

**ALLEGHENY COUNTY**  
**Department of Court Records**  
**Civil/Family Division**

**Date: 10-OCT-2019 11:44 A.M.**

**Receipt: 8134863**

**Cashier: OPS\$ASHLEY01**

**Payor: Commonwealth**

**Case ID: GD-19-014368**

**Commonwealth of Pennsylvania vs Szka**

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**Complaint (\$160.75)**

**\$160.75**

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**Payment: Check**

**\$160.75**

**Description: 2558**

**Balance: \$0.00**

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA  
by Attorney General JOSH SHAPIRO

Plaintiff

v.

VISION PROPERTY MANAGEMENT, LLC,  
VPM HOLDINGS, LLC,  
ALEX SZKARADEK,  
ANTONI SZKARADEK, ACM Vision V, LLC,  
ACP 1, LLC, ACP 3, LLC,  
Alan Investments III, LLC, ALCA, LLC,  
Archway Community Properties I, LLC,  
Archway Community Properties II, LLC,  
Archway Community Properties III, LLC,  
Archway Community Properties IV, LLC,  
Avalanche Holdings Company, LLC,  
AXIS, LLC, BAT Holdings Eight, LLC,  
BAT Holdings One, LLC, BAT Holdings, LLC,  
BAT Holdings Two, LLC,  
BAT Holdings Six, LLC,  
BAT Holdings Nine, LLC,  
Boom SC, LLC, DS NEW, LLC,  
DSV SPV 1, LLC, DSV SPV 2, LLC,  
Jolek, LLC, Kaja Holdings 2, LLC,  
DSV SPV 3, LLC,  
Kaja Holdings, LLC, M16S, LP, M17S, LP,  
Mom Haven 14, LP,  
National Housing Partners, LLC,

Case No. 6D-19-014368

CIVIL ACTION

Code: 020-EQUITY

COMPLAINT

FILED  
OCT 10 PM 11:30  
CLERK OF COURT

Newbridge Capital Funding LLC, :  
One Pine VIII, LLC, PF 1, LLC, :  
PA SEVEN, LLC, Panda, LLC, :  
Pansy, LLC, PENNA, LLC, REO Rancho, LP, :  
RV Holdings Seven, LLC, RV Holdings Two, :  
LLC, RV Holdings Four, LLC, :  
RV Holdings Eight, LLC, :  
RV Holdings Three, LLC, :  
RV Holdings Eleven LLC, RVFM 1, LLC, :  
RVFM 11 Series, LLC, RVFM 12, LLC, :  
RVFM 13 Series, LLC, RVFM 2, LLC, :  
RVFM 3, LLC, RVFM 4 Series, LLC, :  
RVFM 5, LLC, RVFM 6, LLC, :  
RVFM 8, LLC, SP 1, LLC, :  
VPM Realty, LLC :

**Defendants :**

Filed on Behalf of Plaintiff:

COMMONWEALTH OF  
PENNSYLVANIA, OFFICE OF  
ATTORNEY GENERAL

Counsel of Record for this Party:

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(412) 565-2578

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COMMONWEALTH OF PENNSYLVANIA :  
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Plaintiff :

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Archway Community Properties IV, LLC, :  
Avalanche Holdings Company, LLC, :  
AXIS, LLC, BAT Holdings Eight, LLC, :  
BAT Holdings One, LLC, BAT Holdings, LLC, :  
BAT Holdings Two, LLC, :  
BAT Holdings Six, LLC, :  
BAT Holdings Nine, LLC, :  
Boom SC, LLC, DS NEW, LLC, :  
DSV SPV 1, LLC, DSV SPV 2, LLC, :  
Jolek, LLC, Kaja Holdings 2, LLC, :  
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Kaja Holdings, LLC, M16S, LP, M17S, LP, :  
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Pansy, LLC, PENNA, LLC, REO Rancho, LP, :  
RV Holdings Seven, LLC, RV Holdings Two, :  
LLC, RV Holdings Four, LLC, :  
RV Holdings Eight, LLC, :  
RV Holdings Three, LLC, :  
RV Holdings Eleven LLC, RVFM 1, LLC, :  
RVFM 11 Series, LLC, RVFM 12, LLC, :  
RVFM 13 Series, LLC, RVFM 2, LLC, :

Case No. \_\_\_\_\_

CIVIL ACTION

CODE 020--EQUITY

COMPLAINT

RVFM 3, LLC, RVFM 4 Series, LLC,	:
RVFM 5, LLC, RVFM 6, LLC,	:
RVFM 8, LLC, SP 1, LLC,	:
VPM Realty, LLC	:
	:
<b>Defendants</b>	:
	:

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## COMPLAINT

**AND NOW**, comes the Commonwealth of Pennsylvania, by Attorney General Josh Shapiro through the Bureau of Consumer Protection (hereinafter “Commonwealth” and/or “Plaintiff”), and files this Complaint against Defendants Vision Property Management, LLC, VPM Holdings LLC, their affiliated entities doing business in the Commonwealth of Pennsylvania and listed in the caption above and on Exhibit A hereto (collectively “Vision” herein), and sole founders, owners and managers of Vision, Alex Szkaradek, and Antoni Szkaradek (collectively, “Defendants”) and avers as follows:

1. Defendants engaged and are engaging in a nationwide scheme that deceptively and unfairly takes advantage of low-income consumers, including many Pennsylvania citizens, who dream of owning their own home. Defendants created, and continue to promote and orchestrate, a deceptive “rent to own” program, beginning in 2013, that allocates to Defendants all the benefits of being a landlord but none of the costs. Instead, all the burdens and costs imposed on a landlord under Pennsylvania law are thrust unlawfully by Defendants onto their tenants. Furthermore, starting in approximately 2009 until 2013, Defendants operated a program of putting hopeful home owners into “Agreement for Deed” transactions that were unfair and deceptive and violated Pennsylvania usury and installment land contract laws, among other things, as described in greater detail below.

2. This case is filed by the Commonwealth to protect its citizens, and to enforce the Pennsylvania consumer protection laws. An action brought by the Attorney General under the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. §201-1, *et seq.* (“*Consumer Protection Law*”) and the Loan Interest and Protection Law, 41 P.S. §101 *et seq.* (the “*Loan Interest and Protection Law*”) is done in the name of the Commonwealth acting not on behalf of a single claimant, but pursuant to its *parens patriae* powers in the public interest. 73 P.S. § 201-4.

3. Defendants have also violated the *Consumer Protection Law* by virtue of violation of established Pennsylvania landlord-tenant law, the Mortgage Licensing Act, 7 Pa.C.S. §6101 (the “*Mortgage Licensing Act*”), the Installment Land Contract Law, 68 P.S. §901 *et seq.* (the “*Installment Land Contract Law*”), the Real Estate Seller Disclosure Law, 68 Pa. C.S. §7301-7314 (the “*Real Estate Seller Disclosure Law*”), the Real Estate Licensing and Registration Act, 63 P.S. §455.101 – §455.902 (the “*Licensing and Registration Act*”), and 15 PA.C.S. §411(a) and §411(b), as set forth in greater detail below.

4. The acts and practices of Defendants described in this Complaint are willful, and Defendants’ conduct of trade and commerce in the Commonwealth as described herein will continue to cause harm in the Commonwealth unless and until enjoined. The Commonwealth therefore seeks to enjoin the unlawful behavior described herein, and also seeks restitution for affected consumers, as well as civil penalties, and costs. In support of this action, the Commonwealth respectfully states:

### **JURISDICTION**

5. This Court has original jurisdiction over this action pursuant to Section 931 of the Judicial Code, 42 Pa. C.S.A. § 931(a).

## **VENUE**

6. Venue lies with this Court pursuant to Pa. R.C.P. 1006(a)(1).

## **THE PARTIES**

7. Plaintiff is the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Josh Shapiro, through the Bureau of Consumer Protection, with offices located at 1251 Waterfront Place, Pittsburgh, Pennsylvania 15222.

8. Defendant Vision Property Management, LLC (“Vision Management”) is a limited liability company organized under the laws of South Carolina, with a physical location and mailing address of 16 Berryhill Road, Columbia, SC 29210.

9. Defendant VPM Holdings LLC (“VPM Holdings”) is a limited liability company organized under the laws of South Carolina, with a physical location and mailing address of 16 Berryhill Road, Columbia, SC 29210. VPM Holdings owns 1% of each of the other Defendants that are legal entities (the “Affiliate Defendants”) except Vision Management.

10. Defendant Alex Szkaradek is a resident of South Carolina, and owns 50% of Vision Management, 50% of VPM Holdings, and 49.5% of each of the other Affiliate Defendants. Alex Szkaradek conceived of, orchestrated and directed the deceptive and unfair behavior described in this Complaint. Alex Szkaradek is a member, manager and Chief Executive Officer of Vision Management and VPM Holdings, and a member of VPM Holdings and is a controlling officer or manager of every other Defendant. Alex Szkaradek, along with his father Antoni Szkaradek, has control over, and is responsible for, the operation of the Defendants.

11. Defendant Antoni Szkaradek is a resident of South Carolina, and owns 50% of Vision Management, 50% of VPM Holdings, and 49.5% of each of the other Affiliate

Defendants. Antoni Szkaradek conceived of, orchestrated and directed the deceptive and unfair behavior described in this Complaint. Antoni Szkaradek is a member, manager, and Chairman of Vision Management and VPM Holdings and is a controlling officer or manager of every other Defendant. Antoni Szkaradek, along with his son Alex Szkaradek, has control over, and is responsible for, the operation of the Defendants. In addition, Antoni Szkaradek personally owns some of the family homes that are subject to Vision's rent to own and Agreement for Deed transactions in Pennsylvania ("Vision Homes"), as described in greater detail below.

12. Each of the Affiliate Defendants a limited liability company or limited partnership organized under the laws of the states set forth on Exhibit A hereto, with their only known physical location and mailing address at 16 Berryhill Road, Columbia, SC 29210. Exhibit A is incorporated by reference herein.

13. Exhibit A also includes a column showing which of the Defendants is registered to do business in Pennsylvania, and when such registration occurred. Except as shown on Exhibit A, Defendants are not registered to do business in Pennsylvania.

14. Defendants acted in concert with one another.

15. Defendants Alex Szkaradek and Antoni Szkaradek are the founders and sole owners of the operations conducted by the other Defendants and described herein. Alex Szkaradek and Antoni Szkaradek conceived of, directed, supervised, approved, formulated, authorized, ratified, benefited from and otherwise participated in the acts and practices alleged herein.



## **BACKGROUND**

### **Defendants' Formation and Acquisition of Vision Homes**

16. Vision Management and VPM Holdings were formed in 2004 by Alex and Antoni Szkaradek.

17. VPM Holdings and Vision Management, through the Affiliate Defendants and other unnamed affiliates, and in some instances by Antoni Szkaradek directly, acquire foreclosed family homes via bulk auction sales from Fannie Mae, Freddie Mac, and the Federal Housing Administration, as well as from private lenders, banks, investors, and others, beginning in approximately 2009.

18. Via this acquisition process, Defendants currently own over 5,000 family homes across the country (in 49 states).

19. More than 600 of such homes are located in Pennsylvania, including in Allegheny County.

20. In Pennsylvania, Defendants utilized many different entities, including the Affiliate Defendants, to purchase the Vision Homes.

21. In addition, in Pennsylvania, sometimes the Vision Homes were purchased directly in the name of Defendant Antoni Szkaradek.

22. Typically, Defendants have paid in the range of \$5,000 to \$10,000 per Vision Home, after foreclosure. Defendants also move Vision Homes from one Affiliate Defendant to another from time to time, typically for nominal consideration.

23. Defendants obtain funding to purchase these homes from individual and institutional lenders. The lenders take a security interest in the assets of the underlying Affiliate Defendant to which they provide funding, which holds fee simple title in certain Vision Homes.

The security interest taken by each lender is limited to the Vision Homes that it funds.

24. The Vision Homes are generally located in low-income areas and are in serious disrepair.

25. The Vision Homes often have missing or broken copper pipes, windows, appliances, furnaces, plumbing, and stairs. Often the roofs, floors, yards and structures are unsound. The locks, doors and windows are not secure. They are frequently infested with pests and/or mold, and sometimes have no hot water, or no functioning water or plumbing systems at all.

26. Defendants buy homes that are in disrepair and, without rectifying any of the significant problems affecting the Vision Homes, knowingly give consumers possession of such homes (via land installment contract or lease) with uninhabitable conditions, such as, for example, the following:

- No Water
- No Electricity
- No Heat
- Roof and/or walls and/or floors with holes or significant defects
- Mold
- Missing pipes
- Insect Infestation
- Missing stoves, refrigerators, hot water heaters, furnaces and/or other appliances
- No locks
- Non-working plumbing

27. Other than owning the Vision Homes, the Affiliate Defendants have no operations, employees or activities. Vision Management and/or VPM Holdings conduct all the property acquisition, management, rental, and sale activities, and all interaction with consumers and contracting activities relating to the Vision Homes.

28. The Pennsylvania consumers with whom Vision has contracted for land installment sale or “rent to own” transactions (“Vision Victims”) are mostly individuals with low or fixed income, who have no experience with complex transactions. Vision Victims have typically never tried to own a home before, yet are desperately interested in having a home of their own.

#### **The Process of Recruiting Vision Victims**

29. Vision’s process for recruiting Vision Victims has not changed since when Vision commenced doing business in Pennsylvania in approximately 2009, but the structure of their transactions has changed from a form of land installment land contract (“Agreement for Deed”) to a “rent to own” lease with option to purchase model. Recently, Defendants have reverted to the Agreement for Deed model in some instances, as described below.

30. Defendants typically have no physical presence in the communities in which they do business. Defendants employ local contractors to inspect Vision Homes and erect signage. Defendants primarily advertise Vision Homes through signage on the Vision Homes.

31. Defendants target consumers who are unable to lease or purchase a home through conventional means because they have unattractive credit profiles.

32. Defendants use signs that are, in whole or in part, hand-written and that appear to be made locally. They are often on a 4x4 piece of plywood or OSB board, painted white, with hand painted black lettering taking up the entire surface.

33. Signs for Vision's lease to own program include wording such as "LEASE TO OWN," as well as Vision's phone number.

34. Signs for Vision's Agreement for Deed program (described below) advertised using language such as "OWN YOUR OWN HOME," and Vision's contact information.

35. The signs sometimes include a down payment amount, and monthly payment.

36. The only identifying information on these signs is a hand-written telephone number; typically, "Vision Properties" does not appear on the sign or appears in very tiny lettering.

37. Defendants also advertise Vision Homes on a Vision website: [vpm3.com](http://vpm3.com) (which is described in greater detail below), and on certain other third-party websites such as Craigslist.

38. When the consumer who is interested in a Vision Home calls the number on the sign, or advertised online, he or she provides basic background information and if he or she clears this initial basic screening, he or she is given a combination to access the lock on the Vision Home in question and walk through the home.

39. Typically, the water, gas, and/or electricity in the Vision Home are shut off. This means that consumers cannot inspect the electricity, septic or water systems before committing to a home. Thus, it is very difficult to discern defects in the plumbing, gas or electrical systems in the Vision Home. Furthermore, with no electricity, it is often also very difficult to clearly see the interior of the Vision Homes, and defects therefore go unnoticed.

40. If the consumer is interested in the home after walking through, he or she will speak again with a Vision employee who assists the individual with the application process and collects the initial required payment amount.

41. Vision incentivizes all employees who deal with consumers by phone and email

to convince Vision Victims to contract for Vision Homes by tying their compensation in significant part to the number of transactions that they successfully cause to be executed with consumers.

42. All communications between Vision Victims and Vision employees are remote. At no point does the potential tenant interact face to face with any Vision representative.

43. No appraisal of Vision Homes is provided to Vision Victims contemplating entering into "lease to own" or Agreement for Deed transactions.

44. No disclosures regarding defects in the Vision Homes is ever provided to Vision Victims.

**Defendants' Misleading Online Advertising Regarding "Rent to Own"**

45. Vision maintains, and has maintained, a deceptive and misleading website that explains Vision's "rent to own" programs.

46. A video on the website features a cartoon family attempting to purchase a home and depicts superhero type cartoon wearing the Vision trademark complete with a cape and hat.

47. A transcript of the video is as follows:

Narrator 1: Does homeownership seem out of reach? Do you have less than perfect credit? Still want to buy a house? You're probably asking yourself a question: Is there any hope? Here's a solution for you: a unique program called Lease with Option to Purchase or "LOP." LOP is a program that empowers people who do not have good credit and provides the opportunity to own a home with no need for a loan. LOP is the answer to your family's needs.

Here are several reasons how you can benefit from this program. With most rent-to-own companies you have to ask permission to make any changes to the home. With LOP you gain the independence to fix the home the way that you want. An LOP program helps you build a financial foundation for your family

Narrator 2: by investing in your future.

Narrator 1: You can make the minimum monthly payments or you can exercise your option to pay off the home at any time with no penalties. There are multiple landlords who offer a rent-to-own plan but very few companies which offer a lease with option to purchase program. That program is structured to ensure that you will be financially stable with your decision. That is why financial approval is based on income instead of credit.

Cartoon Wife: Remember there are very few companies which are offering this program.

Narrator 1: Find out about a lease with option to purchase program and homes available in the area that you want to live.

48. A second video explains that “nothing is better for your family than owning a home.”

49. This video features the same cartoon family and Vision superhero.

50. A transcript of this video is as follows:

Narrator 1: There is nothing better for one’s family than owning a home. But due to Wall Street’s greed and a lot of banks making bad loans, the economy crashed in 2007. Those same banks which were giving bad loans started taking away the homes and many more families had to leave their homes and start from scratch. Some tried to get a new loan but due to low credit scores, and an unstable market, banks rejected them on a massive scale. The same families that used to own their homes now had to become renters. Millions of neighborhoods declined due to abandoned homes and a rise to burglary and crimes. However, Vision Property Management’s business model offered a solution for America’s recovery. Vision Property Management offered the banks a fair price for their foreclosed homes. And thanks to various marketing campaigns, Vision Property Management was able to promote these homes to renters who wanted to become homeowners again through our Lease-to-Own program. Most people are surprised to hear that we offer this program regardless of credit. Banks will not typically lend to anyone with a credit score lower than a 680. But Vision Property Management’s average customer’s credit score is a 565. The process is simple and can take less than two weeks. It’s easy to see the house after the first call. And if you like what you see, our application process is simple and designed to be customer friendly. Vision Property Management’s down payments can be 2% or lower. Thanks to our unique business model, Vision Property Management is helping to restore neighborhoods and create home ownership in America again.

Narrator 2: We have helped over 9,000 families get into homes.

Narrator 3: And support our local community with close to 150 employees and a brand new office building in Columbia, South Carolina.

Narrator 1: Our six core values: accountability, integrity, innovation, execution, people matter, and corporate humility are our guiding principles. We are proud to help individuals and families find a place to call home. These are just a few of the many reasons we can offer such a unique Lease-to-Own program to thousands of customers every year. It looks like the real estate market and the US economy will not change overnight making it difficult for many families and households, however, Vision Property Management will be continuously supporting our customers in their pursuit of the American dream of homeownership.

51. A third video on Vision's website instructs consumers how to conduct due diligence and inspections.

52. The video uses similar smiling cartoons and also depicts a superhero type wearing the Vision trademark complete with a cape and hat.

53. The cartoon depicts a numbered white board with the Vision superhero pointing instructionally at the recommended steps consumers should take when considering a property.

54. A transcript of the video is as follows:

Narrator 1: Here at Vision Property Management, we believe knowledge is power—especially when you are purchasing a home. This video is to help you begin the necessary homework before entering our lease-to-own program. As a potential lease-to-owner, you will want to know what to look for as far as repairs are concerned since all of our homes are leased in 'As-Is' condition. Also you will want to contact your local municipalities to find out if there are any bills, liens, or assessments which we may not have been aware of. We will provide you with a full physical address of the home as well as the parcel identification number to help you with your research. You will also want to contact the local utility companies as well as the tax assessor's office, clerk of deeds, and local homeowners association if there is one for the specific property you are looking at. The most common things to look for are: a copy of any past due tax bills, any lien bills or special assessments, any past due utility bills, any code enforcement violations, and any past due homeowners' association fees if they apply. There are many ways to find out this information and each city has its own way of sharing and/or displaying this information. Here

are a few keywords to search online to help complete your homework: the local tax assessor's office, register of deeds office and/or clerk of deeds, home inspector, and local code enforcement. You will want to make a list of repairs and materials needed for the home. If you're not familiar with home repair, you may want to contact a friend or relative with experience or even a local home inspection specialist to help you. They should also be able to help you find out what permits may need to be pulled to complete the project. Once you've completed the research to your satisfaction, you can now make an educated decision if this is the right home for you. Share any important information with your sales representative by emailing copies of any bills, liens, or fees directly to them. This will help us during the approval process to get you the best possible deal. (<https://vpm3.com/faq>)

55. At no time does any online video or other part of the messages to customers on Vision's website explain that a balloon payment, consisting of almost the entire purchase price, must be paid by the tenant if the tenant wishes to acquire ownership of the Vision Home at the end of the 7-year lease term.

56. At no time does the website explain that only a very small fraction of the tenant's monthly lease payment would apply as a credit against the option purchase price of the Vision Home. Instead, the online videos discuss only the requirement that tenants make a monthly payment for seven years, and that such payments are applied to the purchase price of the home.

57. The lack of clear and conspicuous disclosure, messaging around "rent to own," and emphasis on the 7-year term and dreams of home ownership, gives the false impression that if a consumer makes the seven years of payments, the home will be theirs.

#### **Congressional and Fannie Mae Action Regarding Vision**

58. On or about May 23, 2017, Fannie Mae ceased selling homes to Vision, likely as a result of their own investigation, input from the House of Representatives Committee on



Oversight and Government Reform, and/or refusal by Vision to provide requested data.<sup>1</sup>

**The Contracting Formats Utilized by Defendants: 2009 - present**

59. Beginning in approximately 2009, Vision conducted a “for sale by owner” program utilizing a land installment contract referred to herein as the “Agreement for Deed.” In 2013, Vision switched to a “rent to own” program utilizing a lease agreement described below and defined for purposes of this Complaint as the “First Lease Agreement.” Sometime in mid-2016, Vision continued the “rent to own” program utilizing a different lease agreement described below and defined for purposes of this Complaint as the “Second Lease Agreement.”

**Vision Homes Prior to Mid- 2013: Agreements for Deed**

60. Defendants began their commercial activities in Pennsylvania via the sale of Vision Homes to Vision Victims using an Agreement for Deed, beginning in 2009 until at least calendar year 2013.

61. Defendants entered into nearly 100 Agreements for Deed with Pennsylvania consumers during this time period.

62. Defendants required consumers to sign a Promissory Note along with the Agreement for Deed, when purchasing a Vision Home. The Promissory Note required the payment of the total purchase price for the home in question at a stated fixed interest rate. See Exhibit B, attached hereto and incorporated by reference herein, for a redacted example of a typical Agreement for Deed and Promissory Note used by Vision.

63. The Agreement for Deed and Promissory Note utilized by Defendants typically provided for an interest rate on the purchase price of the Vision Home of 10% per annum,

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<sup>1</sup> (<https://www.nytimes.com/2017/05/23/business/dealbook/after-complaints-fannie-mae-will-stop-selling-homes-to-vision-property.html>); see also “Cumings Applauds Fannie Mae’s Decision to End Home Sales to Vision,” May 23, 2017 press release of the House of Representatives Committee on Oversight and Government Reform.

although the rate could vary between approximately 8% and 12%, and a 25 year term.

64. The Agreement for Deed was structured as an installment land contract pursuant to which the Vision Victim would be required to make monthly payments of interest and principal and comply with other covenants until the Promissory Note was paid in full, at which time title to the Vision Home would be conveyed to the Vision Victim.

65. Pursuant to the Agreement for Deed, title remains in Vision's name until and only if the Vision Victim makes all payments required under the Agreement for Deed over its 25 year term.

66. Although Agreements for Deed can be recorded with the Recorder of Deeds, and such recordation would be in the best interest of consumers, Vision did not generally record the Agreements for Deed that it entered into with Pennsylvania consumers.

67. Pursuant to this Agreement for Deed, the consumer agrees to pay all garbage fees, property taxes, and insurance.

68. The purchase price for the property in question set forth in the Agreement for Deed was typically 200% to 400% or more of the price Vision had paid for the home just days or weeks before, without any improvements made by Vision to the property.

69. Pursuant to the Agreement for Deed, the consumer takes the property in "AS IS" condition and is solely responsible for bringing the building and premises to a habitable condition within three months of the date of the Agreement for Deed, and maintaining the property in a good state of repair during the term of the Agreement.

70. Defendants made no disclosures at the time of execution of the Agreement for Deed regarding defects in the properties that were being purchased.

71. No disclosures were ever made at the time of execution of the Agreement for

Deed regarding unpaid water, sewage, or utility charges, or property taxes, incurred by a prior tenant of the property and relating to periods prior to the date of the Agreement for Deed. Vision Victims became responsible for all such undisclosed fees, taxes and charges upon signing the Agreement for Deed.

72. The Agreement for Deed further states that if the buyer fails to comply with any covenants in the Agreement for Deed, which would include paying any amount due or maintaining the property in a good state of repair, Vision can render “null and void, and terminate” the Agreement for Deed and require the Vision Victims to immediately quit the premises.

73. No rights to cure a default are provided in the Agreement for Deed or Promissory Note.

74. The Agreement for Deed provides a potentially favorable provision (see Page 3 of Exhibit B) which provides that “[I]f and only if the premises have not decreased in fair market value lower than the amount of the contract sale price, then a Special Equity shall be calculated for the benefit of the [consumer], by the [Affiliate Defendant], in the amount equal to one-half of any reduction achieved in the outstanding principal on the Promissory Note mentioned above. The resulting Special Equity shall then be applied first against the balance of the interest accrued and unpaid, and then against the cost if any, required to put the premises into its former condition, if condition has deteriorated due to abandonment, abuse, failure to maintain or failure to insure the premises during the contract period. The balance of the Special Equity shall be paid to the [consumer] within 45 days of the date possession is retaken.”

75. Although the “Special Equity” provision outlined in the preceding Paragraph would have potentially favorable consequences for a buyer who was a party to an Agreement for

Deed, in practice, Vision *never once* paid any “Special Equity” to any Vision Victim who was a party to an Agreement for Deed.

76. There were nearly 100 Agreements for Deed active in Pennsylvania in 2013, and of these approximately 85% have been terminated as of March 2019; unfortunately, *only approximately six* of the terminations were because the Vision Victim ended up owning the Vision Home in question. The vast majority of the Agreements for Deed entered into by Defendants have resulted in removal of Vision Victims by Defendants via an ejectment proceeding filed in Common Pleas Court, voluntary departure by Vision Victims who are not financially able to both maintain and repair the home *and* pay the monthly payment and taxes, or occasionally termination is pursuant to a settlement agreement reached between the Vision Victims and Vision in which the Vision Victims agreed to depart.

**Vision Homes From 2013 to Mid-2016: Residential Lease Agreement with an Option to Purchase (Triple-Net Bondable Lease)**

77. During calendar year 2013, Defendants switched from using an “Agreement for Deed” installment land contract to sell the Vision Homes to leasing the homes utilizing a contract called a “Residential Lease Agreement with an Option to Purchase (Triple-Net Bondable Lease)” (the “First Lease Agreement”). Exhibit C hereto, which is incorporated by reference herein, sets forth a typical example (redacted) of the First Lease Agreement.

78. The Commonwealth believes that Defendants utilized the First Lease Agreement to engage in over 450 transactions with consumers in the Commonwealth of Pennsylvania.

79. The First Lease Agreement typically has a term of 84 months.

80. The First Lease Agreement is in many respects a standard residential lease agreement, which provides for a monthly lease payment in exchange for occupancy of the

subject property, and provides that lessee will be evicted if lessee fails to pay the monthly lease payment.

81. However, the First Lease Agreement also contains several very non-standard and unusual provisions. The First Lease Agreement requires Lessee to acknowledge that the premises are "LEASED in strictly "AS IS WHERE IS" condition," and "[T]hat the LESSEE is solely responsible for maintaining the premises in a safe and non-hazardous condition during the duration of this agreement, and for bringing the building and premises to a habitable condition, compliant with any and all State, County and City building and premises codes, within a reasonable period of time not exceeding THREE (3) months of the date of execution of this agreement and maintain the premises in a good state of repair during the term of this agreement."

82. Also unusual is a provision in the First Lease Agreement which states that the tenant may take possession of the property but may not occupy it until the premises is "brought to a habitable condition, compliant with any and all State, County and City building and premises codes."

83. Furthermore, the First Lease Agreement states that the lessee "shall be immediately responsible for payment or alleviation of any encumbrances, including but not limited to, all taxes, assessments and/or impositions (including such fees as ground rents, city/county miscellaneous fees as they require, property violations and/or fines levied, water/sewer charges, electrical/gas usage charges, garbage fees and property taxes levied, etc.) that may be legally levied or imposed upon said premises that are delinquent or currently due at the execution of this agreement without recourse."

84. A section of the First Lease Agreement entitled "Lessee's Right to Sub-Lease" reiterates tenant's obligation under the First Lease Agreement to make the home they are leasing

habitable, stating that tenant shall have the right to sub-lease the premises only if "all the requirements and covenants of this agreement are in full effect, including but not limited to maintaining the premises in a safe and non-hazardous condition during the duration of this agreement, and for bringing the building and premises to a habitable condition, compliant with any and all State, County and city building and premises codes. . . ."

85. The First Lease Agreement states that Vision can inspect the premises at any time on 24 hours' notice and terminate the First Lease Agreement "immediately by written notice" and evict a tenant for failure to meet these contractual requirements to maintain the leased premises in a safe and habitable condition.

86. Tenants are also required to pay all property taxes on the leased premises, as well as all electrical/gas charges, garbage fees, or other charges attributable to periods prior to when the term of the First Lease Agreement commences.

87. Vision made no disclosure to consumers prior to or at the time of execution of the First Lease Agreement regarding unpaid taxes, water, sewage or utility charges, incurred by a prior tenant and relating to periods prior to the date of the First Lease Agreement.

88. The First Lease Agreement also includes an option to purchase the leased premises. Tenants are required to pay, at the time of entry into the First Lease Agreement, a non-refundable monetary "option consideration" for the option to purchase the property for a designated price, which must be exercised by the end of the seven-year term. If a tenant exercises the option to buy the Vision Home, the "option consideration" is credited against the purchase price of the home. If the tenant does not exercise the option to buy the Vision Home, the "option consideration" is forfeited.

89. The non-refundable "option consideration" that Vision Victims were required to

pay under the First Lease Agreement ranged from approximately \$500 to \$1000, and was generally approximately equal to 10% of the price that Vision had paid to purchase the Vision Home in question.

90. Typically the option exercise price – the price that the tenant is contractually required to pay to exercise the option – was well above the market value of the home in question at the time that the First Lease Agreement was executed and was generally 200% to 400% or more of the price that Vision had paid for the home, notwithstanding that Vision made no improvements to the homes before leasing them.

91. The First Lease Agreement provided that a small fraction of each monthly lease payment (often between 5% and 12% of the total payment) would be credited toward the option exercise price – the contractual purchase price of the Vision Home -- if tenant chose to exercise the option (the “Fractional Payment Credit”).

92. The First Lease Agreement provides that “Lessee(s) may, on or before expiration of this agreement, choose to purchase the above referenced premises for the remainder of the purchase price, as described above with all credits paid included.”

93. In addition to the option to purchase the leased premises, the First Lease Agreement also provides to the tenant the right to convert to “seller financing,” if all the requirements and covenants of the First Lease Agreement have been fulfilled, “either upon expiration of the Agreement or upon the time the total credits paid toward the purchase price reaches the amount of 30% of the purchase price, whichever comes first” at which time “this lease shall convert to a Seller Financed Contract.”

94. Notwithstanding that Defendants agreed to provide seller financing as described above, no seller financing as contemplated by the First Lease Agreement was ever offered or

provided by Defendants to Vision Victims.

95. The First Lease Agreement does not provide any information regarding the term or interest rate of the “seller financing” option provided in the First Lease Agreement.

96. Furthermore, given that only a small fraction of the monthly payment would typically count as a credit toward the option exercise price, it would be mathematically impossible to get to the 30% equity threshold listed under the “seller financing” section of the First Lease Agreement in seven years. For example, even if Consumer H (introduced and described below) timely paid every payment for the seven year term of her First Lease Agreement, she would only have \$8,671 credit toward the \$95,000 purchase price of her Vision Home. By way of another example, even if Consumer G (introduced and described below) timely paid every payment for the seven year term of the First Lease Agreement, the amount credited toward the purchase price is so small (\$18.36 per payment) that even after seven years, and even including the option consideration of \$750 that she paid, she would have paid only a total of \$2,292, not even close to 30% of the \$27,000 purchase price.

97. As of March, 2019 (i) only approximately 2% of the Vision Victims who entered into the First Lease Agreement have successfully exercised an option to purchase the home, and (ii) only approximately 25% of the First Lease Agreements entered into by Defendants and Vision Victims were still in effect. The remainder have been ended by Defendants via an ejectment proceeding filed in Common Pleas Court, or voluntary departure by Vision Victims who forfeit the option consideration and the costs of all improvements already made to make the property habitable, because they can no longer afford to both make rent payments and maintain habitability of the premises.



**Vision Homes From Mid-2016 to Present:  
Lease Agreement w/ Option to Purchase**

98. In mid-2016, Defendants changed the form of agreement that Defendants utilized to lease Vision Homes to Pennsylvania consumers. The new form agreement is called “Lease Agreement w/ Option to Purchase” (hereinafter, “the Second Lease Agreement” and together with the First Lease Agreement, the “Lease Agreements”). A redacted form of Second Lease Agreement is at Exhibit D hereto, and incorporated by reference herein.

99. The Second Lease Agreement is substantively very similar to the First Lease Agreement. Instead of an explicit 84 month term, it provides for seven successive automatically renewing one year terms.

100. Defendants have entered into more than approximately 170 transactions in Pennsylvania utilizing the Second Lease Agreement.

101. The Second Lease Agreement provides for a monthly rent payment, which Vision may adjust on an annual basis to “accommodate annual changes in property operating expenses, to include but not limited to property taxes, property insurance and HOA fees when applicable.”

102. Like the First Lease Agreement, the Second Lease Agreement requires the tenant to pay a non-refundable option consideration – called an “Option Agreement Fee” in the Second Lease Agreement -- for the future option to purchase the leased premises, and sets forth a purchase price that must be paid if the tenant wishes to exercise the option to purchase the property. The option agreement fee was generally equal to 10% of the price that Vision had paid to purchase the Vision Home in question.

103. Also like the First Lease Agreement, typically the option exercise price – the price that the tenant is contractually required to pay to exercise the option – was well above the market

value of the home in question at the time that the Second Lease Agreement was executed and was generally 200% to 400% or more of the price that Vision had paid for the home, notwithstanding that Vision made no improvements to the homes before leasing them.

104. Pursuant to the Second Lease Agreement, the tenant may exercise the option to purchase the premises at any time before the sixth automatic annual renewal period ends. If the option to purchase is exercised, the total option purchase price that must be paid is to be reduced by the amount of the Option Agreement Fee, and (like the First Lease Agreement) by the Fractional Payment Credit.

105. In the event that the tenant exercises the option to purchase the leased premises, the Second Lease Agreement does not require Vision to deliver marketable title to the leased premises free of encumbrances. Instead, it requires the tenant to conduct a lien search to see if there are any title defects, and "If Landlord is unwilling to cure any defect that renders the title unmarketable, Tenant may either waive the defect or proceed to closing without a reduction in the Option Price, or the Option Agreement Fee will be refunded and the sale shall be terminated, and thereafter, neither party shall have any further liability to the other."

106. Thus, under the terms of the Second Lease Agreement, the Vision Victims could pay an Option Agreement Fee, work for six years to make the leased premises habitable, upgrade, and and/or repair the leased premises, make all required monthly payments, exercise the option and tender the option purchase price, but be unable to obtain title to the leased premises because Vision is permitted under the terms of the Second Lease Agreement to refuse to cure a title defect that renders the title unmarketable.

107. The Second Lease Agreement, like the First Lease Agreement, makes the tenant responsible for making the leased premises habitable. Specifically, the Second Lease Agreement

states, "Tenant acknowledges that in return for monetary consideration towards a future option to purchase said premises, . . . . Tenant acknowledges that Tenant and/or a licensed third party professional, has physically inspected the premises and agrees to take possession of said premises in "As-Is" condition." (Second Lease Agreement, Sec. 12).

108. Section 12 of the Second Lease Agreement states that "Tenant agrees to keep the premises safe and clean." It also requires tenant to be responsible for keeping roofing, heating, air conditioning, ventilation, plumbing, electrical and other facilities and appliances, and all sanitary systems in reasonably good and safe working condition, thus placing the burden of maintaining habitability of the leased premises on the tenant.

109. Section 12 of the Second Lease Agreement states that "Tenant is responsible for the installation and monitoring of all appliances and all smoke and carbon monoxide detectors" and that tenant must "keep sinks, lavatories and commodes" open at tenant's expense.

110. Tenants are required to keep the premises "clear and free of any pest infestations of any kind, including termites" (Section 13) again placing the burden of maintaining habitability of the premises on the tenant.

111. Section 12 of the Second Lease Agreement makes clear that "NO REPAIR COSTS SHALL BE DEDUCTED FROM PAYMENTS BY TENANT" and that "All improvements made by Tenant to the said premises shall become the property of the Landlord at the end of the lease term."

112. The Second Lease Agreement contains a waiver whereby the tenant "is considered to have waived a violation of a Landlord's duty to maintain the premises as set forth in this Agreement a violation of a Landlord's duties under applicable state law. . . ." (Section 29).

113. Section 23 of the Second Lease Agreement provides that the agreement shall

terminate and the Landlord has a right to possession and a claim for actual damages and reasonable attorneys' fees if there is noncompliance by the tenant with Paragraph 12 "materially affecting health and safety" and the tenant fails to comply "as promptly as conditions require in case of emergency, or within thirty (30) days after written notice by the Landlord if it is not an emergency"

114. The Second Lease Agreement states that "When applicable, a mutually agreed upon Plan of Action ("POA") to bring the premises to level of habitability and compliance with code ordinances shall be executed and incorporated into this Agreement by reference to Exhibit C."

115. Exhibit C of the Second Lease Agreement includes categories of "Major Items" and "Minor Items" and provides for such "Major Items" or "Minor Items" to be allocated to either "Landlord" or "Tenant."

116. "Major Items" and "Minor Items" include roof replacement and roof repair, electrical upgrade, electrical repair, plumbing upgrade and repair, structural repair, mold remediation, well repair and replacement, septic repair and replacement, interior walls and floors and ceilings, installation of smoke detectors, among other things. In practice, all Major Items and Minor Items on Exhibit C of the Second Lease Agreement are typically allocated to the Vision Victims who were the tenants, making Vision Victims who were the tenants responsible to make their leased premises habitable.

117. The POA also includes a self-serving column labeled "Landlord Disclosure." One might think that this column indicates "Major Items" or "Minor Items" that have been disclosed by Vision to potential tenants.

118. In fact, Vision does not disclose any "Major Items" or "Minor Items" to tenants,

whether or not the "Landlord Disclosure" box on the POA is checked. Instead, Vision checks the "Landlord Disclosure" box when and only if the Vision Victim who is signing the Lease Agreement tells Vision about an issue that the Vision Victim has discovered.

119. No disclosure is made to consumers at the time of execution of the Second Lease Agreement regarding unpaid taxes, water, sewage or utility charges, incurred by a prior tenant and relating to periods prior to the date of the Second Lease Agreement.

120. As of March 2019, less than ½ of 1% of the Vision Victims who entered into the Second Lease Agreement have successfully exercised an option to purchase the home in question.

121. As of March, 2019, only approximately 40% of the Second Lease Agreements entered into by Defendants and Vision Victims since Vision began to use the Second Lease Agreement in mid-2016 are still in effect. The remainder have been ended by Defendants via an ejectment proceeding filed in Common Pleas Court, or voluntary departure by Vision Victims who forfeit the option consideration and the costs of all improvements already made to make the property habitable, because they can no longer afford to both make rent payments and maintain habitability of the premises.

#### **Unexpected Costs Immediately After Paying the Down Payment or Option Payment**

122. After paying the initial down payment (whether the lump sum non-refundable option consideration and the first monthly rent payment required under the Lease Agreement or the down payment required under the Agreement for Deed), due upon signing the contract with Vision, Vision Victims also often find that local utility company inspections (which required payment of a fee and often costly repairs) are required before the water, gas and/or electricity service can be restored.

123. After paying the initial payment and signing the contract with Vision, Vision Victims often find that amounts are due and owing to the water, gas and/or electric company as a result of non-payment by former occupants, and that service will not be restored until those amounts attributable to prior occupants were paid. Vision typically never pays such past due amounts, and Vision's contracts require such past due amounts to be paid by the new tenant, even though the past due amounts are for utility service provided to former tenants.

124. Depending on the jurisdiction, Vision Victims also often find that occupancy permits, landlord licenses, or other forms of local permits or licenses are required by local governments before Vision Homes can be occupied pursuant to an Agreement for Deed, the First Lease Agreement or the Second Lease Agreement. Obtaining these permits and/or licenses requires Vision Victims to pay fees, results in delay, and often requires expenditures by Vision Victims to make the Vision Homes habitable before a permit will issue; or sometimes, the permit might not issue at all, as was the case with Consumer H described below.

125. These problems are exacerbated by the fact that Vision Victims are not the property owners of record. Vision Victims have difficulty even getting information from the local utility companies or local governments, because they are not the record owner of the home in question.

#### **Vision Victims Were Misled and Treated Unfairly**

126. As noted above, Defendants retain local contractors where Vision Homes are located, who inspect every property that Vision purchases, yet Defendants make no disclosures regarding defects in the properties to Pennsylvania consumers.

127. The evaluation and compensation of Vision employees who market Vision's Agreement for Deed and "rent to own" programs to Vision Victims and potential Vision Victims

is dependent on the number of contracts they can cause Vision to execute with Vision Victims; consequently, Vision employees are incentivized to rush consumers to enter into transaction and are dis-incentivized to fully disclose the terms of the transactions or to disclose problems with Vision Homes or the one-sided unfairness of the Agreement for Deed, First Lease Agreement and Second Lease Agreement.

128. As a result of lack of disclosure, Vision Victims enter into the First Lease Agreement and the Second Lease Agreement without understanding that only a very small part of the monthly lease payment is actually applied toward the purchase price of the Vision Home.

129. Nothing on the Vision website or in Vision's online advertising of their "rent to own" transactions mentions that, at the end of the seven year term, a final "balloon" payment must be made in order to own the Vision Home, in a large additional lump sum amount that is typically approximately equal to *all 84 monthly payments made over the 7-year lease term combined*.

130. That undisclosed final large payment required under the Lease Agreement very nearly equals the entire inflated purchase price of the Vision Home, because such a small part of each monthly payment is applied to the purchase price of the Vision Home.

131. Due to this lack of disclosure, many Vision Victims are under the mistaken impression that they will own the Vision Home that they are renting in seven years, if they make all the lease payments.

132. Given the Defendants' business model, their representation that "the program is structured to ensure you will be financially stable in your decision, and that is why financial approval is based on income instead of credit" is simply false.

133. Defendants have leased to consumers who have little financial means to address

the uninhabitable conditions, code violations and back taxes on these properties.

134. Defendants have rented Vision Homes to consumers without verifying that the consumers had the resources to make the often extensive repairs necessary to make the homes habitable.

135. Vision Victims cannot afford the cost of both addressing the habitability issues of their Vision Home and paying the monthly rent. As a result, they are often forced to abandon the property after making significant investments to make the homes habitable.

136. Defendants have, on at least one occasion, refused to return a consumer's initial option consideration and first month's rent, even though the Vision Home named in the Lease Agreement signed by the consumer had been rented to someone else.

137. On several occasions, Defendants have failed to give consumers credit for payments made by those consumers toward obligations under their Lease Agreements.

138. Defendants' entire advertisement pitch to encourage consumers to enter into a transaction with respect to Vision Homes is that the consumers can have home ownership, and to date Defendants have entered into hundreds of Agreements for Deed, First Lease Agreements and Second Lease Agreements with Pennsylvania consumers who long for that home ownership advertised by Vision.

139. However, in spite of this pitch touting the benefits of home ownership, less than 7% of the consumers who entered into Agreements for Deed actually ended up owning the Vision Homes that were the subject of those Agreements for Deed, and less than approximately 2% of the consumers who entered into the Lease Agreements actually own those homes.

140. Theoretically there is still time for the consumers who are parties to the Lease Agreements to exercise their options and purchase their Vision Homes, except that only



approximately 30% of the hundreds of Pennsylvania consumers who entered into Lease Agreements with Vision since 2013 are even still living in the Vision Homes, and many of those will likely depart or be ejected without exercising the option to purchase their Vision Home.

141. Theoretically there is still time for the consumers who are parties to the Agreement for Deed to complete their purchase of their Vision Homes, except that only approximately 13% of the Pennsylvania consumers who entered into Agreements for Deed with Vision in Pennsylvania are even still living in the Vision Homes, and many of those consumers will likely depart or be ejected before the completion of the 25 year term.

142. There is a high turnover of the Vision Homes. The average Pennsylvania consumer entering into a First Lease Agreement or Second Lease Agreement stayed in the home for less than two years during the period 2013 to March 2019.

143. The turnover is not a problem for Vision. In most cases, the Vision Home is turned back over to Vision from a consumer in better condition than it was when the consumer took it from Vision, because the consumer spent hundreds or thousands of dollars on the home that he or she could not afford, just to make it habitable.

#### **Recent Lending Activity by Vision**

144. Since approximately 2018, Vision has, in addition to continuing the leasing activity described above, been engaged in lending activity in two ways. The first is that Vision has worked with one of several third party lenders to convert existing Lease Agreements with Vision Victims into mortgage lending transactions ("Vision Mortgage Transactions"), and the second is that Vision has reverted in some instances to utilizing Agreements for Deed.

145. To carry out the Vision Mortgage Transactions, Vision directs Vision Victims to work with one of the several third party lenders, who engage in typical home mortgage

underwriting activities.

146. In such Vision Mortgage Transactions, the amount set forth in the promissory note created by the third party lender and signed by the Vision Victim (the purchase price of the home) is equal to the option purchase price set forth in the Lease Agreement of the Vision Victim, plus underwriting and closing costs and less any option consideration, Option Agreement Fee or Fractional Payment Credit provided for in the Lease Agreements.

147. The interest rate set forth in the promissory note created by the third party lender and signed by the Vision Victim is typically 9% to 10% per annum.

148. In many instances, however, the third party lender who engages in the Vision Mortgage Transaction does not actually fund the loan. The Affiliate Defendant who is the owner of the home is not paid the purchase price.

149. Instead, at the time of "closing," the third party lender collects fees for its services and (unbeknownst to the Vision Victim who is engaging in the transaction), the mortgage is assigned back to Vision, to hold the mortgage and collect the note.

150. Thus, because the loan is not funded but is instead assigned back to Vision for collection, the third party lender who engages in the Vision Mortgage Transaction is not concerned with whether the purchase price is a fair price for the home in question, because the third party lender is taking no risk as to whether the loan is collectible or not.

151. The Vision Victims who engage in Vision Mortgage Transactions are generally not provided an appraisal from a certified or licensed appraiser before engaging in the Vision Mortgage Transactions.

152. In fact, Vision Victims engaging in Vision Mortgage Transactions are typically required to sign a waiver of any right to an appraisal.

153. Neither is owner title insurance obtained or provided. A lender title insurance policy is often obtained for the benefit of the Affiliate Defendant who owns the home in question, but not for the benefit of the Vision Victim.

154. Quite often, the Vision Victim is conveyed a quitclaim deed for the home that is titled in his or her name, as opposed to the general warranty or special warranty deed that is conveyed in a conventional mortgage transaction.

155. No disclosure is provided to Vision Victims as to the limitations of a quitclaim deed or potential lack of marketability of such a deed.

156. The second recent lending activity by Vision is that Defendants have once again engaged, since approximately 2018, in Agreement for Deed transactions in Pennsylvania.

157. Such recent Agreement for Deed transactions are very similar to the Agreement for Deed transactions entered into by Vision from approximately 2009 to 2013 and described above, and involve many of the same problems as the earlier Agreement for Deed transactions.

158. Most notably, the recent Agreement for Deed transactions, like the earlier Agreement for Deed transactions, include interest rates that are at or near 10% per annum.

159. The Vision Mortgage Transactions and the recent Agreement for Deed transactions typically occur without provision of any written or other disclosures to consumers regarding the condition of, or defects in, the homes that are the subject of the transactions.

### **Consumer Stories**

160. Set forth below are the stories of several consumers who were deceived, misled and treated unfairly by Defendants. They are examples only, and there are many more consumers who have experienced deception and unfairness in dealing with Defendants.

#### **Consumer A**

161. Consumer A entered into a form of First Lease Agreement with Defendants in April, 2015, for a property in Allegheny County, Pennsylvania.

162. Consumer A originally contacted Defendants when she saw a makeshift sign advertising a rent-to-own home. She contacted the phone number on the sign and found herself talking to Vision.

163. After viewing several Vision Homes, she found a property in Allegheny County in which she was interested. Consumer A called Defendants and told them she was interested in this Vision Home. When she walked through, the house looked satisfactory to her. Defendants did not disclose any defects or deficiencies.

164. Defendants informed her that the Vision Home in which she was interested, like all Vision Homes, was “first-come, first-served” and Consumer A was emailed paperwork, including a form of the First Lease Agreement, and was told to hurry up and sign it and get it notarized before someone could take the property.

165. Consumer A signed the paperwork and paid \$1,370 (\$950 in non-refundable option consideration, and \$420 for the first monthly payment). The First Lease Agreement required a payment of \$420 per month thereafter.

166. Then she and her disabled daughter moved in. When she tried to turn on the water she discovered that pipes were missing. Water could not flow upstairs, so she could not use the upstairs plumbing. She had to replace sewage pipes for \$800.

167. Consumer A could only afford these plumbing repairs by making payments in installments when she got paid every two weeks.

168. When the electric company came to her home to turn on the electricity, they informed her that she had to change the box and fix the wires to bring it up to code before it

could be turned on, and she also had to pay for those repairs.

169. Shortly after moving in, Consumer A noticed that the roof leaked, causing water to drip through the living quarters every rain. She tried to fix it with plastic and duct tape.

170. Several months later, the water heater leaked, and had to be shut off, leaving her with no hot water at all.

171. However, Consumer A endured these hardships because Consumer A believed, based on her conversations with Vision, that she would own the home after seven years of paying \$420 per month.

172. Consumer A did not understand that only \$33.63 of her \$420 monthly rent was counted towards the \$48,000 purchase price of the house—after seven years, the monthly \$33.63 credit plus the option consideration would amount to less than \$4,000 paid toward the \$48,000 purchase price, despite the fact that she would have paid over \$35,000 to Vision in lease payments by that time.

173. Defendants never explained to Consumer A that, even if all payments were made on time and in full, at the end of the seven years, Consumer A could either abandon the home she thought she would own, or somehow obtain \$44,000 from somewhere and pay this amount to Defendants in order to purchase her Vision Home.

174. In the summer of 2016 Consumer A was laid off and fell behind on her rent but continued making payments to Defendants.

175. In July, 2016, Vision filed an ejectment action in Allegheny County against Consumer A, and served Consumer A with the Complaint.

176. Consumer A obtained promises of funds from various non-profit sources to temporarily help her pay her rent. She called Vision and told them about these sources, and

begged them to allow her to pay all the money she had (\$400) while she waited several weeks for the emergency funds to arrive.

177. Vision refused to put the ejectment action on hold. Consumer A thereafter was able to connect with Neighborhood Legal Services, and a lawyer from Neighborhood Legal Services was able to enter an appearance in the ejectment action on Consumer A's behalf.

#### Consumer B

178. Consumer B's boyfriend noticed a "rent to own" sign in the yard of a Vision Home in Marion Center, PA, in the summer of 2014, and called the number on the sign.

179. Consumer B and her boyfriend were given a code and walked through the house. There was no electricity or water on at the time of the walk through – signs said the house had been "winterized."

180. They sent in \$1,837 (the option price and one month of rent) as requested by Defendants, and received and signed the paperwork, which was a form of First Lease Agreement and related materials. They moved in.

181. Under the lease that they signed, Consumer B's regular monthly rental payment was \$587. The option purchase price for their Vision Home was \$48,000, with \$169.48 of each monthly payment was credited towards the purchase price.

182. Consumer B thought that if she made the monthly payments of \$587 per month for seven years (totaling \$49,308), the house would be hers. She did not understand that, even if she made every single lease payment for seven years, there was a balloon payment of an additional over \$32,000 due at the end of seven years in order for her to obtain title to her Vision Home.

183. Defendants provided no disclosure regarding the condition of the Vision Home.

However, Consumer B and her boyfriend, almost at once, had problems with the well: there was only enough water for one shower. They bought a new hot water heater but that did not help.

184. The basement flooded after they moved in – and they discovered pre-existing drainage problems in the basement that had not been disclosed by Vision that required repair.

185. As a result of an inspection by the gas company, they had to pay for a new gas line and they had to pay for an inspection to get the electricity turned on. There was also a problem with the heating that had to be repaired.

186. But, notwithstanding all of these major problems, the biggest problem for Consumer B was black mold. Her daughter developed asthma, and Consumer B became convinced that the black mold was responsible. She hired a mold expert to evaluate the situation and was told that black mold was throughout her Vision Home, and that the worst place was her daughter's room.

187. Consumer B complained to Defendants about the black mold but they refused to acknowledge it or pay for remediation. They suggested that the asthma was the result of the cat litter that she was using. Finally, out of fear for her daughter's health, Consumer B left the Vision Home that she had been occupying.

188. Consumer B's boyfriend negotiated a settlement with Vision at the time of their departure, pursuant to which Vision provided only partial reimbursement of their payments in exchange for a release of liability, including liability related to the black mold. The reimbursement also did not cover any of their many out of pocket repair costs associated with the Vision Home, nor any of their medical expenses or inspection costs related to the black mold.

#### Consumer C

189. Consumer C signed the First Lease Agreement in June, 2014 with Defendants.

He paid \$1,000 as option consideration, and \$450 for the first month of rent, property taxes and insurance. His monthly payment over the seven year lease term was \$450, and only \$30.54 of each monthly payment would be credited toward the purchase price of the home if Consumer C exercised the option to purchase the home for the option price of \$32,000.

190. Consumer C was planning to take advantage of the provision in the First Lease Agreement which provided that Vision would provide “seller financing” for his purchase price at the end of the lease term.

191. Consumer C and his mother did not move into their Vision Home because it required so much repair and remediation work. They cleaned up garbage, and bought a new stove, dishwasher, and stainless steel refrigerator. The roof was in disrepair, and so they put on a new roof, and also had to put in new electrical lines and replace rotten floors.

192. Consumer C fell behind in the monthly rent payments because he was spending so much money on repairing the property. He knew that he was behind but he thought he was working with Defendants to catch up.

193. One day Consumer C went to the house and he was locked out. He was shocked because he did not know that any legal proceedings were pending. He knew that he had never been served with any “papers.”

194. Allegheny County Common Pleas court records show that a Complaint was filed by RVFM 2, LLC (the Affiliate Defendant that had title to Consumer C’s Vision Home) on or about May 10, 2016 (No. GD-16-008919).

195. Allegheny County Common Pleas court records at GD-16-008919 also show that the writ expired and that service never occurred.

196. Consumer C is thus correct in stating that he was never served with the Complaint



filed by Defendants.

197. Nevertheless, Defendants locked him out of the Vision Home that he had spent many months repairing and refurbishing for missing two monthly payments and a portion of a third.

198. Consumer C was locked out of his home without ever having been served with the Complaint against him. Consumer C never had an opportunity to respond to the Complaint against him because he was never served. He tried to retrieve his personal property in the home, but found that another customer had been given possession of his Vision Home by Vision and refused to return his property.

#### Consumer D

199. Consumer D and his wife saw a house with a “rent to own” sign out front in Charleroi, Pennsylvania in the fall of 2013. He and his wife were given access to, and liked, the home. They struggled to get together the required initial payment of almost \$2,000, consisting of the first monthly payment of approximately \$500 and option consideration. Consumer D called Vision to tell them that he was sending the money order and signed Lease Agreement by overnight mail, as promised.

200. The next day he was told that, although the house that he wanted had been available the day before, it was now sold or leased to a different Vision customer. Consumer D asked for his initial payment to be returned since the house that he wanted was no longer available, and he was told that was not possible. He was told that he “signed the contract” and so therefore he could not get his initial payment back, even though the house that was the subject of the contract that he signed was no longer available. He was told that he had two choices: he could either forfeit the money or choose a different Vision Home.

201. Consumer D's wife is disabled and cannot go down stairs by herself. When Consumer D was faced with either losing the initial payment that he had worked so hard to come up with, or choose another Vision Home, he decided to choose a different Vision Home even though the only Vision Home available near his work had stairs that he wife could not utilize without help.

202. Consumer D was also told that the initial payment on the second house was higher than the initial payment on the first house, and so he had to come up with additional money to make the required initial payment on the second (less desirable) house in order to avoid losing the money that he had already given to Vision for the first house that he really wanted.

203. When Consumer D was given access to both the first and second house, the water and electricity was turned off. It took two weeks to get the water turned on after they moved in to the second house due to complications with the water company. After the water was turned on, they realized that the sewage pipe was so stopped up that when they flushed the toilet the entire kitchen flooded. They had to spend significant money correcting that problem.

204. The next-door neighbor also threatened Consumer D, saying that the Vision Home that Consumer D was leasing was his "granddaddy's house."

205. Consumer D persevered and carried out many more repairs on the home, in spite of the fact that his wife could not access or leave the home without help due to the stairs.

206. Consumer D was hopeful that he could build up his credit rating by paying Defendants timely and complying with his Lease Agreement, but he came to realize that Defendants were not positive reporting to credit agencies.

207. Consumer D was then notified that the home had been sold to a third party. This was confusing – Consumer D could not understand how this home that he had an option to buy

could be sold to someone else. His concern about ownership of the home was further compounded by the neighbor's complaint that the house belonged to the neighbor's "granddaddy."

208. Without a clear understanding or explanation as to why the house he planned to one day own had apparently been sold to someone other than the Affiliate Defendant on his Lease Agreement, Consumer D's fear that he would never be able to own the home grew. So he moved out, leaving behind a significant investment in improvements made to the home, and foregoing the option consideration.

209. Consumer D and his wife signed a version of Lease Agreement on September 15, 2013 with Vision, and real property records show that Defendant Kaja Holdings LLC signed (on September 18, 2013) a Deed to transfer title to Consumer D's Vision Home to another person unrelated to Vision. Consumer D was not told, before he signed the Lease Agreement, that the home he hoped to one day own was going to be transferred three days later to a third party, even though Vision apparently was planning the real property transfer at that time.

#### Consumer E

210. Consumer E and her husband signed a form of the Second Lease Agreement in July of 2017 for a home in southwestern Pennsylvania. When they looked at the house, the water and electricity were turned off. Consumer E and her husband signed a Second Lease Agreement for the home (and paid an initial payment of \$1,250 for the non-refundable option consideration and \$743 for the first month of rent). An option to purchase clause at the end of the agreement provided for a total purchase price of an additional \$65,000, and stated that \$144.51 of each \$743 payment would be applied toward the purchase price.

211. After signing the Second Lease Agreement with an Affiliate Defendant,

Consumer E found that there was a lien on the home for a \$3000 sewer bill incurred by a prior occupant of the home. Defendants refused to pay the lien, and told Consumer E it was Consumer E's responsibility.

212. Consumer E moved into the home with her husband and their children and paid off the sewer lien on the property. They had to replace floors, ceilings, and walls to make the home habitable, and bought a new hot water heater to replace a dysfunctional one.

213. Consumer E estimates that they initially invested approximately \$18,000 into fixing up the home.

214. Consumer E's husband lost a job and ran into financial difficulty, at the time they were in the process of replacing the roof on their Vision Home. Vision agreed to pay the remaining cost of replacing the roof. However, Vision increased the amount of monthly payment by \$143 a month (from \$743 to \$886) as a result of having paid money to fix the roof, and also increased the purchase price (payable if Consumer E exercises the option) unilaterally by over \$10,000. Thus, if Consumer E pays the increased monthly payment over the remaining term of the Second Lease Agreement *and* exercises the option to purchase the home, Consumer E will have repaid Vision multiple times for Vision's investment in *its own* roof.

215. At present, Consumer E is still recovering from job loss and has not been able to make up the missed payments, although Consumer E is paying monthly payments. It is unclear whether Consumer E will be ejected by Vision from their home.

#### Consumer F

216. Consumer F entered into an Agreement for Deed with Defendants in August, 2011. Pursuant to the Agreement for Deed, Consumer F was to pay \$45,000 for a Vision Home, amortized over a twenty-five year period at an interest rate of 7.9845%.

217. The terms provided for a down payment of \$500 and a monthly payment thereafter of \$498 (\$145 of this payment was expressly stated in the Promissory Note to be for real estate taxes). Consumer F was responsible for all back taxes, utility charges, and all maintenance and upkeep of the Vision Home.

218. Consumer F was on time with all of his payments and complied with all terms of his Agreement for Deed. Nonetheless, from the summer of 2012 through 2016, Consumer F repeatedly had pink notices posted on the door of his Vision Home stating that the house was soon to be auctioned at a Sheriff's sale due to unpaid taxes.

219. Consumer F was required to pay tax penalties each year because, in spite of the fact that he paid every monthly payment (including the real estate tax portion) on time, Defendants did not pay the real estate taxes on his Vision Home on time.

220. Frustrated and worried about the fact that his payments to Vision to cover taxes were not being timely turned over to the taxing authorities, Consumer F managed to arrange for a mortgage with a different company in 2017. However, he almost lost the lock in rate for the refinance because Vision "kept dragging their feet and not wanting to give anyone a straight answer."

221. It was only after many attempts that Consumer F was able to get payoff information for the refinancing. It was also very difficult to consummate the closing, because Defendants could not produce a signed deed. Defendants told Consumer F that the property was held by a party in California. Consumer F never understood the meaning of this or the role of the party in California.

222. Even after Consumer F managed to accomplish the refinancing with a third party, he received a "Statement of Delinquent Taxes" in early 2018 relating to delinquent real estate

taxes for 2016 and 2017 in the amount of \$516.

223. Consumer F just paid the \$516 of delinquent taxes rather than try to obtain the required funds from Defendants, even though during the tax period in question he made all scheduled monthly payments to Defendants, including a portion of each monthly payment designated for real estate taxes.

224. Consumer F is one of the very few Vision Victims who was actually able to purchase a home pursuant to either the Agreement for Deed or Lease Agreements. He is one of the only six Vision Victims referenced above who managed to acquire title to the property subject to an Agreement for Deed. So he is a “success story” by Vision standards. Nonetheless, Consumer F said, regarding Vision, that “I would never recommend that place to anyone.”

#### Consumer G

225. In 2014, Consumer G was looking for a place to live in Beaver County for herself and her disabled adult son. They had a limited income so when they saw a sign advertising the chance to “rent-to-own” a single family home in Beaver County for \$400 per month, Consumer G was very interested. She contacted the number on the sign, which put her in contact with Vision. Consumer G discussed the arrangements over the phone with an employee and was mailed an application. She never met with anyone in person from Vision. Instead, she was given a code for the lock on the door of the Vision Home that she called about, so she could look at the property. She inspected the property in the dark since the electricity was shut off. She was never provided any disclosures regarding the condition of the property.

226. After being approved, a contract arrived in the mail (the First Lease Agreement and related materials). It was a jumble of legalese that Consumer G could not understand.

Desperate for affordable housing, she signed the agreement thinking that she had just started herself on the path to home ownership. She paid option consideration of \$750 plus the first month's rent of \$400, and thereafter paid Vision \$400 a month. She thought that if she kept paying \$400 a month for seven years, the property would be hers. She put considerable work into the property to make it habitable, including replacing piping to get water service started.

227. Unbeknownst to Consumer G, the agreement that she signed provided that Consumer G would have to exercise an option and pay a purchase price of \$27,000 by the end of the seven year term of the lease if she wanted to own her Vision Home, in addition to the \$33,600 of monthly lease payments payable over the seven year period. Little did Consumer G know that her Lease Agreement provided for only \$18.36 of each of her \$400 monthly payments to apply towards purchase of the Vision Home. After seven years, only about \$2,300 of the \$33,600 total monthly payments that she had paid to Vision would be applied toward the \$27,000 purchase price of her Vision Home.

228. Then four years into making every payment on time, Consumer G received a notice that she was in default, even though she had paid every payment on time. She called Vision but was unable to get the issue resolved. Then she was sued for ejectment by Vision. A default judgment was entered against Consumer G before she had the chance to provide proof of her payments. Consumer G and her son were then removed from the property.

229. The value of the investments that she had made into her Vision Home, her option consideration, and the small amount of equity she built up in the property was completely stripped from her. Meanwhile, Vision placed the property back on the market to "rent-to-own."

#### Consumer H

230. Consumer H signed a version of the First Lease Agreement with Vision in June

2016. She paid \$2,700 for the option consideration (\$1,650) plus the initial month's rent, taxes and insurance (\$1,050). Her monthly payments were \$1,050. In accordance with the Lease Agreement, \$83 of each monthly payment was credited toward the \$95,000 purchase price of the property.

231. After Consumer H signed the agreement and took possession of the Vision Home, she found out that the township required an inspection and occupancy permit be issued before she could live in the home. Consumer H paid the necessary fees and arranged for the inspection.

232. The Vision Home did not pass the township inspection.

233. Consumer H could not find out why the Vision Home did not pass inspection because the township would not talk to her because she did not own the home.

234. Meanwhile Consumer H paid a gas bill incurred by a prior occupant of her home.

235. Still, Consumer H could not move in until the township issued an occupancy permit. Consumer H did not know what the township found objectionable about the house because the township refused to talk to a non-owner, and she regularly called Vision begging them to talk to the township and find out what needed to be done to get the occupancy permit.

236. Vision tried to get her to pay the monthly amount due under the Lease Agreement but Consumer H refused since she could not occupy the home.

237. This situation went on for a year, with Consumer H trying to get Vision to take action to find out how an occupancy permit could be obtained, and Vision neither obtaining that information nor providing it to Consumer H.

238. Eventually Consumer H came to understand that there was something wrong with the water pipes in the home, but she never had sufficient information to fix the problem.

239. After a year of struggling, frustration and uncertainty, still no occupancy permit



had been issued and Vision agreed to refund Consumer H's initial payment of \$2,700.

240. Consumer H was not reimbursed for additional money spent on fees, the gas bill and other costs that were not refunded. She also lost countless stressful hours trying to obtain the necessary authorization to occupy the home.

241. Consumer H says that Vision "sells you the dream that you will own your own home in seven years." For Consumer H, dealing with Vision was anything but a dream.

**COUNT I – VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
DECEPTION IN CONNECTION WITH LEASE TO OWN AND  
AGREEMENTS FOR DEED**

242. The preceding paragraphs are incorporated herein as if fully set forth below.

243. As described above, Defendants, among other deceptive and unfair behaviors:

- a. Use "rent to own" signs, slick online videos, employees who are compensated based on the volume of Lease Agreements they are able to cause consumers to enter into, and a lack of face-to-face contact to mislead and deceive Vision Victims into thinking that if they make their regular monthly payments every month, they will own their Vision Home at the end of the seven-year lease term;
- b. Limit potential buyers' opportunity to evaluate Vision Homes, typically providing opportunities to inspect Vision Homes only without electricity, gas, and/or water service, and withhold information about defects in the Vision Homes;
- c. Withhold from Vision Victims the fact that (i) the purchase price that must be paid by Vision Victims who exercise their purchase option pursuant to the Lease Agreements and (ii) the purchase price set forth in Agreements for

Deed is often well above the market price for the home, and is typically 200% to 400% or more of the price Vision recently paid for the home in exactly the same condition;

- d. Failed to clearly and conspicuously disclose to Vision Victims that, contrary to explicit and implicit misrepresentations made by Defendants, the Agreement for Deed deprived Vision Victims of the ability to realize equity appreciation in the property unless he or she performed without fail for 25 years under the Agreement for Deed;
- e. Fail to clearly and conspicuously disclose to Vision Victims that, contrary to explicit and implicit misrepresentations made by Defendants, performance under the Lease Agreements conveys no equity interest whatsoever unless the Vision Victim exercises the option and pays virtually the entire often inflated option purchase price, in addition to all lease payments due under the lease prior to exercise of the option;
- f. Failed to disclose to Vision Victims that *none* of the Agreements for Deed or Lease Agreements provided cure rights or legal protections included in and associated with conventional mortgage transactions;
- g. Fail to clearly and conspicuously disclose that, contrary to explicit and implicit misrepresentations by Defendants, even if the minimum payments are made under the Lease Agreements and all contract terms complied with by the consumer, the Vision Victim must, at the end of the seven year term, obtain from a third party source almost the entire often inflated purchase price and

pay that amount in a lump sum balloon payment to Vision in order to own the Vision Home;

- h. Utilize the misleading and deceptive term “lease to own” when in fact performance by tenants under the Lease Agreements conveys no ownership rights unless the option is exercised;
- i. Provide in the Second Lease Agreement that, even if a tenant is able to meet monthly lease obligations for seven years and decides to exercise the option to purchase, Vision has no obligation to cure title defects of any kind or nature (thus rendering the entire option illusory);
- j. Fail to disclose defects and deficiencies in Vision Homes even when such defects and deficiencies are known or knowable to Defendants;
- k. Fail to disclose the existence of unpaid taxes and unpaid utility bills to consumers prior to entering into Lease Agreements, even when those unpaid taxes and unpaid utility bills are known or knowable to Defendants;
- l. Fail to disclose existing local code, licensing and permit violations to consumers, even when such violations are known or knowable to Defendants;
- m. Deceptively executed the First Lease Agreement (see Exhibit C) with over 450 consumers in Pennsylvania containing an illusory and deceptive provision which gave the consumer the right to convert to “seller financing” without providing or offering to consumers that promised seller financing;
- n. Refused on at least one occasion to refund initial consumer payments under Lease Agreements, even if the Vision Home named in the Lease Agreement signed by the consumer was no longer available;

- o. On at least several occasions, informed Vision Victims that payments due under the terms of contracts with Vision had not been paid, and took legal action to eject such Vision Victims for non-payment, although such payments were in fact paid by Vision Victims;
- p. Fail to disclose to Vision Victims that the third party lender to whom Vision Victims are referred by Defendants for Vision Mortgage Transactions is not the actual lender, but instead that Vision itself is the actual lender;
- q. Enter into the Vision Mortgage Transactions without providing Vision Victims with an appraisal from a certified or qualified appraiser;
- r. Require Vision Victims, in at least some instances, to waive their right to an appraisal in connection with the Vision Mortgage Transactions;
- s. Provide quitclaim deeds to Vision Victims in connection with the Vision Mortgage Transactions, without disclosing to Vision Victims the significantly less marketable nature of a property acquired through a quitclaim deed; and
- t. Otherwise engaged and continue to engage in predatory, opportunistic and unconscionable behavior designed to mislead consumers about the nature of the underlying transaction and condition of the property.

244. By engaging in such unfair and deceptive acts and practices, and others described herein, Defendants violated §201-3 of the *Consumer Protection Law*, as defined by § 201-2 of said law, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or

certification by another;

- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have;
- d. Section 201-2(4)(ix), by advertising goods or services with intent not to sell them as advertised; and
- e. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), (ix) and (xxi).

245. The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

- A. Declaring Defendants' conduct as described above to be in violation of the *Consumer Protection Law*;
- B. Permanently enjoining Defendants from violating the *Consumer Protection Law*;
- C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*;
- D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for

each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts, residential leases, or options to purchase residential properties;

F. Requiring Defendants to modify the terms of all outstanding Lease Agreements to reallocate the obligation to maintain the homes in habitable condition from tenant to the Vision landlord;

G. Requiring Defendants to permit any Pennsylvania consumer to terminate their Lease Agreement or Agreement for Deed with Vision without penalty at any time, and be reimbursed any down payment or option consideration paid by such consumer;

H. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter;

I. Requiring Defendants to convert any outstanding Agreements for Deed into a Special Warranty Deed that is conveyed to the consumer and a mortgage pursuant to which the property is mortgaged to Vision, on industry-standard terms and conditions;

J. Prohibiting Defendants from enforcing any Agreements for Deed or Lease Agreements against any Pennsylvania consumer, including taking any action on the basis of such contracts for eviction, ejectment, or otherwise; and

K. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT II -- VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
BREACH OF IMPLIED WARRANTY OF HABITABILITY IN RESIDENTIAL LEASES**

246. The preceding paragraphs are incorporated herein as though fully set forth below.

247. There is an implied warranty of habitability from the landlord in all residential leases under Pennsylvania law. *Pugh v. Holmes*, 405 A.2d 897, 905 (Pa. 1979).

248. A landlord's failure to maintain any of the following, without limitation, constitutes a breach of the implied warranty of habitability:

- a. Leaking roof;
- b. Unsecure or broken doors and/or windows;
- c. Unsecure locks on doors and/or windows;
- d. Absence of running water;
- e. Absence of hot water;
- f. Leaking toilets and/or plumbing;
- g. Pest infestations;
- h. Hazardous ceiling, floors and/or steps;
- i. Malfunction of heating systems;
- j. Absence of smoke detectors; and
- k. Housing code violations.

249. Defendants were put on notice of uninhabitable conditions relating to their Lease Agreements but failed and refused to remedy the conditions.

250. Not only did Defendants fail to remedy the conditions, but Defendants also required Vision Victims to sign the Lease Agreements, which included terms and conditions that required tenants to correct uninhabitable conditions at the leased premises.

251. Defendants have breached their implied warranty of habitability, repeatedly over

a period of at least six years, by failing to furnish and maintain Vision Homes that are subject to Lease Agreements in a manner that provides facilities and services vital to the life, health, and safety of the tenant and to the use of the premises for residential purposes.

252. Furthermore, Defendants have required Vision Victims to waive their rights to habitable premises, which waiver is against public policy and which is prohibited by, and unenforceable under, Pennsylvania law.

253. By structuring the Lease Agreements in violation of Pennsylvania law, Defendants sought unlawfully to obtain *both* the benefits of an “as is where is” transaction associated with a traditional deed and mortgage structure *and* the benefits of a traditional landlord-tenant transaction; namely the ability to evict or eject a tenant without the protections of the mortgage foreclosure laws.

254. Contractually and actually foisting the landlord’s obligation to maintain habitable leased premises onto the tenant Vision Victims in violation of established Pennsylvania law is unfair and deceptive behavior by Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Lease Agreements, in violation of §201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(vii), by representing that goods or services are of a particular standard, quality or grade, or that goods are of a particular style or model, if they are of another; and
- c. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. § 201-3 and § 201-2(4), (ii), (vii), and (xxi).

The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S § 201-3.



## PRAYER FOR RELIEF

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring Defendants' conduct as described above to be in violation of the *Consumer Protection Law*;

B. Permanently enjoining Defendants from violating the *Consumer Protection Law*;

C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*;, including without limitation restitution for all costs of making Vision Homes habitable incurred by tenants who are on the Lease Agreements;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts, residential leases, or options to purchase residential properties;

F. Requiring Defendants to modify the terms of all outstanding Lease Agreements to reallocate the obligation to maintain the homes in habitable condition from tenant to the Vision landlord;

G. Requiring Defendants to permit any Pennsylvania consumer to terminate their Lease Agreement with Vision without penalty at any time, and be reimbursed for, among other things, any option consideration paid by such consumer;

H. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter;

I. Prohibiting Defendants from enforcing any Lease Agreement against any Pennsylvania consumer, including taking any action on the basis of such contract for eviction, ejectment, or otherwise; and

J. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT III – VIOLATION OF THE LOAN INTEREST AND PROTECTION LAW:  
THE INTEREST RATE CHARGED TO VISION VICTIMS VIOLATES THE LOAN  
INTEREST AND PROTECTION LAW AND DEFENDANTS HAVE OTHERWISE  
VIOLATED SUCH LAW AND THE CONSUMER PROTECTION LAW**

255. The preceding paragraphs are incorporated herein as though fully set forth below.

256. Article 3, §301 of the *Loan Interest and Protection Law* provides for a flexible maximum lawful interest rate for residential mortgages, based upon the Monthly Index of Long Term United States Government Bond Yields, plus an additional two and one-half percent per annum.

257. The transaction contemplated by the Agreements for Deed is a “residential mortgage” as defined in the *Loan Interest and Protection Law*. In particular, “residential mortgage” is defined as an obligation to pay a sum of money in an original bona fide principal amount of the base figure or less, evidenced by a security document and secured by a lien upon, among other things, a single family home located within the Commonwealth. The “base figure” is defined as \$217,873 as adjusted annually by the Commonwealth for inflation.

258. Section 7.2 of Chapter 7 of the Pennsylvania Code clarifies that “security document” for the purposes of the *Loan Interest and Protection Law* is deemed to include, among other things, “an installment land contract.”

259. It is settled Pennsylvania law that an installment land contract will be deemed to be “secured by a lien upon real property” for purposes of the *Loan Interest and Protection Law*.

260. From 2009 through 2013, the applicable maximum interest rate for residential mortgages published monthly pursuant to §301 ranged from a high of 6.75% to a low of 4.5%, and from 2018 to present, the applicable maximum interest rate for residential mortgages published monthly pursuant to §301 ranged from a high of 5.5% to a low of 5%.<sup>2</sup>

261. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Agreements for Deed violated Article 3, §301 of the *Loan Interest and Protection Law* by charging an interest rate during the period of 2009 to 2013 that was typically 10% per annum, and not lower than approximately 8% per annum, which rates were greater than and in some cases double the maximum allowable rate under Pennsylvania law.

262. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Agreements for Deed violated Article 3, §301 of the *Loan Interest and Protection Law* by charging an interest rate during the period of 2018 to present that was typically 10% per annum, and not lower than approximately 8% per annum, which rates were greater than and in some cases double the maximum allowable rate under Pennsylvania law.

263. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who orchestrated and directed (and/or are assignees of) one or more Vision Mortgage

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<sup>2</sup> <http://www.dobs.pa.gov/For%20Media/Pages/Act-6-Information.aspx>

Transactions violated Article 3, §301 of the *Loan Interest and Protection Law* by charging an interest rate that was typically 10% per annum, and not lower than approximately 8% per annum, which rates were greater than and in some cases double the maximum allowable rate under Pennsylvania law during the time periods in question (2017/ 2018 to present).

264. Article 3, §403 and §404 of the *Loan Interest and Protection Law* requires that before a residential mortgage lender may accelerate the maturity of any residential mortgage obligation, or take other specified legal action, such person shall give the residential mortgage debtor notice of its intent at least thirty days in advance, in accordance with the requirements of that section, by registered or certified mail. Section 404 provides certain cure rights.

265. All or some of the Agreements for Deed did not include such provisions relating to notice of intent to take legal action and right to cure a default, nor did Defendants provide such notice or rights to Vision Victims, in violation of §403 and §404 of the *Loan Interest and Protection Law*.

266. The Attorney General has standing to bring a civil action for injunctive relief and such other relief as may be appropriate to secure compliance with the *Loan Interest and Protection Law*. 41 P.S. §506.

267. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Agreements for Deed have violated the *Loan Interest and Protection Law* by charging Vision Victims an unlawful rate of interest in the approximately 100 Agreements for Deed that it executed with Pennsylvania citizens with respect to residential real estate in the Commonwealth of Pennsylvania.

268. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Agreements for Deed have also violated the *Loan Interest and*

*Protection Law* by failing to afford Vision Victims the rights required to be afforded to Vision Victims pursuant to §403 and §404 of the *Loan Interest and Protection Law*.

269. Such Defendants have violated the *Loan Interest and Protection Law* as set forth above, and by virtue of such violations have thereby also violated §201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and
- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), and (xxi).

270. The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

- A. Declaring Defendants' conduct as described above to be in violation of the *Loan Interest and Protection Law* and *Consumer Protection Law*;
- B. Permanently enjoining Defendants from violating the *Consumer Protection Law* and *Loan Interest and Protection Law*;

C. Requiring Defendants to revise any outstanding Agreements for Deed and Vision Mortgage Transactions to include provisions required by the *Loan Interest and Protection Law*, and an interest rate no higher than permitted by the *Loan Interest and Protection Law*;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts for residential properties;

F. Requiring such Defendant to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Loan Interest and Protection Law* and/or the *Consumer Protection Law*;

G. Requiring Defendants to permit any Pennsylvania consumer to terminate their Agreement for Deed or Vision Mortgage Transaction with Vision without penalty at any time, and be reimbursed any down payment paid by such consumer;

H. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

I. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT IV - VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
DEFENDANTS' AGREEMENTS FOR DEED DID NOT INCLUDE PROVISIONS  
REQUIRED UNDER THE INSTALLMENT LAND CONTRACT LAW**

271. The preceding paragraphs are incorporated herein as though fully set forth below.

272. The Agreements for Deed and the transactions contemplated thereby are subject to the *Installment Land Contract Law*, which defines an "Installment Land Contract" as "[E]very executory contract for the purchase and sale of a dwelling . . . whereby the purchaser is obligated to make six or more installment payments to the seller after the execution of the contract and before the time appointed for the conveyance of title to the dwelling." 68 P.S. Section 903(a)(1).

273. The *Installment Land Contract Law* requires that Sections 3,4,5,6,7,8 and 9 of such law be included in every Installment Land Contract, as defined therein. None of these sections was included in the Agreements for Deed.

274. For example, §4 of the *Installment Land Contract Law* requires that an installment land contract include a requirement that seller must send notice by registered or certified mail in the event of a default, specify the nature of the default, and provide a period of no less than 30 days following service to make payment. None of Defendants' Agreements for Deed contain cure rights.

275. By way of another example, §5 of the *Installment Land Contract Law* requires that recovery for breach of a land contract shall be limited to all installments and assessments for public improvements due prior to the surrender of the premises by purchaser, among other things. In particular, §5 states expressly that the unpaid balance of the purchase price shall not be considered an item of recoverable damages. Nonetheless, the Promissory Note used by Defendants in conjunction with the Agreement for Deed permits the recovery of the entire unpaid balance of the purchase price upon a Vision Victim's default, in direct violation of §5.

276. By way of another example, §6 of the *Installment Land Contract Law* provides important protections for purchasers to recover amounts paid on account of principal in excess of 25% of the purchase price, in the event that purchaser voluntarily surrenders possession of the premises. The Agreements for Deed fail to provide for this important right of purchasers as required by the *Installment Land Contract Law*. The Agreements for Deed do provide for what is referred to therein as “Special Equity,” but such “Special Equity” provisions do not comport with the *Installment Land Contract Law*, and furthermore Defendants have *never* paid such Special Equity, notwithstanding that Vision Victims’ right to such “Special Equity” is set forth in the Agreement for Deed.

277. In addition, certain Vision Victims have been ejected from their homes and suffered termination of their Agreement for Deed without the process required by the *Installment Land Contract Law*.

278. Vision Management, Alex Szkaradek, Antoni Szkaradek, and all other Defendants who are party to one or more Agreements for Deed have violated the *Installment Land Contract Law* as set forth above, and by virtue of such violation have violated §201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and



- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), and (xxi).

279. The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring Defendants' conduct as described above to be in violation of the *Installment Land Contract Law*, and by virtue of such violation, the *Consumer Protection Law*;

B. Permanently enjoining Defendants from violating the *Consumer Protection Law*;

C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts for residential properties;

F. Requiring such Defendants to reform any outstanding Agreements for Deed to satisfy the requirements of the *Installment Land Contract Law*;

G. Requiring Defendants to permit any Pennsylvania consumer to terminate their Agreement for Deed without penalty at any time;

H. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter;

I. Requiring Defendants to convert any outstanding Agreements for Deed into a Special Warranty Deed that is conveyed to the consumer and a mortgage pursuant to which the property is mortgaged to Vision, on industry-standard terms and conditions; and

J. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT V - VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
CERTAIN DEFENDANTS CONDUCTED BUSINESS AND FILED SUIT AGAINST  
VISION VICTIMS WITHOUT REQUIRED REGISTRATION  
WITH THE DEPARTMENT OF STATE**

280. The preceding paragraphs are incorporated herein as though fully set forth below.

281. Exhibit A sets forth all of the affiliates of VPM Holdings and Vision Management that, to Plaintiff's knowledge, conducted business in the Commonwealth of Pennsylvania. All of the entities set forth on Exhibit A are Defendants in this proceeding.

282. Exhibit A shows that 37 of the Defendants that are not organized under Pennsylvania law have not registered to do business in Pennsylvania.

283. Under 15 PA.C.S. 411(a), no foreign filing association or foreign limited liability partnership may do business in the Commonwealth of Pennsylvania until registered with the Department of State under that chapter.

284. All Affiliate Defendants that are not organized under Pennsylvania law are “foreign filing associations” or “foreign limited liability partnerships” as defined in the statute.

285. All Affiliate Defendants are “doing business” in the Commonwealth by virtue of purchase of managing, owning and active leasing and selling of real estate in the Commonwealth.

286. The Commonwealth has knowledge that certain of the Defendants listed on Exhibit A have initiated litigation in the Commonwealth of Pennsylvania, against Vision Victims.

287. Under 15 Pa. C.S. §411(b), no foreign filing association or foreign limited liability partnership doing business in the Commonwealth may maintain an action or proceeding in the Commonwealth unless it is registered to do business with the Department of State under that chapter.

288. Of those Defendants listed on Exhibit A that are known to have initiated and maintained litigation in the Commonwealth of Pennsylvania against Vision Victims, the following were not registered with the Department of State as required by 15 Pa. C.S. §411(b): ACM Vision V, LLC, ACP 3, LLC, Alan Investments II, LLC, Avalanche Holding Co., LLC, BAT Holdings Nine, LLC, BAT Holdings One, LLC, BAT Holdings Six, LLC, DSV SPV 1, LLC, DSV SPV 2, LLC, DSV SPV 3, LLC, M17S, LP, Mom Haven 14, LP, National Housing Partners, LLC, One Pine VIII, LLC, REO Rancho, LP, RV Holdings Eight, LLC, RV Holdings Four, LLC, RV Holdings Seven, LLC, RV Holdings Three, LLC, RV Holdings Two, LLC, RVFM 12, LLC, RVFM 13 Series, LLC, RVFM 2, LLC, RVFM 4 Series, LLC.

289. The preceding list of unregistered Defendants who have initiated and maintained litigation in the Commonwealth is based on incomplete information, and the Commonwealth

anticipates that additional Defendants have initiated litigation in the Commonwealth of Pennsylvania without registering with the Department of State as required by 15 Pa. C.S. §411(b).

290. Failure to register to do business in the Commonwealth prior to initiating and maintaining litigation precludes any recovery in either state or federal court in Pennsylvania, and subjects the plaintiffs to nullification of any recovery, under applicable Pennsylvania law.

291. The failure of certain Defendants as listed on Exhibit A to register to do business in Pennsylvania violates 15 Pa. C.S. §411(a), and the failure of the Defendants listed in Paragraph 288 above to register to do business in Pennsylvania prior to initiating and maintaining litigation against Vision Victims violates 15 Pa. C.S. §411(b); by virtue of such violations, such Defendants have violated §201-3 of the *Consumer Protection Law*, including but not limited to the following:

- a. Section 201-2(4)(ii), which prohibits causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii), which prohibits causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another; and
- c. Section 201-2(4)(xxi), which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. § 201-2(4)(ii), (iii), and (xxi).

292. The above described conduct has been willful and is unlawful under Section 201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

### PRAYER FOR RELIEF

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring Defendants' conduct as described above to be in violation of the *Consumer Protection Law*;

B. Permanently enjoining Defendants from violating the *Consumer Protection Law*;

C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*, including without limitation restitution to make whole Vision Victims that are the subject of judgments rendered null and void pursuant to Part E below;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Declaring every judgment obtained by (i) the Defendants listed in Paragraph 288 above and/or (ii) any other Defendant, to the extent such Defendant who initiated litigation in the Commonwealth was not registered to do business in the Commonwealth at the time any such judgment was entered, to be null and void;

F. Requiring Defendants who are not registered to do business in Pennsylvania as indicated on Exhibit A to register to do business in the Commonwealth;

G. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

H. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT VI - VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
CERTAIN DEFENDANTS VIOLATED THE MORTGAGE LICENSING ACT BY  
FAILING TO BE LICENSED AS REQUIRED UNDER THAT ACT**

293. The preceding paragraphs are incorporated herein as though fully set forth below.

294. The *Mortgage Licensing Act* requires that no person shall engage in the mortgage loan business in the Commonwealth without being licensed as a mortgage broker, mortgage lender, mortgage loan correspondent or mortgage originator. 7 Pa.C.S. § 6111.

295. The "mortgage loan business" is defined as the business of advertising, causing to be advertised, soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans, and a "mortgage loan" is defined as a first or secondary mortgage loan, or both, a lease-purchase agreement or a mortgage modification, as the context may require. 7 Pa.C.S. § 6102.

296. The Agreement for Deed (a form of which is at Exhibit B hereto) is a "lease-purchase agreement" as defined in the *Mortgage Licensing Act*. 7 Pa.C.S. § 6102

297. By virtue of the behavior described above, Vision Management, VPM Holdings, and all other Defendants who were parties to Agreements for Deed engaged in the "mortgage loan business" without the required license.

298. Such Defendants have violated the *Mortgage Licensing Act* as set forth above, and by virtue of such violation have violated Section 201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have;
- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), and (xxi).

299. The above described conduct has been willful and is unlawful under Section 201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

- A. Declaring the conduct of Vision Management, VPH Holdings, and all Defendants who are parties to an Agreement for Deed, as set forth in this Count VI, to be in violation of the *Mortgage Licensing Act*, and by virtue of such violation, the *Consumer Protection Law*;
- B. Permanently enjoining Defendants from violating the *Mortgage Licensing Act* and the *Consumer Protection Law*;
- C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts, residential leases, or options to purchase residential properties;

F. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

G. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT VII - VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
DEFENDANTS FAILED TO DELIVER THE DISCLOSURE REQUIRED BY THE  
REAL ESTATE SELLER DISCLOSURE LAW**

300. The preceding paragraphs are incorporated herein as though fully set forth below.

301. Section 7303 of the *Real Estate Seller Disclosure Law* requires that any seller who intends to transfer any interest in real property shall disclose to the buyer any material defects with the property known to the seller by completing all applicable items in a property disclosure statement which satisfies the requirements of § 7304 of such law. 68 Pa. C. S. § 7303.

302. Section 7103(A) states that the term "residential real estate transfer" when used in that part shall mean a transfer of any interest in real property located within this Commonwealth, that consists of not less than one nor more than four residential dwelling units, "whether by sale, exchange, installment sales contract, lease with an option to purchase, grant or transfer of unit in



a residential condominium or cooperative.” 68 Pa. C. S. § 7103(A).

303. Thus, the *Real Estate Seller Disclosure Law* applies to transactions both under the Agreement for Deed and under the Lease Agreements.

304. A signed and dated copy of the property disclosure statement must be delivered to the buyer in accordance with §7305 of the *Real Estate Seller Disclosure Law* prior to the signing of an agreement of transfer by the seller and buyer with respect to the property.

305. No property disclosure statements were ever delivered by Defendants in connection with residential real estate transactions in Pennsylvania, as required by §7303, § 7304 and §7305 of the *Real Estate Seller Disclosure Law*. Defendants never complied with the requirements of §7303, §7304 or §7305 of the *Real Estate Seller Disclosure Law* with respect to any of the over 700 Agreements for Deed, Leases, or Vision Mortgage Transactions entered into by Defendants in Pennsylvania with Vision Victims.

306. Section 7311(a) of the *Real Estate Seller Disclosure Law* provides that any person who willfully or negligently violates or fails to perform any duty prescribed by any provision of that chapter shall be liable in the amount of actual damages suffered by the buyer as a result of a violation of the chapter. 68 Pa. C. S. § 7311(a).

307. Defendants have failed to comply with the requirements of the *Real Estate Seller Disclosure Law* and by virtue of such failure Defendants have violated §201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or

certification by another;

- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have; and
- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), and (xxi).

308. The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring Defendants' conduct as described above to be in violation of the *Real Estate Seller Disclosure Law*, and by virtue of such violation, the *Consumer Protection Law*;

B. Permanently enjoining Defendants from violating the *Consumer Protection Law* or the *Real Estate Seller Disclosure Law*;

C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution under the *Consumer Protection Law* from Defendants by virtue of violation of the *Real Estate Seller Disclosure Law*, including all actual damages incurred by Vision Victims in repairing undisclosed defects and conditions that Defendants were required to but failed to disclose;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts, residential leases, or options to purchase residential properties;

F. Requiring Defendants to permit any Pennsylvania consumer to terminate their Lease Agreement or Agreement for Deed with Vision without penalty at any time, and be reimbursed for, among other things, any down payment or option consideration paid by such consumer;

G. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

H. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT VIII - VIOLATIONS OF THE CONSUMER PROTECTION LAW:  
VISION MANAGEMENT AND VPM HOLDINGS DID NOT COMPLY  
WITH THE LICENSING AND REGISTRATION ACT**

309. The preceding paragraphs are incorporated herein as though fully set forth below.

310. Pursuant to § 301 of the *Licensing and Registration Act*, it is unlawful for any person, directly or indirectly, to engage in or conduct, or to advertise or hold himself out as engaging in or conducting the business of a broker or rental listing referral agent without first being licensed or registered as provided in that Act.

311. A “Rental listing referral agent” is defined in the *Licensing and Registration Act* as any person who owns or manages a business which collects rental information for the purpose of referring prospective tenants to rental units. 63 P.S. §455.201.

312. A “broker” as defined in the Act includes as any person who, for another and for a fee, commission or other valuable consideration, negotiates with or aids any person in locating or obtaining for purchase, lease, or an acquisition of interest in any real estate. 63 P.S. §455.201.

313. Vision Management and/or VPM Holdings violated the *Licensing and Registration Act* by acting as a broker and as a rental listing referral agent in connection with the transactions described above without licensure or registration.

314. Vision Management and/or VPM Holdings further violated the *Licensing and Registration Act* by failing to maintain a fixed office in the Commonwealth of Pennsylvania as required by §601 of that Act, and by otherwise failing to comply with the Act.

315. Vision Management and/or VPM Holdings has failed to comply with the requirements of the *Licensing and Registration Act*, and by virtue of such failure has violated §201-3 of the *Consumer Protection Law*, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii) by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have; and

- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

P.S. § 201-3 and § 201-2(4), (ii), (iii), (v), and (xxi).

316. The above described conduct has been willful and is unlawful under §201-3 of the *Consumer Protection Law*, 73 P.S. § 201-3.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring Defendants' conduct as described above to be in violation of the *Licensing and Registration Act*, and by virtue of such violation, the *Consumer Protection Law* of the *Consumer Protection Law*;

B. Permanently enjoining Defendants from violating the *Licensing and Registration Act* and the *Consumer Protection Law*;

C. Requiring Defendants to make full restitution to each and every consumer who is entitled to restitution from Defendants under the *Consumer Protection Law*;

D. Requiring Defendants to pay the Commonwealth a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each and every violation of the *Consumer Protection Law*, and a civil penalty of Three Thousand Dollars (\$3,000.00) for each and every violation of the *Consumer Protection Law* where the victim is sixty (60) years of age or older;

E. Permanently enjoining Defendants from engaging in any real property transactions in the Commonwealth of Pennsylvania involving, relating to or constituting installment land contracts, residential leases, or options to purchase residential properties;

F. Requiring Defendants to permit any Pennsylvania consumer to terminate their Lease Agreement or Agreement for Deed with Vision without penalty at any time, and be reimbursed for, among other amounts, any down payment or option consideration paid by such consumer;

G. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

H. Granting such other general, equitable and/or further relief as the Court deems just and proper.

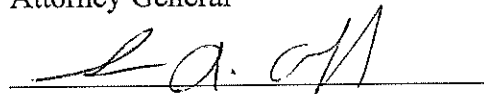
Respectfully Submitted,

COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO  
Attorney General

Date: Oct. 10, 2019

By:



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Pittsburgh, Pennsylvania 15222  
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# **EXHIBIT A**

<b><u>State Where Organized</u></b>	<b><u>Entity</u></b>	<b><u>Registered in PA?</u></b>
DE	ACM Vision V, LLC	No
DE	ACP 1, LLC	Yes – 12/07/2011
DE	ACP 3, LLC	No
DE	Alan Investments III, LLC	No
PA or DE	ALCA, LLC	No
DE	Archway Community Properties I, LLC	Yes - 07/05/2011
DE	Archway Community Properties II, LLC	Yes - 07/28/2011
DE	Archway Community Properties III, LLC	Yes - 04/02/2012
DE	Archway Community Properties IV, LLC	Yes - 08/22/2013
ME	Avalanche Holding Company, LLC	No
SC	Axis, LLC	No
SC	BAT Holdings, LLC	No
SC	BAT Holdings Eight, LLC	Yes - 5/8/2013
SC	BAT Holdings One, LLC	No
SC	BAT Holdings Six, LLC	No
SC	BAT Holdings Nine, LLC	No
SC	BAT Holdings Two, LLC	Yes - 9/26/2012
SC	Boom SC, LLC	No
SC	DS New, LLC	No
DE	DSV SPV 1, LLC	No
DE	DSV SPV 2, LLC	No
DE	DSV SPV 3, LLC	No
SC	Jolek, LLC	Yes – 12/13/2011
DE	Kaja Holdings, LLC	Yes - 3/29/2013
DE	Kaja Holdings 2, LLC	Yes - 8/26/2014
TX	M16S, LP	No
TX	M17S, LP	No
TX	Mom Haven 14, LP	No
DE	NewBridge Capital Funding, LLC	No
DE	National Housing Partners, LLC	No
DE	One Pine VIII, LLC	No
PA	PA Seven, LLC	NA
PA	Panda, LLC	NA



PA	Pansy, LLC	NA
PA	Penna LLC	NA
SC	PF 1, LLC	No
DE	REO Rancho, LP	No
SC	RV Holdings Eleven, LLC	Yes - 6/6/2012
SC	RV Holdings Seven, LLC	No
SC	RV Holdings Three, LLC	No
SC	RV Holdings Four, LLC	No
SC	RV Holdings Two, LLC	No
SC	RV Holdings Eight, LLC	No
SC	RVFM 1, LLC	Yes - 7/17/2018
DE	RVFM 11 Series, LLC	Yes - 9/10/2014
SC	RVFM 12, LLC	No
DE	RVFM 13 Series, LLC	No
SC	RVFM 2, LLC	No
SC	RVFM 3, LLC	Yes - 2/25/2015
DE	RVFM 4 Series, LLC	No
SC	RVFM 5, LLC	No
SC	RVFM 6, LLC	No
SC	RVFM 8, LLC	No
SC	SP 1, LLC	Yes - 4/20/2016
SC	Vision Property Management, LLC	No
SC	VPM Holdings, LLC	Yes
SC	VPM Realty, LLC	No

## **EXHIBIT B**

## AGREEMENT FOR DEED

This Agreement for Deed is entered into on this day 14TH of AUGUST, 2011 between NATIONAL HOUSING PARTNERS, LLC (hereinafter known as the "PARTY OF THE FIRST PART") and [REDACTED] (hereinafter known as the "PARTY/PARTIES OF THE SECOND PART").

Witnesseth, That if the PARTY/PARTIES OF THE SECOND PART shall first make the payments and perform the covenants hereafter described, the PARTY OF THE FIRST PART hereby covenant(s) and agree(s) to convey and assure to the PARTY/PARTIES OF THE SECOND PART and his/her/their heirs, executors, administrators or assigns, in fee simple, clear of all encumbrances whatsoever, by a good and sufficient deed, the lot and piece or parcel of land, situated at [REDACTED] in the County of PERRY, the city of ELLIOTTSBURG, the State of PENNSYLVANIA, and further known and described as follows, to-wit:

### SEE ATTACHMENT "A" FOR LEGAL DESCRIPTION OF PROPERTY

and the PARTY/PARTIES OF THE SECOND PART hereby covenant(s) and agree(s) to pay to the PARTY OF THE FIRST PART the sum of FORTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$45,000.00) in the manner following: FIVE HUNDRED DOLLARS AND NO CENTS (\$500.00) paid at the signing of this agreement and the remaining FORTY-FOUR THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$44,500.00) shall be paid according to the terms of a Promissory Note of even date with interest at the rate of SEVEN POINT NINE EIGHT FOUR FIVE PERCENT (7.9845%) per annum, payable monthly on the whole sum remaining from time to time unpaid; and to pay all taxes, assessments and/or impositions (includes such fees and other costs normally paid by owner or buyer of property such as ground rents, city/county miscellaneous fees as they require, property violations and/or fines levied, water/sewer charges, electrical/gas usage charges, garbage fees and property taxes levied, etc.) that may be legally levied or imposed upon said land subsequent to the year of 2011/

PARTY OF THE SECOND PART will keep the buildings upon said premises insured by some company satisfactory to the PARTY OF THE FIRST PART, and payable to the parties, respectively as their interest may appear, in the sum not less than FORTY-FOUR THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$44,500.00) during the term of this Agreement. At the PARTY OF THE FIRST PART'S option (as indicated by written notice to the PARTY OF THE SECOND PART), the PARTY OF THE FIRST PART may elect to (a) impound monthly, with the PARTY OF THE FIRST PART (or its agent), the cost of such insurance as estimated by the PARTY OF THE FIRST PART, or (b) procure said insurance, in which event the PARTY OF THE SECOND PART shall reimburse the PARTY OF THE FIRST PART for the actual cost thereof within five (5) days after demand from the PARTY OF THE FIRST PART. All insurance proceeds shall be payable to the PARTY OF THE FIRST PART. In the event of a loss by fire or other casualty, the rights and obligations of the parties shall be as follows:

If the damage to the improvements on the Property is less than fifty (50%) percent of the total value of the improvements, the PARTY OF THE SECOND PART shall be obligated to repair or reconstruct said property. The PARTY OF THE FIRST PART shall apply the proceeds directly to the costs of such repair or reconstruction, the PARTY OF THE FIRST PART being entitled to any surplus insurance funds over and above the costs of repair or reconstruction, and the PARTY OF THE FIRST PART being liable for any deficiency after application of the insurance money to such costs.

If the damage to the improvements on the Property is in excess of fifty (50%) percent of the total value of the improvements, the PARTY OF THE SECOND PART shall have the option as to whether to repair or reconstruct said property following such casualty loss.

If the PARTY OF THE SECOND PART elects not to repair or reconstruct said property, then the unpaid balance of the purchase price, together with accrued interest to date, but excluding unearned interest, shall at the option of the PARTY OF THE FIRST PART become due and payable forthwith, and the insurance proceeds shall be applied towards the application of such sum, any surplus of the insurance proceeds over and above the PARTY OF THE SECOND PART'S obligations shall be paid to the PARTY OF THE SECOND PART. In the event that the contract is paid out as a result of the application of the insurance proceeds, the PARTY OF THE FIRST PART shall deliver a deed to the PARTY OF THE SECOND PART and consummate the transaction. In the event the contract is not paid out as a result of the application of the insurance proceeds pursuant to an election not to repair or reconstruct said property after casualty, the proceeds shall be credited to the account of the PARTY OF THE SECOND PART and the PARTY OF THE SECOND PART will continue to make regular payments pursuant to the terms of the contract until the PARTY OF THE SECOND PART'S obligations are satisfied and the contract consummated.

If the PARTY OF THE SECOND PART elects to repair or reconstruct, the insurance proceeds shall be applied by the PARTY OF THE FIRST PART to the costs of such repair or reconstruction, the PARTY OF THE SECOND PART shall submit the building plans to the PARTY OF THE SECOND PART for approval, for which approval shall be granted if the value of the land after the repair or reconstruction will equal or exceed the value of the land immediately prior to the casualty. If requested by the PARTY OF THE SECOND PART, the PARTY OF THE FIRST PART will, after approval of the PARTY OF THE SECOND PART'S building plans, turn over the insurance proceeds to an insurance trustee for the purpose of paying for the repairs or reconstruction. Any surplus of insurance proceeds over and above the costs of repair or reconstruction shall be delivered to the PARTY OF THE SECOND PART, and any deficiency remaining after application of such proceeds to the costs of repair or reconstruction shall be paid by the PARTY OF THE SECOND PART.

It is mutually agreed, by and between the parties hereto, that the PARTY OF THE FIRST PART transfers the said property to the PARTY/PARTIES OF THE SECOND PART in strictly "AS IS" condition and the PARTY/PARTIES OF THE SECOND PART is solely responsible for bringing the building and premises to a habitable condition within a reasonable period of time not exceeding THREE (3) months and maintaining the property in good state of repair during the term of this agreement.

Also both Parties hereby agree that the PARTY/PARTIES OF THE SECOND PART shall not occupy or cause building to be occupied, before building is repaired to satisfy all applicable national and local building codes. The PARTY OF THE FIRST PART is under no duty whatsoever to inspect the premises after the signing of contract to determine compliance with these terms. Nevertheless, the PARTY/PARTIES OF THE SECOND PART is now and shall remain in sole control of the premises, and is and shall remain solely liable for all injuries and damages to themselves and/or to third parties, or to the property of such persons occurring while in or about the premises. In the event such injury or damage occurs, the PARTY/PARTIES OF THE SECOND PART agrees and covenants to hold harmless, defend and forever indemnify the PARTY OF THE FIRST PART, its successors and assigns, from all such resulting claims, liabilities, defense costs, attorney fees, judgments and the like relating in any way to such damage, injury, claim or liability.

And in case of failure of the PARTY/PARTIES OF THE SECOND PART to make any of the payments or any part thereof, or to perform any of the covenants hereby made and entered into by the PARTY/PARTIES OF THE SECOND PART, this contract may, at the exclusive discretion of the PARTY OF THE FIRST PART, be declared null and void, and terminated, in which event the PARTY/PARTIES OF THE SECOND PART shall, upon notice of such termination, immediately quit the premises, allowing the PARTY OF THE FIRST PART to re-enter and retake exclusive possession of the premises.

CONVERSION TO MONTH TO MONTH TENANCY. Upon the PARTY OF THE FIRST PART exercising its right of termination as provided herein, all rights and interest hereby created and then existing in the PARTY/PARTIES OF THE SECOND PART and in all claiming under the PARTY/PARTIES OF THE SECOND PART, shall wholly cease and terminate, and the PARTY/PARTIES OF THE SECOND PART SHALL BE DEEMED A MONTH TO MONTH TENANT. THE PARTY/PARTIES OF THE SECOND PART, NOW KNOWN AS TENANT, AGREES TO QUIT AND SURRENDER TO THE PARTY OF THE FIRST PART, WITHOUT DEMAND, PEACEFUL POSSESSION OF SAID PROPERTY IN AS GOOD CONDITION AS IT IS NOW, REASONABLE WEAR AND TEAR ALONE EXCEPTED, WITHIN THIRTY DAYS (30) AFTER NOTICE OF TERMINATION. AFTER TERMINATION BY THE PARTY OF THE FIRST PART PURSUANT TO THIS PARAGRAPH, THE PARTY/PARTIES OF THE SECOND PART SHALL PAY RENT IN AN AMOUNT STATED HEREIN AND THE PARTY/PARTIES OF THE SECOND PART ACKNOWLEDGES THAT THE PARTY OF THE FIRST PART WILL INITIATE AN ACTION TO EVICT THE PARTY/PARTIES OF THE SECOND PART WHEN ANY RENT PAYMENT IS MORE THAN THIRTY (30) DAYS LATE.

In the event the PARTY/PARTIES OF THE SECOND PART neglects or refuses to surrender such possession it shall be lawful for the PARTY OF THE FIRST PART to enter upon and take possession of said property without notice and remove all persons and their property.

The PARTY OF THE FIRST PART may, at its option, cause a written declaration to be recorded in the office of the Clerk of Court of PERRY County, to evidence the existence of its election to terminate all rights hereunder in accordance herewith.

Such declaration when so recorded, shall be, as to all subsequent Purchasers or Tenants or encumbrances of the property or any part thereof, conclusive proof of default by the PARTY/PARTIES OF THE SECOND PART and of the PARTY OF THE FIRST PART election to terminate all rights in the property existing by reason of this agreement.

In the event of contract termination, all moneys paid by the PARTY/PARTIES OF THE SECOND PART under this instrument, and all improvements constructed in or upon the property shall be rendered forfeit and shall inure to the benefit of the PARTY OF THE FIRST PART, its successors and assigns, except that if and only if the premises have not decreased in fair market value lower than the amount of the contract sale price, then a "Special Equity" shall be calculated for the benefit of the PARTY/PARTIES OF THE SECOND PART, by the PARTY OF THE FIRST PART, in the amount equal to one-half of any reduction achieved in the outstanding principal on the Promissory Note mentioned above. The resulting Special Equity shall then be applied first against the balance of the interest accrued and unpaid, and then against the cost if any, required to put the premises into its former condition, if condition has deteriorated due to abandonment, abuse, failure to maintain or failure to insure the premises during the contract period. The balance of the Special Equity shall be paid to the PARTY/PARTIES OF THE SECOND PART within 45 days of the date possession is retaken.

The parties agree that the limited forfeiture described herein is a reasonable means of addressing a loss which may be difficult to calculate and constitutes the compensation for the use and occupancy thereof by the PARTY/PARTIES OF THE SECOND PART, consideration for the execution of this Agreement, and liquidated damages which may be elected by the PARTY OF THE FIRST PART for its consequential and future losses, and are therefore not an unreasonable penalty.

THE PARTY/PARTIES OF THE SECOND PART ACKNOWLEDGES THAT UPON TERMINATION OF THIS AGREEMENT BY THE PARTY OF THE FIRST PART THE PARTY/PARTIES OF THE SECOND PART BECOMES A MONTH TO MONTH TENANT WITH A MONTHLY RENT EQUAL TO FOUR HUNDRED NINETY-EIGHT DOLLARS AND NO CENTS (\$498.00)

IT IS MUTUALLY AGRBED, by and between the parties hereto, that the time of each payment shall be an essential part of this contract, and that all covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrators and assigns of the respective parties.

In the event that this document is recorded, a Termination or Cancellation by sworn affidavit executed by the Party of the First Part, when subsequently recorded, shall be deemed effective to immediately cancel and nullify any interest held by the Party of the Second Part under this instrument, and this instrument shall not thereafter constitute a lien or encumbrance upon premises.

*[signature(s) on the following page]*

IN WITNESS WHEREOF, The parties to these presents have hereunto set their hands and seals the day and year first above written.

WITNESS

WITNESS

State of PENNSYLVANIA

County of PERCY

On this, the 8th day of August, 2011, before me, a Notary Public for said State and County, personally appeared [REDACTED] and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal

Mary J. Gouffar  
NOTARY PUBLIC FOR PENNSYLVANIA

Printed Name: Mary J. Gouffar

My commission expires November 17, 2011. (SEAL)

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal  
Mary J. Gouffar, Notary Public  
Carroll Twp., Perry County  
My Commission Expires Nov. 17, 2011  
Member, Pennsylvania Association of Notaries

WITNESS

NATIONAL HOUSING  
PARTNERS, LLC

BY MANAGING MEMBER

State of South Carolina

County of Richland

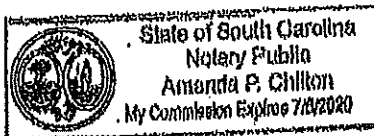
On this, the 12 day of August, 2011, before me, a Notary Public for said State and County, personally appeared Alexander Szkaradek and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal

NOTARY PUBLIC FOR South Carolina

Printed Name: \_\_\_\_\_

My commission expires \_\_\_\_\_ (SEAL)



## PROMISSORY NOTE

15TH of AUGUST, 2011

\$44,500.00

FOR VALUE RECEIVED, the undersigned promises to pay to the order of NATIONAL HOUSING PARTNERS, LLC c/o VISION PROPERTY MANAGEMENT, LLC at P.O. BOX 488, COLUMBIA, SOUTH CAROLINA 29202, the sum of FORTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$45,000.00) as follows:

Bearing interest at the rate of SEVEN POINT NINE EIGHT FOUR FIVE PERCENT (7.9845%) per annum from date hereof in 300 equal monthly installments of THREE HUNDRED FORTY-THREE DOLLARS AND NO CENTS (\$343.00) plus ONE HUNDRED FIFTY-FIVE DOLLARS AND NO CENTS (\$155.00) for real estate taxes (real estate tax subject to change) making a total of FOUR HUNDRED NINETY-EIGHT DOLLARS AND NO CENTS (\$498.00) each beginning day 15TH of SEPTEMBER, 2011, and on the same day of each and every month thereafter, each such installment to be applied first to the accrued interest on the unpaid principal balance at the rate of SEVEN POINT NINE EIGHT FOUR FIVE PERCENT (7.9845%). The remainder thereof to the principal balance, and the entire remaining unpaid principal balance together with accrued interest to date shall become due and payable in full on the day 15TH of AUGUST, in the year 2036.

Discount Rider (if applicable). YES ☐ NO ☒ see Discount Rider attached to Promissory Note.

The note, principal and interest is secured by an Agreement for Deed on [REDACTED] in the County of PERRY, the City of ELLIOTTSBURG, the State of PENNSYLVANIA.

It is specifically agreed that the makers hereof shall have the right of prepayment at any time without the penalty of additional interest so long as accrued interest on the unpaid principal is paid as herein provided. And that upon failure to make payment or any part thereof, at the time when due, the then unpaid principal balance hereof plus interest shall, at the option of the holder of this note, at once become due and payable. If this note is placed in the hands of an attorney for collection, by suit or otherwise, I/We will pay, on demand, any attorney's fees and related expenses that the holder incurs (1) in collecting or attempting to collect the indebtedness evidenced by this note; (2) in enforcing the Agreement for Deed that secures this note; (3) in protecting the collateral encumbered by that Agreement for Deed; or (4) in defending or asserting the holder's rights in that collateral. All parties hereto, makers, endorsers, sureties, guarantors, or otherwise, severally waive protest, demand, presentment and notice of dishonor and the holder may grant extensions(s) of the time of payment of this note, or a part thereof, without any release of liability as to parties secondarily liable, who hereby waive notice as to any such extension, and against whom recourse is, in such event, expressly reserved.

*[signature(s) on the following page]*




If the full amount of the monthly payment has not been received by the end of 10 calendar days after the date it is due, a late charge in the amount of **TWENTY-FIVE DOLLARS AND NO CENTS (\$25.00)** will become due, the total payment and penalty being the amount of **FIVE HUNDRED TWENTY-THREE DOLLARS AND NO CENTS (\$523.00)**.


For each bad check there will be Thirty Dollars (\$30.00) bad check fee applied.

Signed, sealed and delivered in the presence of:


  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
WITNESS

State of **PENNSYLVANIA**  
County of **Perry**

On this, the **8<sup>th</sup>** day of **August**, 2011, before me, a Notary Public for said State and County, personally appeared  and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal

  
NOTARY PUBLIC FOR PENNSYLVANIA  
Printed Name: **Mary J. Gouffer**  
My commission expires **NOVEMBER 17, 2011** (SEAL)

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Mary J. Gouffer, Notary Public  
Council Twp., Perry County  
My Commission Expires Nov. 17, 2011  
Member, Pennsylvania Association of Notaries

**CERTIFICATION**

I/We, the PARTY/PARTIES OF THE SECOND PART, hereby certify that I/We have been informed by PARTY OF THE FIRST PART that it is advisable when entering into an AGREEMENT FOR DEED for real property to obtain legal advice from a lawyer. I/We, the PARTY/PARTIES OF THE SECOND PART, have decided I/We will not consult a lawyer and that this decision was made outside the presence of PARTY OF THE FIRST PART; I/We further certify this CERTIFICATION was signed outside the presence of PARTY OF THE FIRST PART.

Signed, sealed and delivered in the presence of:

  
WITNESS


  

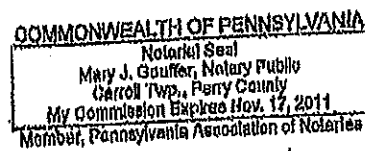

  
WITNESS

State of PENNSYLVANIA  
County of Perry

On this, the 8<sup>th</sup> day of August, 2011, before me, a Notary Public for said State and County, personally appeared  and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal.

  
NOTARY PUBLIC FOR PENNSYLVANIA  
Printed Name: Mary J. Gauffer  
My commission expires November 17, 2011 (SEAL)



## LEAD BASED PAINT RIDER

RIDER TO AGREEMENT DATED the 15TH day of AUGUST, 2011 between the PARTY/PARTIES OF THE SECOND PART and PARTY OF THE FIRST PART for property located at [REDACTED] [REDACTED], County of PERRY, State of PENNSYLVANIA.

The PARTY OF THE FIRST PART and the PARTY/PARTIES OF THE SECOND PART agree that the following additions and/or modifications are hereby made to the above-referenced Contract.

1. AGREEMENT FOR DEED CONTINGENCY. Pursuant to Federal Regulations, the provisions of this Rider must be satisfied before the PARTY/PARTIES OF THE SECOND PART are obligated under this Agreement for Deed.

2. LEAD WARNING STATEMENT. The PARTY OF THE FIRST PART, as owner of an interest in residential real property on which a residential dwelling was built prior to 1978, is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduce intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The PARTY OF THE FIRST PART, as owner of an interest in residential real property, are required to provide any PARTY/PARTIES OF THE SECOND PART with whom the PARTY OF THE FIRST PART enter into an Agreement for Deed with any information on lead-based paint hazards from risk assessments or inspections in the possession of the PARTY OF THE FIRST PART and notify the PARTY/PARTIES OF THE SECOND PART of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

3. LEAD HAZARD INFORMATION PAMPHLET. PARTY OF THE FIRST PART shall deliver to the PARTY/PARTIES OF THE SECOND PART an EPA approved lead-hazard information pamphlet (For example, Protect Your Family From Lead In Your Home). Intact lead-based paint that is in good condition is not necessarily a hazard.

4. PARTY OF THE FIRST PART'S DISCLOSURE. (Check all applicable boxes).

(A) Presence of Lead-Based Paint and/or Lead Based Paint Hazards.

(Check either (1) or (2) below).

☐ (1) Hazards Known. Attached hereto is a statement signed by PARTY OF THE FIRST PART disclosing the presence of known lead-based paint and/or lead-based hazards at the Property, including but not limited to the basis for the determination that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards and the condition of the painted surfaces.

☒ (2) Hazards Unknown. PARTY OF THE FIRST PART have no actual knowledge of the presence of lead-based paint and/or lead-based paint hazards at the property.

(B) Records and Reports Available to PARTY OF THE FIRST PART. (Check either (1) or (2) below).

☐ (1) Records Provided. The following is a list of all records and/or reports available to the PARTY OF THE FIRST PART pertaining to lead-based paint and/or lead-based paint hazards at the property.

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The PARTY OF THE FIRST PART shall deliver a complete copy of each record and report to the PARTY/PARTIES OF THE SECOND PART.

☒ (2) No Records. The PARTY OF THE FIRST PART have no records or reports pertaining to lead-based paint and/or lead-based paint hazards at the Property.

*[Initial(s) on the following page]*

5. RISK ASSESSMENT. (Mark with an X either (A) or (B) below).

(A) ☒ PARTY/PARTIES OF THE SECOND PART hereby waive/waives the opportunity to conduct a lead-based paint hazard risk assessment or inspection. [REDACTED]

(B) ☐ This Contract is contingent upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards being obtained by the PARTY/PARTIES OF THE SECOND PART at the expense of the PARTY/PARTIES OF THE SECOND PART before 5:00 p.m. on the tenth calendar day after full execution of the Contract by all parties (the "Lead Paint Inspection Period"). If the results of such inspection are unacceptable to the PARTY/PARTIES OF THE SECOND PART for any reason whatsoever, the PARTY/PARTIES OF THE SECOND PART shall notify the PARTY OF THE FIRST PART or the attorney of the PARTY OF THE FIRST PART in writing within two business days after the end of the Lead Paint Inspection Period, together with a copy of the inspection and/or risk assessment report. In such case, either party may cancel the Contract upon written notice to the other party or the other party's attorney. A copy of such notice(s) should be delivered to the real estate brokers. If the notice of unacceptable results by the PARTY/PARTIES OF THE SECOND PART is not received by the PARTY OF THE FIRST PART or the attorney of the PARTY OF THE FIRST PART within two business days after the end of the Lead Paint Inspection Period, this inspection contingency is deemed waived by the PARTY/PARTIES OF THE SECOND PART. The definitions in Paragraph 1.B and C of Form 1.1 Contract Rider (1995) shall be used to determine whether or not the notice of unacceptable results by the PARTY/PARTIES OF THE SECOND PART has/have been received by the PARTY OF THE FIRST PART before the end of the Lead Paint Inspection Period. The PARTY OF THE FIRST PART will cooperate with the inspection made by the PARTY/PARTIES OF THE SECOND PART in such fashion as may be reasonably requested by the PARTY/PARTIES OF THE SECOND PART. The PARTY/PARTIES OF THE SECOND PART may remove this contingency at any time without cause.

6. ACKNOWLEDGMENT BY THE PARTY/PARTIES OF THE SECOND PART (initial and date):

[REDACTED] 8-8-11  
Initial Date

PARTY/PARTIES OF THE SECOND PART has/have received copies of all information, records and/or reports set forth in Paragraph 4 of this Rider or attached to this Contract.

[REDACTED] 8-8-11  
Initial Date

PARTY/PARTIES OF THE SECOND PART has/have received an EPA approved lead hazard information pamphlet.

[REDACTED] 8-8-11  
Initial Date

PARTY/PARTIES OF THE SECOND PART has/have received a 10-day opportunity (or mutually agreed upon period) or has/have waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

*[signature(s) on the following page]*

7. CERTIFICATION OF ACCURACY. The undersigned have reviewed the information above and certify to the best of their knowledge, that the statement they have provided is true and accurate.


Signed, sealed and delivered in the presence of:


NATIONAL HOUSING  
PARTNERS, LLC

  
WITNESS

  
BY MANAGING MEMBER


  
WITNESS

  
WITNESS

  
WITNESS

State of PENNSYLVANIA

County of Perry

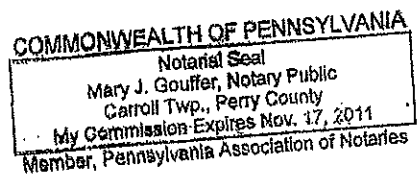
On this, the 8th day of August, 2011, before me, a Notary Public for said State and County, personally appeared  and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal

  
NOTARY PUBLIC FOR PENNSYLVANIA

Printed Name: Mary J. Gouffer

My commission expires NOVEMBER 17, 2011. (SEAL)



**ATTACHMENT "A" TO THE AGREEMENT FOR DEED**

(Dated the 15TH day of AUGUST, 2011, BETWEEN NATIONAL HOUSING PARTNERS, LLC  
and [REDACTED])

**LEGAL DESCRIPTION**

**THE HOUSE AND LOT COMMONLY KNOWN AS:**

[REDACTED]

**IN THE COUNTY OF: PERRY**

**PARCEL IDENTIFICATION NUMBER: 2 [REDACTED]**

## **EXHIBIT C**



**RESIDENTIAL LEASE WITH OPTION TO PURCHASE AGREEMENT**  
**(TRIPLE-NET, BONDABLE LEASE)**

This **RESIDENTIAL LEASE WITH OPTION TO PURCHASE AGREEMENT** is entered into on this day 1st of April, 2015 between Kaja Holdings 2, LLC (hereinafter known as the "LESSOR") and [REDACTED] (hereinafter known as the "LESSEE(s)").

Witnesseth, that if the LESSEE(s) shall first make the payments and perform the covenants hereafter described, the LESSOR hereby covenant(s) and agree(s) to LEASE the property commonly known as [REDACTED] in the County of Allegheny, the city of Natrona Heights, the State of Pennsylvania, to the LESSEE(s) for the term and covenant(s) set forth herein, and further known and described as follows, to-wit:

**SEE ATTACHMENT "A" FOR LEGAL DESCRIPTION OF PROPERTY**

The premises, as described above, with all appurtenances, are hereby LEASED to the LESSEE(s) for a term of 84 months. This LEASE shall commence the 1st of April, 2015, and shall be paid, at the signing of this agreement, in the following manner: One Thousand One Hundred Twenty-five Dollars (\$1,125.00) as an option consideration, and Three Hundred Fifty Dollars (\$350.00) as the monthly lease payment, plus Seventy-five Dollars (\$75.00) for real estate taxes (real estate taxes subject to change), Twenty-five Dollars (\$25.00) for Casualty and General Liability Insurance (insurance premium subject to change), making the total initial payment One Thousand Five Hundred Seventy-five Dollars (\$1,575.00).

All subsequent monthly payments shall be due on or before the 1st day of each month, commencing on the 1st of May, 2015 until the term of this agreement has been fulfilled and shall be in the amount of Four Hundred Fifty Dollars (\$450.00). This agreement expires on the last calendar day of May, 2022. Twenty-five and 39/100 Dollars (\$25.39) of each monthly lease payment, as well as the option consideration paid by the LESSEE(s) shall be credited towards the purchase price of the property. All credits are non-refundable.

The **PURCHASE PRICE** of the premises, as described above, will be Forty-one Thousand Dollars (\$41,000.00), to be satisfied on or before the expiration of this agreement, should the LESSEE(s) choose to exercise their rights to purchase as described hereinafter.

Upon the expiration of the term of this agreement or before, the LESSEE(s) shall have three options, to-wit:

1. **OPTION TO CONVERT TO SELLER FINANCING:** LESSEE(s) may, if all the requirements and covenants of this agreement have been fulfilled, either upon the expiration of this agreement, or upon the time the total credit(s) paid towards the **PURCHASE PRICE** reaches the amount of 30% of the **PURCHASE PRICE**, whichever comes first, this lease shall convert to a Seller Financed Contract. This conversion shall be documented by a separate instrument. The **PURCHASE PRICE** as set forth in the instrument documenting the conversion to Seller Financing shall be equivalent to the difference of the **PURCHASE PRICE** listed in this agreement minus any/all credit(s) paid towards said **PURCHASE PRICE**.
2. **OPTION TO PURCHASE PREMISES:** LESSEE(s) may, on or before the expiration of this agreement, choose to purchase the above referenced premises for the remainder of the **PURCHASE PRICE** as described above with all credits paid included. Fulfillment of the **PURCHASE PRICE** by the LESSEE(s) shall be treated as a **CASH SALE**, at which time the LESSOR shall provide the LESSEE(s) with a good and sufficient deed, clear of all encumbrances, with exception to any/all encumbrances caused by the action or inaction, whether direct or indirect, of the LESSEE(s), and transfer title of the premises from the LESSOR to the LESSEE(s). This **CASH SALE** shall be documented by a separate instrument.
3. **OPTION TO FORFEIT LEASE:** LESSEE(s) may, on or before the expiration of this agreement, by mutual agreement between LESSOR and LESSEE(s), as evidenced in writing, choose to forfeit their rights to the premises described herein and vacate the premises and all appurtenances within FIVE (5) days of the determined expiration of this agreement. Should the LESSEE(s) choose to forfeit this agreement, all personal property and belongings shall be vacated within FIVE (5) days of the determined expiration of this agreement. Should the LESSEE(s) choose to vacate the premises, any and all improvements that have been built into the property, including but not limited to any/all built in appliances, shall

remain with the property and become considered forfeit.

- a. **FAILURE TO VACATE PREMISES:** Should the LESSEE(s) fail to comply with the covenants of OPTION 3 (above), LESSOR shall have the right to evict LESSEE(s) according to the proper judicial process determined by the locality in which the premises is located.
- b. **PERSONAL PROPERTY:** Should the LESSEE(s) elect to choose OPTION 3 (above), any and all of LESSEE(s), their assigns, agents, acquaintances, and/or other personal property remaining in, around, or about the premises or its appurtenances shall be forfeit so far as the FIVE (5) day vacation period has expired.
- c. **CONDITION OF PREMISES:** LESSEE(s) agree that upon the execution of OPTION 3 (above), LESSEE(s) shall vacate premises in the same condition or better as of the execution of this agreement. LESSEE(s) acknowledge that should they vacate the premises in worse condition than at the time of execution of this agreement, any and all appropriate legal action may be sought by LESSOR for restitution.

### **NON-PAYMENT, EVICTION, AND LATE FEE NOTIFICATION**

LESSEE(s) acknowledges and understands that if the full amount of the monthly payment described herein has not been received by the end of Ten (10) calendar days after the date it is due, a late charge in the amount of Twenty-five Dollars ( \$25.00 ) will become due, the total payment and penalty being the amount of Four Hundred Seventy-five Dollars ( \$475.00 ). Any late fee charged shall not be applied/assumed as credit towards the PURCHASE PRICE.

For each bad check there will be Thirty Dollars (\$30.00) bad check fee applied.

LESSEE(s) acknowledges and understands that in the event of their failure to perform according to the covenants set forth herein, particularly, but not limited to, the full amount of the monthly payment described herein not being received by the end of FIFTEEN (15) calendar days after the date it is due, they may be placed in eviction in the pertinent Court of competent jurisdiction pertaining to the county in which the premises is located or other appropriate judicial process.

### **AS IS/WHERE IS LEASE NOTIFICATION**

LESSEE(s) acknowledges and understands that the premises referenced herein is LEASED in strictly "AS IS/WHERE IS" condition, and it is mutually agreed, by and between the parties hereto, that the LESSEE(s) is solely responsible for maintaining the premises in a safe and non-hazardous condition during the duration of this agreement, and for bringing the building and premises to a habitable condition, compliant with any and all State, County, and City building and premises codes, within a reasonable period of time not exceeding ( July 1st, 2015 ), and maintaining the premises in a good state of repair during the term of this agreement.

LESSEE(s) also hereby acknowledges and understands that the LESSEE(s), upon the execution of this agreement, may take possession of the premises referenced herein, but will not occupy or allow to be occupied the stated premises until the building and premises are brought to a habitable condition, compliant with any and all State, County, and City building and premises codes.

LESSEE(s) also hereby acknowledges and understands that the LESSEE(s), upon the execution of this agreement, shall be immediately responsible for payment or alleviation of any encumbrances including, but not limited to, all taxes, assessments and/or impositions (includes such fees as ground rents, city/county miscellaneous fees as they require, property violations and/or fines levied, water/sewer charges, electrical/gas usage charges, garbage fees and property taxes levied, etc.) that may be legally levied or imposed upon said premises that are delinquent or currently due at the execution of this agreement without recourse.

## **RIGHT TO INSPECT PREMISES**

LESSOR, its employees or agents, shall have the right, after 24 hours of notice to the LESSEE(s), to enter and inspect the premises and all its appurtenances referenced in this agreement at reasonable times for the purpose of inspecting the performance of the LESSEE(s) pertaining to the terms and conditions of this agreement set forth herein. LESSEE(s) hereby agrees to and grants LESSOR such stated rights.

Upon inspection of the premises and all its appurtenances, should LESSOR deem that the terms and covenants of this agreement have not been fulfilled by the LESSEE(s), such as but not limited to maintenance, repair(s), or other reasonable grounds, LESSOR shall have the right to terminate this agreement immediately by written notice to the LESSEE(s), and should it require, the LESSEE(s) may be placed in eviction in the pertinent Court of competent jurisdiction pertaining to the county in which the premises is located or other appropriate judicial process. Such termination of this agreement does not entitle the LESSEE(s) to any payments made, whether towards the option consideration or not, to any refund whatsoever. LESSEE(s) hereby agrees to and grants LESSOR such stated rights.

## **LESSEE'S RIGHT TO SUB-LEASE**

If all the requirements and covenants of this agreement are in full effect, including but not limited to maintaining the premises in a safe and non-hazardous condition during the duration of this agreement, and for bringing the building and premises to a habitable condition, compliant with any and all State, County, and City building and premises codes, LESSEE(s) shall have the right to sub-lease the premises referenced herein upon the mutual agreement to sub-lease said premises, in writing, between the LESSEE(s) and LESSOR. This sub-lease and acknowledgment of sub-lease shall be documented by a separate instrument to be approved by the LESSOR in its sole discretion. LESSEE(s) hereby acknowledges and agrees that the requirements and conditions of this agreement shall take priority, including but not limited to the "AS IS/WHERE IS" clause, over any sub-lease agreement.

Prior to the execution of any sub-lease agreement, LESSEE(s) hereby acknowledges and agrees to provide LESSOR with appropriate contact information for the sub-lessee(s), including but not limited to phone number(s), email address, emergency contacts, and other information that may be required by the LESSOR prior to the execution of the sub-lease.

Upon the execution of any sub-lease between LESSEE(s) and sub-lessee(s), this agreement shall remain in full effect according to the provisions set forth herein. Upon the event that the requirements and covenants set forth herein are not in full effect including, but not limited to non-payment, LESSEE(s) may be placed in eviction in the pertinent Court of competent jurisdiction pertaining to the county in which the premises is located or other appropriate judicial process, and LESSOR shall have the immediate right to convert the sub-lessee(s) to LESSEE(s) in the former LESSEE(s) stead. This conversion shall be documented by a separate instrument.

## **INSURANCE NOTIFICATION**

The LESSEE(s) will pay for Casualty and General Liability insurance as a part of their monthly payment. This fee is a Casualty and General Liability Insurance Policy and is not a replacement for renters insurance or other appropriate insurance to be obtained by the LESSEE(s). This policy only covers the LESSOR's liability in this property. Without renters insurance or other appropriate insurance, the LESSEE(s) will still be responsible for damage or loss of personal belongings.

The LESSEE(s) will notify the LESSOR immediately in the event of catastrophic damage to the property. Catastrophic damage shall be defined as any damage requiring over \$5,000 to repair.

If the damage to the improvements on the Property is less than fifty (50%) percent of the total value of the improvements, the LESSEE(s) shall be obligated to repair or reconstruct said property. The LESSOR shall apply the proceeds directly to the costs of such repair or reconstruction. The LESSEE(s) shall be liable for any deficiency after application of the insurance money to such costs.

If the damage to the improvements on the Property is in excess of fifty (50%) percent of the total value of the improvements, the LESSEE(s) shall have the option as to whether to repair or reconstruct said property following such casualty loss.

If the LESSEE(s) elects not to repair or reconstruct said property, then the unpaid balance of the PURCHASE PRICE shall at the option of the LESSOR become due and payable forthwith, and the insurance proceeds shall be applied towards the application of such sum, any surplus of the insurance proceeds over and above the LESSEE(s) obligations shall be paid to the LESSEE(s). In the event that the agreement is paid out as a result of the application of the insurance proceeds, the LESSOR shall deliver a deed to the LESSEE(s) and consummate the transaction. In the event the contract is not paid out as a result of the application of the insurance process pursuant to an election not to repair or reconstruct said property after casualty, the proceeds shall be credited to the account of the LESSEE(s) and the LESSEE(s) will continue to make regular payments pursuant to the terms of the agreement until the LESSEE(s) obligations are satisfied and the agreement consummated.


If the LESSEE(s) elects to repair or reconstruct, the insurance proceeds shall be applied by the LESSOR to the costs of such repair or reconstruction, the LESSEE(s) shall submit the building plans to the LESSOR for approval, for which approval shall be granted if the value of the land after the repair or reconstruction will equal or exceed the value of the premises immediately prior to the casualty. If requested by the LESSEE(s), the LESSOR will, after approval of the LESSEE(s) building plans, turn over the insurance proceeds to an insurance trustee for the purpose of paying for the repairs or reconstruction.

Any surplus of insurance proceeds over and above the costs of repair or reconstruction shall be delivered to the LESSEE(s), and any deficiency remaining after application of such proceeds to the costs of repair or reconstruction shall be paid by the LESSEE(s).

**[signature(s) on the following  
page]**

IN WITNESS WHEREOF, The parties to these presents have hereunto set their hands and seals the day and year first above written.

WITNESS  
(sign and print)

  
(sign and print)

WITNESS  
(sign and print)

  
(sign and print)

State of Pennsylvania

County of \_\_\_\_\_

On this, the \_\_\_\_\_ day of \_\_\_\_\_, 2015, before me, a Notary Public for said State and County, personally appeared \_\_\_\_\_ and acknowledged the due execution of the foregoing instrument

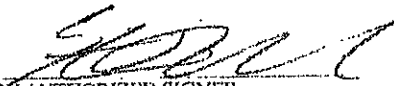
Witness my hand and official seal

NOTARY PUBLIC FOR Pennsylvania  
Printed Name: \_\_\_\_\_  
My commission expires \_\_\_\_\_ (SEAL)

\*\*\*\*\*

Kaja Holdings 2, LLC


WITNESS  
(sign and print)  AVERY DARNELL

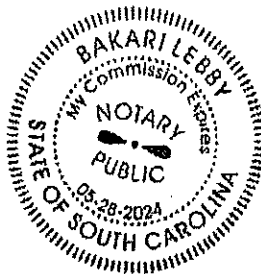
  
BY AUTHORIZED SIGNER  
(sign and print) Steven Randall

State of South Carolina  
County of LEWISTON

On this, the 1 day of APRIL, 2015, before me, a Notary Public for said State and County, personally appeared STEVEN RANDALL and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal

  
NOTARY PUBLIC FOR South Carolina  
Printed Name: Bakari Leiby  
My commission expires \_\_\_\_\_ (SEAL)



## LEAD-BASED PAINT RISK AND RISK ASSESSMENT

RIDER TO AGREEMENT DATED the 1st day of April, 2015 between the LESSEE(s) and LESSOR for property located at ~~1400 State Street, Natrona Heights, PA 15065, Natrona Heights, County of Allegheny, State of Pennsylvania.~~

The LESSOR and the LESSEE(s) agree that the following additions and/or modifications are hereby made to the above-referenced Contract:

1. **AGREEMENT CONTINGENCY.** Pursuant to Federal Regulations, the provisions of this Rider must be satisfied before the LESSEE(s) are obligated under this agreement.

2. **LEAD WARNING STATEMENT:** The LESSOR, as owner of an interest in residential real property on which a residential dwelling was built prior to 1978, is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduce intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The LESSOR, as owner of an interest in residential real property, is required to provide any LESSEE(s) with whom the LESSOR enter into an agreement with any information on lead-based paint hazards from risk assessments or inspections in the possession of the LESSOR and notify the LESSEE(s) of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

3. **LEAD HAZARD INFORMATION PAMPHLET.** The LESSOR shall deliver to the LESSEE(s) an EPA approved lead-hazard information pamphlet (For example, Protect Your Family From Lead in Your Home). Intact lead-based paint that is in good condition is not necessarily a hazard.

d LESSOR'S DISCLOSURE. (Check all applicable boxes).

(A) Presence of Lead-Based Paint and/or Lead Based Paint Hazards.

(Check either (1) or (2) below).

1 (1) Hazards Known. Attached hereto is a statement signed by the LESSOR disclosing the presence of known lead-based paint  
and/or lead-based hazards at the Property, including but not limited to the basis for the determination that lead-based paint and/or  
lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards and the condition of the painted  
surfaces.

[X] (2) Hazards Unknown. The LESSOR has no actual knowledge of the presence of lead-based paint and/or lead-based paint hazards at the property.

(B) Records and Reports Available to LESSOR. (Check either (1) or (2) below).

[( )] (i) Records Provided. The following is a list of all records and/or reports available to the LESSOR pertaining to lead-based paint and/or lead-based paint hazards at the property.

The LESSOR shall deliver a complete copy of each record and report to the LESSEE(s).

☒ (2) No Records. The LESSOR has no records or reports pertaining to lead based paint and/or lead-based paint hazards at the Property.




5. RISK ASSESSMENT. (Mark with an X either (A) or (B) below.)

☒ (A) LESSEE(s) hereby waive/waives the opportunity to conduct a lead-based paint hazard risk assessment or inspection.

MARK  
EITHER →

☐ (B) This agreement is contingent upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards being obtained by the LESSEE(s) at the expense of the LESSEE(s) before 5:00 p.m. on the tenth calendar day after full execution of the agreement by all parties (the "Lead Paint Inspection Period"). If the results of such inspection are unacceptable to the LESSEE(s) for any reason whatsoever, the LESSEE(s) shall notify the LESSOR or the attorney of the LESSOR in writing within two business days after the end of the Lead Paint Inspection Period, together with a copy of the inspection and/or risk assessment report. In such case, either party may cancel the agreement upon written notice to the other party or the other party's attorney. If the notice of unacceptable results by the LESSEE(s) is not received by the LESSOR or the attorney of the LESSOR within two business days after the end of the Lead Paint Inspection Period, this inspection contingency is deemed waived by the LESSEE(s). The definitions in Paragraph 1.B and C of Form 1-1 Contract Rider (1995) shall be used to determine whether or not the notice of unacceptable results by the LESSEE(s) has/have been received by the LESSOR before the end of the Lead Paint Inspection Period. The LESSOR will cooperate with the inspection made by the LESSEE(s) in such fashion as may be reasonably requested by the LESSEE(s). The LESSEE(s) may remove this contingency at any time without cause.

6. ACKNOWLEDGMENT BY THE LESSEE(s) (initial and date):

INITIAL HERE →		3/29/15	LESSEE(s) has/have received copies of all information, records and/or reports set forth in Paragraph 4 of this Rider or attached to this Contract.
	Initial	Date	
INITIAL HERE →		3/29/15	LESSEE(s) has/have received an EPA approved lead hazard information pamphlet.
	Initial	Date	
INITIAL HERE →		3/29/15	LESSEE(s) has/have received a 10-day opportunity (or mutually agreed upon period) or has/have waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.
	Initial	Date	

(signature(s) on the following page)

7. CERTIFICATION OF ACCURACY. The undersigned have reviewed the information above and certify to the best of their knowledge, that the statement they have provided is true and accurate.

Signed, sealed and delivered in the presence of

Kaja Holdings 2, LLC

[Signature]  
WITNESS  
(sign and print) AVERY DARNEL

[Signature]  
BY AUTHORIZED SIGNER  
(sign and print) Steven Randall

\*\*\*\*\*

[Signature]  
WITNESS  
(sign and print) [Redacted]

[Signature]  
(sign and print) [Redacted]

[Signature]  
WITNESS  
(sign and print) [Redacted]

[Signature]  
(sign and print) [Redacted]

State of Pennsylvania  
County of Westmoreland

On this, the 29th day of March, 2015, before me, a Notary Public for said State and County, personally appeared [Redacted] and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal  
[Signature]  
NOTARY PUBLIC FOR Pennsylvania  
Printed Name: Stacey M. Williams  
My commission expires Nov 15, 2015 (SEAL)

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
Stacey M. Williams, Notary Public  
Upper Burrell Twp, Westmoreland County  
My commission expires November 15, 2015

This Instrument Prepared by:

Vision Property Management, LLC  
Jessica York  
16 Berryhill Road  
Columbia, SC 29210



**ATTACHMENT "A" TO THE RESIDENTIAL LEASE WITH OPTION TO PURCHASE  
AGREEMENT**

(Dated the 1st day of April, 2015, BETWEEN Kaja Holdings 2, LLC and [REDACTED])

**LEGAL DESCRIPTION**

THE HOUSE AND LOT COMMONLY KNOWN AS [REDACTED], SITUATED IN THE CITY OF [REDACTED],  
COUNTY OF ALLEGHENY, AND STATE OF PENNSYLVANIA.

PARCEL ID NUMBER: [REDACTED]

## **EXHIBIT D**

# Lease Agreement w/Option to Purchase



State of:  
County of:

PENNSYLVANIA  
ALLEGHENY

This agreement (herein "Agreement"), is made at WHITAKER, PENNSYLVANIA, this 15TH day of MARCH, 2017 between [REDACTED] ("TENANT"), and KAJA HOLDINGS 2, LLC (called "LANDLORD").

1. This Agreement is governed by all applicable PENNSYLVANIA and local laws. Landlord and Tenant acknowledge and accept the terms binding upon them. No term or condition of this Agreement is intended to be inconsistent therewith and, in the event that any provision of this Agreement is found to be in violation thereof, said provision shall be considered void to the extent of the violation only.
2. **LOCATION:** The Landlord hereby leases with an option to purchase the premises to the Tenant and the Tenant hereby agrees to a future option to purchase the premises from the Landlord that certain property located in the County of ALLEGHENY, State of PENNSYLVANIA, which parcel of land with improvements will constitute the "premises." Said parcel of land is more particularly described as follows: [REDACTED] ALLEGHENY PENNSYLVANIA 15120. Parcel ID [REDACTED]
3. **TERM:** This Agreement shall commence on the 15TH day of MARCH, 2017, and end on the 14TH day of MARCH, 2018. Tenant covenants that upon the termination of this Agreement, or any extension thereof that Tenant will quietly and peaceably deliver up possession of the premises in good order and condition, similar to or better than upon initial possession, reasonable wear and tear excepted, free of Tenant's personal property, garbage and other waste, and return all keys to the Landlord.
4. **LEAD-BASED PAINT DISCLOSURE FOR MOST RESIDENTIAL PROPERTIES BUILT BEFORE 1978:** See lead based paint disclosure addendum, attached hereto as Exhibit A. This only applies to most residential properties built before 1978. Tenant also acknowledges receipt of the EPA's and HUD's Brochure "Protect Your Family from Lead in Your Home", attached hereto as Exhibit B.
5. **LEASE WITH OPTION TO PURCHASE APPLICATION:** The Tenant acknowledges that the Landlord has relied upon a lease with option to purchase application, a copy of which is has been electronically retained, as an inducement for entering into this Agreement, and the Tenant warrants to the Landlord that the facts stated in the application are true to the best of Tenant's knowledge. If any facts stated in said application prove to be untrue, the Landlord shall have the right to terminate the residency immediately and to collect from the Tenant any damages, including reasonable attorney fees as allowable by state law, resulting therefrom.
6. **PAYMENTS:** Tenant agrees to pay Landlord \$981.00 per month, payable in advance, on or before the 15TH day of every month during said term for a total payment of \$11,772.00. Payments shall be made payable to: KAJA HOLDINGS 2, LLC, or as Tenant may be advised from time to time in writing, and delivered to: 16 Berryhill Road, Suite 200, Columbia, South Carolina 29210. Tenant agrees to pay Landlord first month payment and the Option Agreement Fee, as defined in Section 42(a), at the signing of this Agreement.  
  
Tenant further agrees to pay a late fee no more than the maximum amount allowable by state law, not to exceed \$75.00 when a payment is made after the 10th day after the original due date. Additional payments received from the Tenant will be applied towards the future monthly payments.
7. **OCCUPANTS:** Only persons designated in this Agreement or as further modified or agreed to in writing by Landlord shall reside in the premises. Tenants shall be responsible for complying with local applicable law dealing with occupancy limits.
8. **RETURNED CHECKS:** Tenant agrees to pay a fee no more than the maximum amount allowable by state law for each dishonored check, plus late charges if the check is not made good before the tenth day after the original due date. All future payments and charges, if more than one check is returned, shall be paid in the form of cash, cashier's checks, certified check or money order. If any check for

TENANT 1 INITIALS [REDACTED] TENANT 2 INITIALS [REDACTED] LANDLORD INITIALS [REDACTED]

**Lease Agreement w/Option to Purchase**



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the first month's payment is returned for insufficient funds, Landlord may declare this Agreement void and immediately terminated.

9. **RENEWAL TERMS:** This Agreement will automatically renew annually for six consecutive periods as long as there is no default by Tenant hereunder. Tenant retains the option to terminate this Agreement at any point after the completion of the first year, with thirty (30) days prior written notice, as defined in Paragraph 18. Upon expiration of the final term of this Agreement, when an option to purchase has not been executed by the Tenant, the Landlord agrees to renegotiate or extend the terms of this Agreement with Tenants who are current and up to date on all payments. In these instances, payments received from the Tenant will not accrue monthly payment credits defined in Section 42 (e).

I have read and hereby agree to this section: Tenant Initials:            Tenant Initials:            Landlord Initials:           

10. **SUBLEASE:** Tenant shall not assign or sublet said premises, or any part thereof without the written consent of Landlord. Tenant must have written permission from Landlord for guests to occupy the premises for more than 30 days.
11. **UTILITIES AND SERVICES:** Tenant agrees to pay for all utilities and services, which include but are not limited to electricity, gas, water, sewer, trash removal, snow removal, pest control, amenity charges, and lawn and landscaping maintenance. In the event of Tenant default in connection with the payment of utilities and services, Landlord may pay for such utilities and services and charge Tenant as additional monthly payments therefore, together with any additional penalties, charges and interest charged by the providers. Tenant shall be liable for any inspections and associated fees required by local authorities and/or utility companies due to Tenant's failure to obtain service at time of occupancy or to maintain said services during the term of this Agreement. Tenant shall pay all costs of hook-ups and connection fees and security deposits in connection with providing utilities to the premises during the term of the Agreement. Any fines levied as a result of criminal activity will be the responsibility of the Tenant. Landlord hereby grants Tenant the express authority to secure utilities and services in Tenant's name during the term of this Agreement, to the extent allowed by the utility and service provider.
12. **TENANT OBLIGATIONS, MAINTENANCE AND OCCUPANCY:** Tenant acknowledges that in return for monetary consideration towards a future option to purchase said premises as stipulated in Section 42 - Option to Purchase Clause, Tenant acknowledges that Tenant, and/or a licensed third party professional, has physically inspected the premises and agrees to take possession of said premises in "As-Is" condition. When applicable, a mutually agreed upon Plan of Action ("POA") to bring the premises to level of habitability and compliance with code ordinances shall be executed and incorporated into this Agreement by reference as Exhibit C.

Tenant agrees to keep the premises safe and clean. In the case of a single-family house or duplex, Tenant shall keep the yard mowed, watered and free of pests, keep the roof and gutters free of debris, the shrubs neatly trimmed, and landscaping maintained. Tenant agrees not to store hazardous materials on the premises. Tenant agrees to comply with this Agreement and the rules and regulations that the Landlord may adopt concerning the Tenant's use and occupancy of the premises. Tenant is responsible for the installation and maintenance of all appliances and all smoke and carbon monoxide detectors, and understands that the Landlord is not responsible for such maintenance or installation or for replacing smoke and carbon monoxide detectors or changing batteries in said detectors.

Tenant agrees to be responsible at Tenant's expense for all routine maintenance of the premises, including, but is not limited to, keeping all roofing, heating, air conditioning, ventilation, plumbing, electrical and other facilities and appliances, and all sanitary systems in reasonably good and safe working condition. It is specifically understood that Tenant will, at Tenant's expense, keep sinks, lavatories, and commodes open, reporting any initial problem within five (5) days of occupancy, repair any and all damages caused by the tenancy and replace any burned out light bulbs. Tenant agrees to report to Landlord any malfunction of or damage to electrical, plumbing, HVAC systems, smoke detectors, and any occurrence that may cause damage to the property. Tenant also agrees to pay for the cost of all repairs made necessary by negligence or careless use of the premises and to pay for repairs/loss resulting from theft, malicious mischief or vandalism by Tenant and Tenant's guests and invitees. Tenant agrees to provide copies to Landlord of any inspection reports or repair estimates that Tenant may obtain. Tenant agrees to be responsible for and to make, at Tenant's expense, all routine

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## Lease Agreement w/Option to Purchase



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maintenance, regardless of whether caused by Tenant's negligence or careless use of the premises. Tenant is authorized to perform alterations, repairs and improvements in or to said premises or the fixtures or appliances contained therein without written consent of Landlord, and such costs shall be the sole responsibility of the Tenant. Demolitions of any type require written consent of Landlord. All remodeling and renovations undertaken by Tenant shall be properly permitted by the applicable authorities. Tenant shall indemnify and hold Landlord harmless from any mechanic's liens placed upon the premises due to Tenant's failure to pay any subcontractors or suppliers for work or services performed on the premises. In the event a mechanic's lien is placed upon the premises, said mechanic's lien filing shall be considered a default under this Agreement, entitling Landlord to exercise its remedies here including eviction. In the event said mechanic's lien is not released from the premises within thirty (30) days of the filing date, Landlord may put the Tenant in default of this Agreement and exercise any and all remedies available to Landlord as set forth below. Alternatively, Landlord may pay the amount claimed on said mechanic's lien and add said amount to Tenant's monthly payment. Any failure of Tenant to promptly pay amounts paid by Landlord to remove mechanic's liens shall be a default in Tenant's obligation to pay under this Agreement. Tenant shall indemnify and hold Landlord harmless from any and all damages, claims, liabilities, or losses whatsoever occurring out of Tenant's negligent or unintentionally deficient renovation work completed hereunder. **NO REPAIR COSTS SHALL BE DEDUCTED FROM PAYMENTS BY TENANT.** All improvements made by Tenant to the said premises shall become the property of the Landlord at the end of the lease term. The provisions of this Paragraph shall survive this Agreement.

Tenant, or any member of Tenant's family, guest or other person under the Tenant's control, shall conduct themselves in a manner that will not disturb any neighbor's peaceful enjoyment of their premises. Tenant, or any member of Tenant's family, guest or other person under the Tenant's control, shall not engage in or facilitate criminal or drug related activities. Any such violation constitutes a substantial violation of this Agreement, and is grounds for termination of tenancy and eviction from the premises. Tenant also agrees to pay for the cost of all repairs made necessary by the negligence or careless use of the premises and to pay for repairs/loss resulting from theft, malicious mischief or vandalism by Tenant and their guests. Tenant agrees to provide copies to Landlord of any inspection reports or repair estimates that Tenant may obtain.

Tenant is directly responsible for any damage caused by Tenant's appliances and/or furniture. Tenant is responsible for changing HVAC filters, reporting any water leaks, lighting pilot lights, checking for tripped breakers, changing smoke detector batteries and minor housekeeping repairs. Tenants will be held liable for damage to HVAC systems caused by dirty or missing filters and damages resulting from unreported problems. Tenant acknowledges that Tenant has inspected the premises and agrees that the premises are in safe, fit and habitable condition upon occupancy.

13. **MAINTENANCE OF PREMISES, PEST CONTROL:** In accordance with Section 11, Tenant shall be responsible for keeping premises safe and clean and free of any infestation of any kind, including termites. Tenant is also responsible for repairing any damage caused from such infestation.
14. **ESSENTIAL SERVICES AND APPLIANCES:** The Landlord shall provide available utilities up to the respective meter in or on the premises; meaning electricity, gas and running water. As it relates to sanitary plumbing or sewer services, the Landlord shall provide a functioning connection to the premises.

In the event that these services are disconnected and unable to be tested, or require repairs from the meter forward, the Landlord and Tenant will enter into a Plan of Action ("POA") and establish responsibilities and timelines for completion. During this period of time, the Tenant may take possession but shall not occupy the premises. Once the repairs have been completed, services are operational, and the local municipality and/or the Landlord has completed an inspection of the repair work, the Tenant may take occupancy. Appliances are the responsibility of the Tenant to maintain and replace when necessary.

15. **INSURANCE:** Tenant shall be responsible for insuring his/her own personal contents and possessions against fire, theft and other catastrophes and/or occurrences. Landlord and Tenant hereby release each other from liability for loss or damage occurring on or to the leased premises, caused by fire or other hazards ordinarily covered by fire and extended coverage insurance policies and each waives all rights of recovery against the other for such loss or damage. Willful misconduct lawfully attributable to either party, whether in

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## Lease Agreement w/Option to Purchase



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whole or in part a contributing cause of the casualty giving rise to the loss or damage, shall not be excused under the foregoing release and waiver.

Landlord has included casualty and general liability insurance on the dwelling. Tenant will notify the Landlord immediately in the event of any damage due to fire or other peril. In the event of a total loss, the Landlord shall have the sole option to repair or raze the improvements, terminate this Agreement, or provide a property of similar utility to the Tenant.

16. **RIGHT TO ACCESS:** The Tenant shall not unreasonably withhold consent to the Landlord to enter into the dwelling unit in order to inspect the premises or make agreed repairs or supply agreed services or exhibit the premises to prospective or actual purchasers, tenants, workmen, or contractors. The Landlord or Landlord's agent may enter the dwelling unit without consent of the Tenant:

- a. At any time in case of emergency, including but not limited to prospective changes in weather conditions which pose a likelihood of danger to the property may be considered an emergency; and
- b. Between the hours of 8:00 a.m. and 8:00 p.m. for the purpose of providing agreed repairs or services, provided that prior to entering the Landlord announces intent to enter to perform services.

The Landlord shall not abuse the right of access or use it to harass the Tenant. Except for paragraphs 16(a) above, the Landlord shall give the Tenant at least a 24-hour notice of intent to enter and may enter only at reasonable times.

The Landlord has no other right of access except pursuant to court order, as allowable by state law, when accompanied by a law enforcement officer at reasonable times for the purpose of service of process in ejectment proceedings, or unless the Tenant has abandoned or surrendered the premises.

17. **MILITARY CLAUSE:** If the Tenant is a member of the Armed Forces of the United States, stationed in the local area, and shall receive permanent change of station orders out of the local area, Tenant may, upon presentation of a copy of said orders of transfer to the Landlord, along with thirty (30) days written notice of intent to vacate and make all payments due as of the expiration date of such written notice, and any miscellaneous charges in arrears, terminate this Agreement. Normal enlistment termination or other type discharge from Armed Forces, unless due to conditions beyond the service member's control, or acceptance of government quarters is not a permanent change of station and is not justification for termination of this Agreement. Withholding knowledge of pending transfer or discharge at time of entry into this Agreement voids any consideration or protection offered by this section.
18. **DEFINITION OF "THIRTY (30) DAY NOTICE":** Any written notice given by either party to the other party in order to meet a thirty (30) day notice requirement will be deemed given, and the thirty (30) days is deemed to commence upon receipt of said notice. Any termination permitted by other sections contingent upon a thirty (30) day notice will then be effective as of the effective date of said notice.
19. **DESTRUCTION OR DAMAGE TO PREMISES:** If the premises are damaged or destroyed by fire or casualty to the extent that normal use and occupancy of the premises is substantially impaired, the Tenant may:
- a. Immediately vacate the premises and notify the Landlord in writing within seven days thereafter of Tenant's intention to terminate the Agreement, in which case the Agreement terminates as of the date of vacating; or
  - b. if continued occupancy is lawful, vacate any part of the premises rendered unusable by the fire or casualty, in which case the Tenant's liability for payment is reduced in proportion to the diminution of use of the premises.
20. **CONDEMNATION:** Tenant hereby waives any injury, loss or damage, or claim therefore against Landlord resulting from any exercise of a power of eminent domain of all or any part of the premises or surrounding grounds of which they are a part. All awards of the condemning authority for the taking of land, parking areas, or buildings shall belong exclusively to the Landlord. In the event

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## Lease Agreement w/Option to Purchase



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substantially all of the premises shall be taken, this Agreement shall terminate as of the date the right to possession vested in the condemning authority and payment shall be apportioned as of that date. In the event any part of the property and/or building or buildings of which the premises are a part (whether or not the premises shall be affected) shall be taken as a result of the exercise of a power of eminent domain, and the remainder shall not, in the opinion of the Landlord, constitute an economically feasible operating unit, Landlord may, by written notice to Tenant given within sixty (60) days after the date of taking, terminate this Agreement as of a date set out in the notice not earlier than thirty (30) days after the date of the notice; payment shall be apportioned as of termination date.

21. **ABSENCE, NON-USE AND ABANDONMENT:** The unexplained absence of a Tenant from the premises for a period of 15 days after payment default shall be construed as abandonment of the premises. If the Tenant abandons the premises for a term beginning before the expiration of the Agreement, it terminates as of the date of the new tenancy, subject to the other Landlord's remedies. If the Landlord fails to use reasonable efforts to re-lease the premises at a fair market price or if the Landlord accepts the abandonment as a surrender, this Agreement is considered to be terminated by the Landlord as of the date the Landlord has notice of the abandonment. When the premises has been abandoned or this Agreement has come to an end and the Tenant has removed a substantial portion of personal property or voluntarily and permanently terminated the utilities and has left personal property in the premises or on the premises, the Landlord may enter the premises, using forcible entry if required, and dispose of the property. All property of the tenant not covered by this section will be disposed under applicable state law. If Tenant abandons the premises, Tenant shall be liable for the payments for the remaining term of this Agreement under applicable state law. Landlord shall also have the right to store or dispose of any of Tenant's property remaining in the premises after the termination of this Agreement as provided by applicable law.
22. **SECURITY DEPOSIT:** The Landlord does not require a security deposit, therefore does not hold any funds on behalf of the Tenant.
23. **NONCOMPLIANCE WITH AGREEMENT OR FAILURE TO PAY:** If there is a noncompliance by the Tenant with this Agreement other than nonpayment or a noncompliance with Paragraph 12 above, the Landlord may deliver a written notice to the Tenant specifying the acts and omissions constituting the breach and that this Agreement will terminate in accordance with applicable state laws.

This Agreement shall terminate as provided in the notice except that: If the breach is remediable by repairs or otherwise and the Tenant adequately remedies the breach before the date specified in the notice, or if such remedy cannot be completed within 30 days, but is commenced within the 30-day period and is pursued in good faith to completion within a reasonable time, this Agreement shall not terminate by reason of the breach.

If payment is unpaid when due, the Landlord may terminate this Agreement and initiate forcible entry and detainer proceedings as allowable by state law.

The Landlord may recover actual damages and obtain injunctive relief in magistrate's or circuit court, as allowable by state law, without posting bond for any noncompliance by the Tenant with this Agreement or Paragraph 12 above.

If there is noncompliance by the Tenant with Paragraph 12 above materially affecting health and safety that can be remedied by repair, replacement of a damaged item, or cleaning and the Tenant fails to comply as promptly as conditions require in case of emergency, or within thirty (30) days after written notice by the Landlord specifying the breach and requesting that the Tenant remedy it within that period of time, the Landlord may enter the dwelling unit and cause the work to be done in a workmanlike manner and shall, in addition, have the remedies available under applicable state law.

If there is noncompliance by the Tenant with Paragraph 12 above materially affecting health and safety other than as set forth in the preceding paragraph, and the Tenant fails to comply as promptly as conditions require in case of emergency, or within thirty (30) days after written notice by the Landlord if it is not an emergency, specifying the breach and requesting that the Tenant remedy within that period of time, the Agreement shall terminate. Upon termination, the Landlord has a right to possession and for payment and a separate

☐ TENANT 1 INITIALS ☐ TENANT 2 INITIALS ☒ LANDLORD INITIALS

## Lease Agreement w/Option to Purchase



**VISION**  
PROPERTY MANAGEMENT

claim for actual damages for breach of the Agreement and reasonable attorney's fees as allowable by state law. At Landlord's option, a money judgment may be obtained against Tenant for any claim not satisfied, and Landlord may proceed to collect the judgment in accordance with applicable state law.

24. **REMEDY AFTER TERMINATION:** If the Agreement is terminated, the Landlord has a right to possession, for payment, and a separate claim for actual damages for breach of the Agreement, reasonable attorney's fees, collection costs as allowable by state law, court costs and interest at the then applicable statutory rate under state law.
25. **NOTICE:** A Landlord receives notice when it is delivered at the place of business of the Landlord through which the Agreement was made or at any place held out by Landlord as the place of receipt of the communication.
26. **PROHIBITIVE EQUIPMENT/FURNITURE:** Tenant agrees not to place antennas, waterbeds, and auxiliary heaters on or in the premises without written permission from Landlord.
27. **USE OF PREMISES:** The premises shall be used for residential purposes by Tenant and for no other purpose whatsoever. It shall not be used in violation of any provision of this Agreement or of any rule or regulation or addendum adopted by Landlord and incorporated in this Agreement or of any ordinance, rule or regulation of any government body or in any manner which will constitute a nuisance or which will vitiate or increase the insurance rate of the premises.
28. **PETS:** The premises shall be used for residential purposes by Tenant and for no other purpose whatsoever. It shall not be used in violation of any provision of this Agreement or of any rule or regulation or addendum adopted by Landlord and incorporated in this Agreement or of any ordinance, rule or regulation of any government body or in any manner which will constitute a nuisance or which will vitiate or increase the insurance rate of the premises.
29. **WAIVER:** A Tenant is considered to have waived a violation of a Landlord's duty to maintain the premises as set forth in this Agreement a violation of the Landlord's duties under applicable state law, as defense in an action for possession based upon nonpayment, or in an action for payment concerning a period where Landlord has no notice of the violation of the duties, thirty (30) days before payment is due for violations involving services other than essential services, or the Landlord has no notice before payment is due which provides a reasonable opportunity to make emergency repairs necessary for the provision of essential services. No modification, change, or cancellation hereof shall be valid unless in writing and executed by all parties hereto. No representation or promise has been made by either party hereto except as herein stated.
30. **PEACEFUL ENJOYMENT:** The Landlord covenants that the Tenant, on making payment and performing the covenants hereof, shall and may peaceably and quietly have, hold, and enjoy the premises for the term mentioned without unlawful hindrance or interruption by the Landlord.
31. **BINDING PROVISIONS:** The provisions of this Agreement shall be binding upon and inure to the benefit of the Landlord and the Tenant, and their respective successors, legal representatives, and assigns.
32. **SUBORDINATION:** Tenant's rights are subject to any bona fide mortgage which now covers said premises and which may hereafter be placed on said premises by Landlord. Tenant shall upon request by Landlord execute a subordination of its rights under this Agreement to any mortgage or transfer of deed given by Landlord hereunder, whether to secure construction or permanent or other financing or asset disposition. Tenant shall, upon request by Landlord, promptly execute a certification of good standing certifying the terms of this Agreement, its due execution, the provisions hereof, or the terms of amendments hereto, if any, and any other information reasonably requested.
33. **PAYMENT ADJUSTMENT:** Upon expiration of each term of this Agreement, the Landlord, at Landlord's discretion, may alter the monthly payment schedule in effect provided only that written notice of such alteration is delivered as first class mail via the US Postal Service, postage prepaid at least fifteen (15) days prior to the effective date of alteration. Annual adjustments may be made by Landlord to accommodate annual changes in property operating expenses, to include but not limited to property taxes, property insurance and HOA fees when applicable.

 TENANT 1 INITIALS  TENANT 2 INITIALS  LANDLORD INITIALS



**Lease Agreement w/Option to Purchase**



34. **LOSS OF PERSONAL PROPERTY:** Any personal property placed in the premises or placed in any storage room, space or area in a building or yard in which the premises are located, or elsewhere on the property of Landlord, including any automobile or vehicle parked in any drive or parking area, shall be at the risk of Tenant. Landlord shall not be liable for any loss of or injury or damage to any automobile or other property belonging to Tenant or other persons, or to any person, resulting from collision, theft, or any other cause whatsoever sustained by reason of or growing out of the storage of personal property or the parking of any automobile or vehicle belonging to Tenant or any other use by Tenant's family members, Tenant's servant or agent, or Tenant's guests of storage or parking areas. Tenant agrees to indemnify and hold harmless Landlord from and against any and all claims, which may be made by Tenant, a member of Tenant's family, or servant, agent or guest of Tenant for such loss or damage. Tenant acknowledges that Landlord does not carry insurance to cover Tenant's personal property. Tenant shall be responsible for and is advised to obtain appropriate personal content insurance.
35. **JOINT RESPONSIBILITY:** If this Agreement is executed by more than one (1) Tenant, the responsibility and liabilities herein imposed shall be considered and construed to be joint and several, and the use of the singular shall include the plural.
36. **LANDLORD'S AND TENANT'S ADDRESS FOR COMMUNICATIONS:** All notices, requests, and demands unless otherwise stated herein, shall be addressed and sent to:

**Landlord:** KAJA HOLDINGS 2, LLC  
**Address:** 16 Berryhill Road, Suite 200  
**City, State, Zip:** Columbia, SC 29210  
**Email:** accountservices@vpm3.com  
**Phone:** (803) 799-0070

**Tenant #1** [REDACTED]  
**Address:** [REDACTED]  
**City, State, Zip:** [REDACTED]  
**Email:** [REDACTED]  
**Phone:** [REDACTED]

**Tenant #2** [REDACTED]  
**Address:** [REDACTED]  
**City, State, Zip:** [REDACTED]  
**Email:** [REDACTED]  
**Phone:** [REDACTED]

37. **CAPTIONS:** Any heading preceding the text of any paragraph hereof is inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or affect.
38. **FACSIMILE AND OTHER ELECTRONIC MEANS:** The parties agree that this Agreement may be communicated by use of a fax or other secure electronic means, including but not limited to electronic mail and the internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party.
39. **MEGAN'S LAW:** The Tenant agrees that no course of action may be brought against the Landlord for failure to obtain or disclose any information contained in the state Sex Offender Registry. The Tenant agrees that the Tenant has the sole responsibility to obtain any such information. The Tenant understands that Sex Offender Registry information may be obtained from the local sheriff's department or other appropriate law enforcement officials.
40. **ENTIRE AGREEMENT:** This Agreement and its Exhibits contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by a dated written agreement signed by both Landlord and Tenant. No surrender of the premises or of the remainder of the term of this Agreement shall be valid unless accepted by Landlord in writing.

[CVM] TENANT 1 INITIALS [ ] TENANT 2 INITIALS [ ] LANDLORD INITIALS

**Lease Agreement w/Option to Purchase**



**TIME IS OF THE ESSENCE WITH REGARD TO ALL TERMS AND CONDITIONS IN THIS AGREEMENT.**

41. **NON-RELIANCE CLAUSE:** Both Tenant and Landlord hereby acknowledge that they have not received or relied nor could have relied upon any statements or representations or promises or agreements or inducements by any third party which are not expressly stipulated herein. If not contained herein, such statements, representations, promises, or agreements shall be of no force or effect. This general non-reliance clause shall not prevent recovery in tort for fraud or negligent misrepresentation or intentional misrepresentation unless specific non-reliance language is included in this Agreement. This is a non-reliance clause and is neither a merger clause nor an extension of a merger clause. The parties execute this agreement freely and voluntarily without reliance upon any statements or representations by parties or agents except as set forth herein. All parties have fully read and understand this Agreement and the meaning of its provisions. All parties are legally competent to enter into this Agreement and to fully accept responsibility. All parties have been advised to consult with counsel before entering into this Agreement and have had the opportunity to do so.
42. **OPTION TO PURCHASE CLAUSE: (This is a future contract to buy)**
- a. A non-refundable monetary payment (herein "Option Agreement Fee") in the amount of \$1,750.00 has been received from the Tenant for the future option to purchase said premises (the "Option to Purchase"). If Tenant does not exercise the Option to Purchase, the monies paid as the Option Agreement Fee shall be forfeited to Landlord as liquidated damages and not as a penalty as consideration for Landlord granting the Option and taking the premises off the market. The parties acknowledge and agree that the forfeiture of the Option Agreement Fee is the best estimate of damages because it is not possible to determine actual damages.
  - b. Tenant retains the Option to Purchase the premises at any time before the conclusion of the sixth [annual] automatic renewal period. Prior to giving notice of Tenant's exercise of the Option to Purchase, Tenant shall satisfy himself as to title and give notice to Landlord, at least thirty (30) days prior to the exercise of the Option, of any title defects over which Tenant cannot obtain an Owner's Title Policy at standard rates. Tenant agrees to accept as permitted exceptions all current restrictions and easements upon the premises. If Landlord is unwilling to cure any defect that renders the title unmarketable, Tenant may either waive the defect or proceed to closing without a reduction in the Option Price, or the Option Agreement Fee will be refunded and the sale shall be terminated, and thereafter, neither party shall have any further liability to the other.
  - c. Tenant may exercise this Option to Purchase by sending a written notice to Landlord any time before this Agreement's expiration. All monthly payments shall be due until closing.
  - d. The Tenant and Landlord agree that the future option price of the premises shall be \$90,000.00 (the "Option Price").
  - e. At the time the Option to Purchase is exercised, the Option Price shall be reduced by the amount of the Option Agreement Fee plus the amount equaling the number of full payments received multiplied by \$123.87 (the "Adjusted Option Price").
  - f. Upon satisfying the remaining adjusted Option Price (i.e. cash, bank financing, etc.) and other conditions of agreement for the purchase of the property executed at the time of the exercising of the initial Option, Landlord shall provide Tenant with a warranty deed.
  - g. At closing, each party shall be responsible for its own attorney's fees. Tenant shall be responsible for all closing costs, including any financing costs, title commitment, title insurance, the cost to record the warranty deed, and the cost of any lender's title policy. Landlord shall be responsible only for the cost of the preparation of the warranty deed, but not any transfer fees or documentary stamps fees which shall be the responsibility of the Tenant. Any real estate taxes shall be prorated through the date of closing.

I have read and hereby agree to this section: Tenant Initials:  Tenant Initials:  Landlord Initials: 

 TENANT 1 INITIALS  TENANT 2 INITIALS  LANDLORD INITIALS

**WHEREFORE**, the parties have executed this Agreement or caused the same to be executed by their authorized representative as of the day and year first above written.

**THIS AGREEMENT AND ITS EXHIBITS** supersedes all prior written or oral agreements and can be amended only through a written agreement signed by both parties. Provisions of this Agreement shall bind and inure to the benefit of the Landlord and to the Tenant and their respective heirs, successors, and assigns. **TENANT AGREES TO RECEIVE COMMUNICATIONS FROM LANDLORD AND ITS AGENTS AT THE EMAIL ADDRESS, PHONE AND FAX NUMBER LISTED HEREIN.**


**IN WITNESS WHEREOF**, the parties hereto have subscribed their names and affixed their seals on the day and year above written.

**TENANT:**

Tenant #1 signature

Tenant #1 Name:

Date:



~~GABRIEL WILSON/ACE ALBEN~~

02/17/2017

Tenant #2 signature

Tenant #2 Name:

Date:



~~GABRIEL WILSON/ACE ALBEN~~

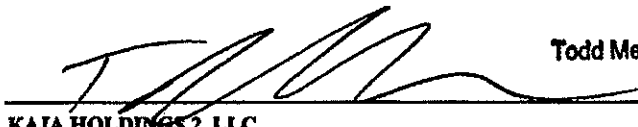
02/17/2017

**LANDLORD:**

Landlord signature

Landlord Name:

Date:



Todd Merson

KAJA HOLDINGS 2, LLC

3-6-17

**Exhibit A**

**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**

**Lead Warning Statement**

*Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.*

**Seller's Disclosure**

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) \_\_\_\_\_ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain)

(ii) ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) \_\_\_\_\_ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's Acknowledgment (initial)**

Initial > (c) ☒ Purchaser has received copies of all information listed above.

Initial > (d) ☒ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Purchaser has (checked (i) or (ii) below):

(i) \_\_\_\_\_ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

Choose One >


(ii) ☒ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.


**Agent's Acknowledgment (initial)**

(f) \_\_\_\_\_ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller  Todd Merson 3-6-17  
Date 02/17/2017  
Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
Agent \_\_\_\_\_ Date \_\_\_\_\_

Seller  \_\_\_\_\_ Date 02/17/2017  
Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
Agent \_\_\_\_\_ Date \_\_\_\_\_

## Exhibit C - Plan of Action (POA)



Property Address: \_\_\_\_\_

### GENERAL

	Landlord Disclosure/Inspection	Tenant Diligence / Inspection	Responsibility to Cure	Weeks to Complete
Code Violations:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Asbestos:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Lead Based Paint:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown			
Condemned:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown			
Demo List:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown			

#### Itemized Description of Responsibilities:

No code violations, no signs of LBP or asbestos. Home is not condemned or on demo list.

No official documents on file to support/deny.

### UTILITIES

	Landlord Disclosure/Inspection	Tenant Diligence / Inspection	Responsibility to Cure	Weeks to Complete
Electricity on to Meter:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Water to House/Meter:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Gas to House/Meter:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unk <input type="radio"/> N/A	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unk <input checked="" type="radio"/> N/A	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0

#### Itemized Description of Responsibilities:

Meters will be installed once service is scheduled for connection.

### PROPERTY EXPENSES

	Landlord Disclosure	Tenant Diligence	Responsibility to Cure	Weeks to Complete
Electric:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Gas:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Water:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Sewer/Septic:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
HOA:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Taxes:	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Liens:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Rent/Occupancy Permits:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Inspections:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Fines & Penalties:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0

#### Itemized Description of Responsibilities:

Taxes: Lease property, Vision pays current taxes. 2016 taxes appear paid.

## Exhibit C - Plan of Action (POA)



MAJOR ITEMS:	Landlord Disclosure	Tenant Diligence	Responsibility to Cure	Weeks to Complete
Roof Replacement:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Electrical Upgrade:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Plumbing Upgrade:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
HVAC Upgrade:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Structural Repair:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	1
Septic Repair/Replace:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Well Repair/Replace:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Mold Remediation:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Other (Define Below):	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	1

### Itemized Description of Responsibilities:

No major issues reported. Furnace and hot water heater present. (per applicant) - present within 1/30/17 inspection pictures - make operable, both are required for occupancy/habitability. If damaged/inoperable-missing, repair/install. IF install required, check with city to see if permits/inspections required.

Hot Water Heater - not connected/installed - make operable, Hot Water is required for occupancy/habitability. If damaged/inoperable-missing, repair/install. IF install required, check with city to see if permits/inspections required.

Foundation: Minor cracks seen within basement wall, mortar sealant should resolve. - Recommend foundation inspection.

MINOR ITEMS:	Landlord Disclosure	Tenant Diligence	Responsibility to Cure	Weeks to Complete
Roof Repair:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Electrical Repair:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Plumbing Repair:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	<1
HVAC Repair:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Mold Remediation:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Debris Removal:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	<1
General Exterior Repairs:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	<1
General Interior Walls:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	<1
General Interior Floors:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	<1
General Interior Ceilings:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Smoke Detectors Missing:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Pests/WDO Remediation:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0
Other (Define Below):	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown	<input type="radio"/> Landlord <input checked="" type="radio"/> Tenant	0

### Itemized Description of Responsibilities:

some plumbing pipes rotted-CM is capable of replacing these, minor debris inside, 2-3 bricks missing on exterior, carpet needed in some areas. CM can handle all repairs needed. Home is livable in present condition.

Carbon Monoxide Detector(s) - install/make operable where needed to code (attached garage, gas to home).

Electrical: GFCI Outlet(s) - install where needed to code (near water source - bathroom/kitchen). Outlet(s) Switch covers where damaged/missing. Install.

Floor(s) - exposed sub-flooring - cover/install approved flooring type. Where damaged patch/repair.

Window(s)/Basement Vent(s) - where boarded/damaged, install/repair.

Gutters/Downspouts - attach/complete connections where gaps.

Handrail(s) - interior - install to code (basement access, up-stairs access).

Fascia - where exposed/siding missing - install/cover/seal.

Siding - where missing/damaged - install/cover.

Winterization - attempted on 1/20/17 - Damaged copper pipe in basement, water heater is not connected (noted in Major section), toilet in basement is damaged, utility sink in basement not connected, shower head missing

second floor bathroom. - Recommend plumbing inspection.

Plumbing - Damaged copper pipe in basement, water heater is not connected (noted in Major section). - Recommend plumbing inspection.

### TENANT CERTIFICATION

I hereby certify that I have physically performed a visual inspection of the above noted property, performed the required due diligence as requested, and agree that all "responsibilities to cure" assigned to me will be completed within 2 week (s) from execution of the Lease to Own Agreement by either myself or a licensed and insured contractor. I also agree to assume responsibility for all items and issues marked as "Unknown" by Landlord, will obtain all required building permits, and will pay for all associated permit fees.

### FOR INTERNAL USE ONLY

☒ Tenant agrees to take physical possession of the referenced property upon receipt of first month payment and the Option Agreement Fee.

☐ Major Repairs are required, and the Tenant has agreed to not take physical occupancy until authorized by the Landlord.

☒ Monthly rent payments from Tenant will resume on 4 / 15 / 17.

TENANT:

Signature:

LANDLORD:

Signature:

Print Tenant Name:

Date:

[Signature]  
02/17/2017 / / 02/17/2017

Print Landlord Name:

Date:

[Signature]  
Todd Merson  
3/6/17

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA :  
by Attorney General JOSH SHAPIRO :

Plaintiff :

v. :

VISION PROPERTY MANAGEMENT, LLC, :  
VPM HOLDINGS, LLC, :  
ALEX SZKARADEK, :  
ANTONI SZKARADEK, ACM Vision V, LLC, :  
ACP 1, LLC, ACP 3, LLC, :  
Alan Investments III, LLC, ALCA, LLC, :  
Archway Community Properties I, LLC, :  
Archway Community Properties II, LLC, :  
Archway Community Properties III, LLC, :  
Archway Community Properties IV, LLC, :  
Avalanche Holding Company, LLC :  
AXIS, LLC, BAT Holdings Eight, LLC, :  
BAT Holdings One, LLC, BAT Holdings, LLC, :  
BAT Holdings Two, LLC, :  
BAT Holdings Six, LLC, :  
BAT Holdings Nine, LLC, :  
Boom SC, LLC, DS NEW, LLC, :  
DSV SPV 1, LLC, DSV SPV 2, LLC, :  
DSV SPV 3, LLC, :  
Jolek, LLC, Kaja Holdings 2, LLC, :  
Kaja Holdings, LLC, M16S, LP, M17S, LP, :  
Mom Haven 14, LP, :  
National Housing Partners, LLC, :  
Newbridge Capital Funding LLC, :  
One Pine VIII, LLC, PF 1, LLC, :  
PA Seven, LLC, Panda, LLC, :  
Pansy, LLC, PENNA, LLC, REO Rancho, LP, :  
RV Holdings Seven, LLC, :  
RV Holdings Four, LLC, :  
RV Holdings Three, LLC, :  
RV Holdings Eight, LLC, :  
RV Holdings Two, LLC, :  
RV Holdings Eleven LLC, RVFM 1, LLC, :

Case No. \_\_\_\_\_

CIVIL ACTION

CODE 020 --EQUITY

RVFM 11 Series, LLC, RVFM 12, LLC,	:
RVFM 13 Series, LLC, RVFM 2, LLC,	:
RVFM 3, LLC, RVFM 4 Series, LLC,	:
RVFM 5, LLC, RVFM 6, LLC,	:
RVFM 8, LLC, SP 1, LLC,	:
VPM Realty, LLC	:
	:
<b>Defendants</b>	:
_____	:

**VERIFICATION**

I, Dana Price, hereby state that I am a Consumer Protection Agent with the Pennsylvania Office of Attorney General, Bureau of Consumer Protection, and am authorized to make this verification on behalf of the Plaintiff in the within action. I hereby verify that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge or information and belief.

I understand that the statements contained herein are subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Date: 9/25/19

  
 \_\_\_\_\_  
 Dana Price  
 Consumer Protection Agent



**CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Signature: 

Name: Susan Apel

Attorney No. 50597