Assurance of Discontinuance are extinguished. However, nothing in this Assurance of Discontinuance in any way affects the obligations of future owners of any of the properties under Vermont law, including under the Vermont lead law.
16. Nothing in this Assurance of Discontinuance in any way affects Defendant's other obligations under state, local, or federal law.
17. Any future failure by Defendant to comply with the Vermont lead law at any of the properties referenced in this Assurance of Discontinuance or violations of the

terms of this Assurance of Discontinuance shall be subject to additional penalties of no less than \$10,000.00 per violation per day for each day the violation exists.

Signature

By signing below, Defendant acknowledges and agrees that the facts contained in the section entitled "Background" are true and voluntarily agrees to and submits to the terms of this Assurance of Discontinuance.

DATED at S. Burlington, Vermont this 30th day of June, 2010.



Lynn Ploof on behalf of MYERS PROPERTIES

Acceptance

In lieu of instituting an action or proceeding against Defendant, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance.

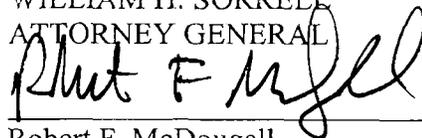
ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 8th day of July, 2010.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:



Robert F. McDougall

Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609
802.828.3186

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ATTACHMENT A

1. 395 Weaver Street, Winooski
2. 388 Main Street, Winooski
3. 400 Main Street, Winooski
4. 110 Hickok Street, Winooski
5. 47 Bellevue Street, Winooski
6. 114 Hood Street, Winooski
7. 75 Ethan Allen Drive, South Burlington