

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

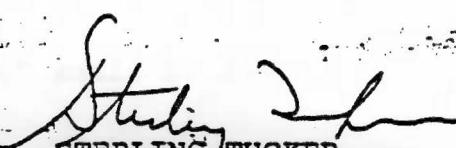
March 31, 1977

D.C. LAW 1-89

"Condominium Act of 1976"

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act (PL 93-198), the Act, the Council of the District of Columbia adopted Bill No. 1-179 on first and second readings June 29, 1976, and July 20, 1976, respectively. Following the signature of the Mayor on August 26, 1976, this legislation was assigned Act No. 1-151, published in the September 24, 1976, edition of the D.C. Register, and transmitted to both Houses of Congress for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired and, therefore, cites the following legislation as D. C. Law 1-89, effective March 29, 1977.


STERLING TUCKER
Chairman of the Council

D. C. LAW

1-89

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

MARCH 29, 1977

To amend the District of Columbia Code and Regulations to enact a statute providing for the creation and governance of condominiums and regulating the offering of condominium units.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the "Condominium Act of 1976".

Title I -- Definitions and Eminent Domain

Sec. 101. Application. — (a) This act shall apply to all condominiums and to all horizontal property regimes or condominium projects.

(b) For the purposes of this act -

(1) the terms "horizontal property regime" and "condominium project" shall be deemed to correspond to the "condominium";

(2) the term "co-owner" shall be deemed to correspond to the term "unit owner";

(3) the term "council of co-owners" shall be deemed to correspond to the term "unit owners' association";

(4) the term "developer" shall be deemed to correspond to the term "declarant"; and

(5) the term "general common elements" shall be deemed to correspond to the term "common elements".

(c) This act shall be deemed to supersede the Horizontal Property Act of the District of Columbia, sections 5-901 through 5-933 of the District of Columbia Code (D. C. Code, secs. 5-901 -- 5-933), the Regulation 74-26 of the District of Columbia City Council, and no condominium shall be established except pursuant to this act on or after the effective date hereof. But this act shall not be construed to affect the validity of any provision of any condominium instrument recorded, or of any horizontal property regime complying with the requirements of the Horizontal Property Act and registered prior to the effective date of this act. Nor shall Title IV of this act be deemed applicable to any condominiums established prior to the effective date hereof, except as provided in section 411 of this act.

Sec. 102. Definitions. -- For the purposes of this act:

(a) "Common Elements" shall mean all portions of the condominium other than the units.

(b) "Common Expenses" shall mean all lawful expenditures made or incurred by or on behalf of the unit owners' association, together with all lawful assessments for the creation and maintenance of reserves pursuant to the provisions of the condominium instruments; "future common

"expenses" shall mean common expenses for which assessments are not yet due and payable.

(c) "Common Profits" shall mean all income collected or accrued by or on behalf of the unit owners' association, other than income derived by assessment pursuant to section 312 of this act.

(d) "Condominium" shall mean real property and any incident thereto or interests therein, lawfully submitted to this act by the recordation of condominium instruments pursuant to the provisions of this act. No project shall be deemed a condominium within the meaning of this act unless the undivided interests in the common elements are vested in the unit owners.

(e) "Condominium Instruments" shall mean the declaration, bylaws, and plats and plans, recorded pursuant to the provisions of this act. Any exhibit, schedule, or certification accompanying a condominium instrument and recorded simultaneously therewith shall be deemed an integral part of that condominium instrument. Any amendment or certification of any condominium instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected condominium instrument, so long as such amendment or

certification was made in accordance with the provisions of this act.

(f) "Condominium Unit" shall mean a unit together with the undivided interest in the common elements appertaining to that unit. (CP. the definition of "unit," infra.)

(g) "Contractable Condominium" shall mean a condominium from which one or more portions of the submitted land may be withdrawn in accordance with the provisions of the declaration and of this act. If such withdrawal can occur only by the expiration or termination of one or more leases, then the condominium shall not be deemed a contractable condominium within the meaning of this act.

(h) "Conversion Condominium" shall mean a condominium containing structures which before the recording of the declaration were wholly or partially occupied by persons other than those who have contracted for the purchase of condominium units and those who occupy with the consent of such purchasers.

(i) "Convertible Land" shall mean a building site; that is to say, a portion of the common elements, within which additional units or limited common elements, or both, may be created in accordance with the provisions of this act.

(j) "Convertible Space" shall mean a portion of a structure within the condominium, which portion may be

converted into one or more units or common elements, or both, in accordance with the provisions of this act. (See the definition of "unit," infra.)

(k) "Declarant" shall mean all persons who execute or propose to execute the declaration, or on whose behalf the declaration is executed or proposed to be executed. From the time of the recordation of any amendment to the declaration expanding an expandable condominium, all persons who execute the amendment or on whose behalf that amendment is executed shall also come within this definition. Any successors of the persons referred to in this subsection who come to stand in the same relation to the condominium as their predecessors did shall also come within this definition.

(l) "Dispose" or "Disposition" shall mean any voluntary transfer of a legal or equitable interest in a condominium unit, other than as security for a debt.

(m) "Executive Organ" shall mean an executive and administrative entity, by whatever name denominated and designated in the condominium instruments to act for the unit owners' association in governing the condominium.

(n) "Expandable Condominium" shall mean a condominium to which additional land may be added in accordance with the provisions of the declaration and of this act.

(o) "Identifying Number" shall mean one or more letters or numbers, or both, that identify only one unit in the condominium.

(p) "Institutional Lender" shall mean one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts, including but not limited to, real estate investment trusts, any other entity regularly engaged directly or indirectly in financing the purchase, construction, or improvement of real estate, or any combination of any of the foregoing entities.

(q) "Land" is a three-dimensional concept and includes parcels with upper or lower boundaries, or both, parcels extending ab solo usque ad coleum, and any improvements thereto. Parcels of airspace constitute land within the meaning of this act. Any requirement in this act of a legally sufficient description shall be deemed to include a requirement that the upper or lower boundaries, if any, of the parcel in question be identified with reference to established datum.

(r) "Leasehold Condominium" means a condominium all or any portion of which is subject to a lease, the expiration

) or termination of which will terminate the condominium or exclude a portion therefrom.

(s) "Limited Common Element" shall mean a portion of the common elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the units.

(t) "Mayor" shall mean the Mayor of the District of Columbia.

(u) "Nonbinding Reservation Agreement" shall mean an agreement between the declarant and a prospective purchaser which is in no way binding on the prospective purchaser and which may be cancelled without penalty at the sole discretion of the prospective purchaser by written notice, hand-delivered or sent by United States mail, return receipt requested to the declarant at any time prior to the execution of a contract for the sale or lease of a condominium unit or an interest therein. Such agreement shall not contain any provision for waiver or any other provision in derogation of the rights of the prospective purchaser as contemplated by this subsection, nor shall any such provision be a part of any ancillary agreement.

(v) "Offer" shall mean any inducement, solicitation, or attempt to encourage any person or persons to acquire any legal or equitable interest in a condominium unit, other

than as security for a debt: Provided, however, that "offer" shall not mean any advertisement of a condominium not located in the District of Columbia in a newspaper or other periodical of general circulation, or in any public broadcast medium if such advertisement states that it does not constitute an offer of sale and that an offer may be made only in compliance with the condominium act of the state or territory in which the condominium is located.

(w) "Officer" shall mean any member of the executive organ or official of the unit owners' association.

(x) "Par Value" shall mean a number of dollars or points assigned to each unit by the declaration. Substantially identical units shall be assigned the same par value, but units located at substantially different heights above the ground, or having substantially different views, or having substantially different amenities or other characteristics that might result in differences in market value, may, but need not, be considered substantially identical within the meaning of this subsection. If par value is stated in terms of dollars, that statement shall not be deemed to reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or fair market transaction at a different figure shall affect the par value of any unit, or any undivided interest in the

common elements, voting rights in the unit owners' association, liability for common expenses, or rights to common profits, assigned on the basis thereof.

(y) "Person" shall mean a natural person, corporation, partnership, association, trust, or other entity capable of holding title to real property, or any combination of any of the foregoing.

(z) "Purchaser" shall mean any person or persons who acquire by means of a voluntary transfer a legal or equitable interest in a condominium unit, other than as security for a debt.

(aa) "Registered Land Surveyor" shall mean any person or firm permitted to prepare and certify surveys and subdivision plats in the District of Columbia, including but not limited to, registered civil engineers.

(bb) "Size" shall mean the number of cubic feet or the number of square feet of ground or floor space, or both, within each unit as computed by reference to the plats and plans and rounded off to a whole number. Certain spaces within the units including, without limitation, attic, basement, or garage space, may, but need not, be omitted from such calculation or partially discounted by the use of a ratio, so long as the same basis of calculation is

employed for all units in the condominium, and so long as that basis is described in the declaration.

(cc) "Surveyor" shall mean the Office of the Surveyor of the District of Columbia.

(dd) "Unit" shall mean a portion of the condominium designed and intended for individual ownership. (cf, the definition of "condominium unit", supra). For the purposes of this act, a convertible space shall be treated as a unit in accordance with section 218(d) of this act.

(ee) "Unit Owner" shall mean one or more persons who own a condominium unit, or, in the case of a leasehold condominium, whose leasehold interest or interests in the condominium extend for the entire balance of the unexpired term or terms.

Sec. 103. Separate Titles. -- Each condominium unit shall constitute for all purposes a separate parcel of real property, distinct from all other condominium units. Any condominium unit may be owned by more than one person as joint tenants, as tenants in common, as tenants by the entirety (in the case of husband and wife), or in any other real property tenancy relationship recognized under the laws of the District of Columbia.

Sec. 104. Separate Taxation. -- If there is any unit owner other than the declarant, then no tax or assessment

shall be levied on the condominium as a whole, but only on the individual condominium units. Each condominium unit shall be carried on the records of the District of Columbia and assessed as a separate and distinct taxable entity.

Sec. 105. Ordinances and Regulations. -- No zoning or other land use ordinance or regulation shall prohibit condominiums as such by reason of the form of ownership inherent therein. Neither shall any condominium be treated differently by any zoning or other land use ordinance or regulation which would permit a physically identical project or development under a different form of ownership. No subdivision ordinance or regulation shall apply to any condominium, or to any subdivision of any convertible land, convertible space, or unit unless such ordinance or regulation is by its express terms made applicable thereto. Nothing in this section shall be construed to permit application of any provision of the building code which is not expressly applicable to condominiums by reason of the form of ownership inherent therein, to a condominium in a manner different from the manner in which such provision is applied to other buildings of similar physical form and nature of occupancy.

Sec. 106. Eminent Domain. -- (a) If any portion of the common elements is taken by eminent domain, the award

therefor shall be allocated to the unit owners in proportion to their respective undivided interests in the common elements, except that the portion of the award attributable to the taking of any permanently assigned limited common element shall be allocated by the decree to the unit owner of the unit to which that limited common element was so assigned at the time of the taking. If that limited common element was permanently assigned to more than one unit at the time of the taking, then the portion of the award attributable to the taking thereof shall be allocated in equal shares to the unit owners of the units to which it was so assigned or in such other shares as the condominium instruments may specify for this express purpose. A permanently assigned limited common element is a limited common element which cannot be reassigned or which can be reassigned only with the consent of the unit owner or owners of the unit or units to which it is assigned.

(b) If one or more units is taken by eminent domain, the undivided interest in the common elements appertaining to any such unit shall thenceforth appertain to the remaining units, being allocated to them in proportion to their respective undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall

include, without limitation, just compensation to the unit owner of any unit taken for his undivided interest in the common elements as well as for his unit.

(c) If portions of any unit are taken by eminent domain, the court shall determine the fair market value of the portions of such unit not taken, and the undivided interest in the common elements appertaining to any such units shall be reduced in the case of each such unit, in proportion to the diminution in the fair market value of such unit resulting from the taking. The portions of undivided interest in the common elements thereby divested from the unit owners of any such units shall be reallocated among those units and the other units in the condominium in proportion to their respective undivided interests in the common elements, with any units partially taken participating in such reallocation on the basis of their undivided interests as reduced in accordance with the preceding sentence. The court shall enter a decree, reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the unit owner of any unit partially taken for that portion of his undivided interest in the common elements divested from him by operation of the first sentence of this subsection and not revested in him by

operation of the following sentence, as well as for that portion of his unit taken by eminent domain.

(d) If, however, the taking of a portion of any unit makes it impractical to use the remaining portion of that unit for any lawful purpose permitted by the condominium instruments, then the entire undivided interest in the common elements appertaining to that unit shall thenceforth appertain to the remaining units, being allocated to them in proportion to their respective undivided interests in the common elements, and the remaining portion of that unit shall thenceforth be a common element. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the unit owner of such unit for the unit owner's entire undivided interest in the common elements and for the unit owner's entire unit.

(e) Votes in the unit owners' association, rights to future common profits, and liabilities for future common expenses not specially assessed, appertaining to any unit or units taken or partially taken by eminent domain, shall thenceforth appertain to the remaining units, being allocated to them in proportion to their relative voting strength in the unit owners' association, rights to future common profits, and liabilities for future common expenses

not specially assessed, respectively, with any units partially taken participating in such reallocation as though the voting strength in the unit owners' association, right to future common profits, and liabilities for future common expenses not specially assessed, respectively, had been reduced in proportion to the reduction in their undivided interests in the common elements. But in any case where votes in the unit owners' association were originally assigned on the basis of equality (subject to the exception for convertible spaces) votes in the unit owners' association shall not be reallocated. The decree of the court shall provide accordingly.

(f) The decree of the court shall require the recordation thereof among the land records of the District of Columbia.

Title II -- Establishment of Condominiums

Sec. 201. Creation of the Condominium. -- No condominium shall come into existence except by the recordation of condominium instruments pursuant to the provisions of this act. No condominium instruments shall be recorded unless all units located or to be located on any portion of the submitted land, other than within the boundaries of any convertible lands, are depicted on plats and plans that comply with the provisions of section 214(a)

and (b) of this act. The foreclosure of any mortgage, deed of trust or other lien shall not be deemed, ex proprio vigore, to terminate the condominium. All units shall be contiguous, or on the same square, or on contiguous squares, except that common elements need not be on contiguous squares.

Sec. 202. Release of Liens. -- (a) At the time of the conveyance to the first purchaser of each condominium unit following the recordation of the declaration, every mortgage, deed of trust, any other perfected lien, or any mechanics' or materialmen's liens, affecting all of the condominium or a greater portion thereof than the condominium unit conveyed, shall be paid and satisfied of record, or the declarant shall forthwith have the said condominium unit released of record from all such liens not so paid and satisfied. The provisions of this subsection shall not apply, however, to any withdrawable land in a contractable condominium, nor shall any provision of this subsection be construed to prohibit the unit owners' association from mortgaging or causing a deed of trust to be placed on any portion of the condominium within which no units are located, so long as any time limit specified pursuant to section 302(a) has expired, and so long as the bylaws authorize the same.

(b) No labor performed or materials furnished with the consent of or at the request of a unit owner or such unit owner's agent or contractor or subcontractor shall be the basis for the filing of a lien pursuant to the provisions of section 1237 of the Act of March 3, 1901 (D.C. Code, sec. 38-101) against the property of any unit owner not expressly consenting to the same, except that such consent shall be deemed to be given by any unit owner in the case of emergency repairs to his unit. Labor performed or materials furnished for the common elements, if duly authorized by the unit owners' association or its executive organ subsequent to any period of developer control pursuant to section 302(a), shall be deemed to be performed or furnished with the express consent of every unit owner and shall be the basis for the filing of a lien pursuant to the provisions of section 1237 of the Act of March 3, 1901 (D.C. Code, sec. 38-101) against all of the condominium units. Notice of such lien shall be served on the principal officer of the unit owners' association or any member of the executive organ.

(c) In the event that any lien, other than a deed of trust or mortgage, becomes effective against two or more condominium units subsequent to the creation of the condominium, any unit owner may remove such unit owner's

condominium unit from that lien by payment of the amount attributable to that condominium unit, or, in the case of any mechanic's or materialman's lien, by filing a written undertaking for such amount with surety approved by the court as provided in section 1254 of the Act of March 3, 1901 (D.C. Code, sec. 38-118). Such amount shall be computed by reference to the liability for common expenses appertaining to that condominium unit pursuant to section 312(c). Subsequent to such payment, discharge or other satisfaction, or filing of bond, the unit owner of that condominium unit shall be entitled to have that lien released as to such unit owner's condominium unit, and the unit owners' association shall not assess, or have a valid lien against that condominium unit for any portion of the common expenses incurred in connection with that lien, notwithstanding anything to the contrary in sections 312 and 313.

Sec. 203. Description of Condominium Units. -- After the creation of the condominium, no description of a condominium unit shall be deemed vague, uncertain, or otherwise insufficient or infirm which sets forth the identifying number of that unit, the name of the condominium and the instrument number and date of recordation of the declaration and the condominium book and page number where

the plats and plans are recorded. Any such description shall be deemed to include the undivided interest in the common elements appertaining to such unit even if such interest is not defined or referred to therein.

Sec. 204. Execution of Condominium Instruments. -- The declaration and bylaws, and any amendments of either made pursuant to section 228, shall be executed by or on behalf of all of the owners and lessees of the submitted land. But the phrase "owners and lessees" in the preceding sentence and in section 219 does not include, in their capacity as such, any mortgagee, any trustee or beneficiary under a deed of trust, any other lien holder, any person having an inchoate dower or courtesy interest, any person having an equitable interest under any contract for the sale or lease of a condominium unit, or any lessee whose leasehold interest does not extend to any portion of the common elements.

Sec. 205. Recordation of Condominium Instruments. -- All amendments and certifications of the condominium instruments shall set forth the instrument number and date of recordation of the declaration and, when necessary, shall set forth the condominium book and page number where the plats and plans are recorded. All condominium instruments and all amendments and certifications thereof shall set

forth the name and address of the condominium and shall be so recorded.

Sec. 206. Construction of Condominium Instruments. -- Except to the extent otherwise provided by the condominium instruments:

(a) The terms defined in section 102 shall be deemed to have the meanings therein specified wherever they appear in the condominium instruments unless the context otherwise requires.

(b) To the extent that walls, floors, or ceilings are designated as the boundaries of the units or of any specified units, all doors and windows therein, and all lath, wallboard, plastering, and any other materials constituting any part of the finished surfaces thereof, shall be deemed a part of such units, while all other portions of such walls, floors, or ceilings shall be deemed a part of the common elements.

(c) If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of that unit, while any portions thereof serving more than one unit or any portion of the

common elements shall be deemed a part of the common elements.

(d) Subject to the provisions of subsection (c) hereof, all space, interior partitions, and other fixtures and improvements within the boundaries of a unit shall be deemed a part of that unit.

(e) Any shutters, awnings, window boxes, doorsteps, porches, balconies, patios, and any other apparatus designed to serve a single unit, but located outside the boundaries thereof, shall be deemed a limited common element appertaining to that unit exclusively.

Sec. 207. Construction of Condominium Instruments. -- The condominium instruments shall be construed together and shall be deemed to incorporate one another to the extent that any requirement of this act as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. If any conflict exists among the condominium instruments, the declaration controls, except that a construction consistent with the act, controls in all cases over any inconsistent construction.

Sec. 208. Validity of Condominium Instruments.

(a) All provisions of the condominium instruments shall be deemed severable, and any unlawful provision thereof shall be void.

(b) No provision of the condominium instruments shall be deemed void by reason of the rule against perpetuities.

(c) No restraint on alienation shall discriminate or be used to discriminate on the basis of religious conviction, race, color, sex, or national origin. The condominium instruments may provide, however, for restraints on use of some or all of the units restricting the use of such units to persons meeting requirements based upon age, sex, marital status, physical disability or, in connection with programs of the federal or District of Columbia government, income levels.

(d) Subject to the provisions of subsection (c) hereof, the rule of property law known as the rule restricting unreasonable restraints on alienation shall not be applied to defeat any provision of the condominium instruments restraining the alienation of condominium units not restricted exclusively to residential use.

Sec. 209. Compliance with Condominium Act and Instruments. Any lack of compliance with this act or with any lawful provision of the condominium instruments shall be grounds for an action or suit to recover sums due for damages or injunctive relief, or for any other available remedy, maintainable by the unit owners' association, or by its executive organ or any managing agent on behalf of such

association, or, in any proper case, by one or more aggrieved persons on their own behalf or as a class action.

Sec. 210. Contents of Declaration. -- (a) The declaration for every condominium shall contain -

(1) the name of the condominium, which name shall include the word "condominium" or be followed by the words "a condominium";

(2) a legally sufficient description of the land submitted to this act;

(3) a description or delineation of the boundaries of the units, including the horizontal (upper and lower) boundaries, if any, as well as the vertical (lateral or perimetric) boundaries;

(4) a description or delineation of any limited common elements not covered by section 206(e) of this act, showing or designating the unit or units to which each is assigned;

(5) a description or delineation of all common elements not within the boundaries of any convertible lands which may subsequently be assigned as limited common elements, together with a statement that they may be so assigned and a description of the method whereby any such assignments shall be made in accordance with the provisions of section 213 of this act;

(6) the allocation to each unit of an undivided interest in the common elements in accordance with the provisions of section 211 of this act; and

(7) such other matters as the declarant deems appropriate.

(b) If the condominium contains any convertible land the declaration shall also contain -

(1) a legally sufficient description of each convertible land within the condominium;

(2) a statement of the maximum number of units that may be created within each such convertible land;

(3) a statement, with respect to each such convertible land, of the maximum percentage of the aggregate land and floor area of all units that may be created therein that may be occupied by units not restricted exclusively to residential use;

(4) a statement of the extent to which any structure erected on any convertible land will be compatible with structures on other portions of the submitted land in terms of quality of construction, the principal materials to be used and architectural style;

(5) a description of all other improvements that may be made in each convertible land within the condominium;

(6) a statement that any units created within each convertible land will be substantially identical to the units on other portions of the submitted land, or a statement describing in detail what other types of units may be created therein; and

(7) a description of the declarant's reserved right, if any, to create limited common elements within any convertible land, or to designate common elements therein which may subsequently be assigned as limited common elements, in terms of the types, sizes, and maximum number of such elements within each such convertible land; provided, that the plats and plans recorded pursuant to section 214(a) and (b) of this act may be used to supplement information furnished pursuant to items (1), (4), (5), (6), and (7) of this subsection, and that item (3) of this subsection need not be complied with if none of the units on other portions of the submitted land are restricted exclusively to residential use.

(c) If the condominium is an expandable condominium the declaration shall also contain -

(1) the explicit reservation of an option to expand the condominium;

(2) a statement of any limitations on that option, including, without limitation, a statement as to whether the

consent of any unit owners shall be required, and if so, a statement as to the method whereby such consent shall be ascertained; or a statement that there are no such limitations;

(3) a time limit, not exceeding five years from the recording of the declaration, upon which the option to expand the condominium shall expire, together with a statement of the circumstances, if any, which will terminate that option prior to the expiration of the time limit so specified;

(4) a legally sufficient description of all land that may be added to the condominium, henceforth referred to as "additional land";

(5) a statement as to whether, if any of the additional land is added to the condominium, all of it or any particular portion of it must be added, and if not, a statement of any limitations as to what portions may be added or a statement that there are no such limitations;

(6) a statement as to whether portions of the additional land may be added to the condominium at different times, together with any limitations fixing the boundaries of those portions by legally sufficient descriptions regulating the order in which they may be added to the condominium;

(7) a statement of any limitations as to the locations of any improvements that may be made on any portions of the additional land added to the condominium, or a statement that no assurances are made in that regard;

(8) a statement of the maximum number of units that may be created on the additional land. If portions of the additional land may be added to the condominium and the boundaries of those portions are fixed in accordance with item (6) of this subsection, the declaration shall also state the maximum number of units that may be created on each portion added to the condominium. If portions of the additional land may be added to the condominium and the boundaries of those portions are not fixed in accordance with item (6) of this subsection, then the declaration shall also state the maximum number of units per acre that may be created on any such portion added to the condominium;

(9) a statement, with respect to the additional land and to any portion or portions thereof that may be added to the condominium, of the maximum percentage of the aggregate land and floor area of all units that may be created thereon that may be occupied by units not restricted exclusively to residential use;

(10) a statement of the extent to which any structures erected on any portion of the additional land

added to the condominium will be compatible with structures on the submitted land in terms of quality of construction, the principal materials to be used, and architectural style, or a statement that no assurances are made in those regards;

(11) a description of all other improvements that will be made on any portion of the additional land added to the condominium, or a statement of any limitations as to what other improvements may be made thereon, or a statement that no assurances are made in that regard;

(12) a statement that any units created on any portion of the additional land added to the condominium will be substantially identical to the units on the submitted land, or a statement of any limitations as to what types of units may be created thereon, or a statement that no assurances are made in that regard; and

(13) a description of the declarant's reserved right, if any, to create limited common elements within any portion of the additional land added to the condominium, or to designate common elements therein which may subsequently be assigned as limited common elements, in terms of the types, sizes, and maximum number of such elements within each such portion, or a statement that no assurances are made in those regards; Provided, that the plats and plans recorded pursuant to section 214(a) and (b) of this act may

be used to supplement information furnished pursuant to items (4), (5), (6), (7), (10), (11), (12) and (13) of this subsection, and that item (9) of this subsection need not be complied with if none of the units on the submitted land is restricted exclusively to residential use.

(d) If the condominium is a contractable condominium the declaration shall also contain:

(1) the explicit reservation of an option to contract the condominium;

(2) a statement of any limitations on that option, including, without limitation, a statement as to whether the consent of any unit owners shall be required, and if so, a statement as to the method whereby such consent shall be ascertained; or a statement that there are no such limitations;

(3) a time limit, not exceeding five (5) years from the recording of the declaration, upon which the option to contract the condominium shall expire, together with a statement of the circumstances, if any, which will terminate that option prior to the expiration of the time limit so specified;

(4) a legally sufficient description of all land that may be withdrawn from the condominium, henceforth referred to as "withdrawable land";

(5) a statement as to whether portions of the withdrawable land may be withdrawn from the condominium at different times, together with any limitations fixing the boundaries of those portions by legally sufficient descriptions clearly delineating such portions and regulating the order in which such portions may be withdrawn from the condominium; and

(6) a legally sufficient description of all of the submitted land to which the option to contract the condominium does not extend;

Provided, that the plats recorded pursuant to section 214(a) may be used to supplement information furnished pursuant to items (4), (5) and (6) of this subsection, and that item (6) of this subsection shall not be construed in derogation of any right the declarant may have to terminate the condominium in accordance with the provisions of section 227 of this act.

(e) If the condominium is a leasehold condominium, then with respect to any ground lease or other leases the expiration or termination of which will or may terminate or contract the condominium, the declaration shall set forth -

(1) the instrument number and date of recordation of each such lease;

(2) the date upon which each such lease is due to expire and the rights, if any, to renew such lease and the conditions pertaining to any such renewal;

(3) a statement as to whether any land or improvements, or both, will be owned by the unit owners in fee simple, and if so, either (A) a description of the same, including without limitation a legally sufficient description of any such land, or (B) a statement of any rights the unit owners shall have to remove such improvements within a reasonable time after the expiration or termination of the lease or leases involved, or a statement that they shall have no such rights; and

(4) a statement of the rights the unit owners shall have to redeem the reversion or any of the reversions, or a statement that they shall have no such rights; Provided, that after the recording of the declaration, no lessor who executed the same, and no successor in interest to such lessor, shall have any right or power to terminate any part of the leasehold interest of any unit owner who makes timely payment of his share of the rent to the person or persons designated in the declaration for the receipt of such rent and who otherwise complies with all covenants which, if violated, would entitle the lessor to terminate the lease. Acquisition or reacquisition of such a leasehold

interest by the owner of the reversion or remainder shall not cause a merger of the leasehold and fee simple interests unless all leasehold interests in the condominium are thus acquired or reacquired.

(f) Wherever this section requires a legally sufficient description of land that is submitted to this act or that may be added to or withdrawn from the condominium, such requirement shall be deemed to require a legally sufficient description of any easements that are submitted to this act or that may be added to or withdrawn from the condominium, as the case may be. In the case of each such easement, the declaration shall contain -

(1) a description of the permitted use or uses;
(2) if less than all of those entitled to the use

of all the units may utilize such easement, a statement of the relevant restrictions and limitations on utilization; and

(3) if any persons other than those entitled to the use of the units may utilize such easement, a statement of the rights of others to utilization of the same.

(g) Wherever this section requires a legally sufficient description of land that is submitted to this act or that may be added to or withdrawn from the condominium, an added requirement shall be a separate legally sufficient

description of all lands in which the unit owners shall or may be tenants in common or joint tenants with any other persons, and a separate legally sufficient description of all lands in which the unit owners shall or may be life tenants. No units shall be situated on any such lands, however, and the declaration shall describe the nature of the unit owners' estate therein. No such lands shall be shown on the same plat or plats showing other portions of the condominium, but shall be shown instead on separate plats.

Sec. 211. Allocation of Interests in the Common Elements. ~ ~ ~

(a) The declaration may allocate to each unit depicted on plats and plans that comply with section 214(a) and (b) of this act an undivided interest in the common elements proportionate to either the size or par value of each unit.

(b) Otherwise, the declaration shall allocate to each such unit an equal undivided interest in the common elements, subject to the following exception: each convertible space so depicted shall be allocated an undivided interest in the common elements proportionate to the size of each such space, vis-a-vis the aggregate size of all units so depicted, while the remaining undivided

interest in the common elements shall be allocated equally to the other units so depicted.

(c) The undivided interests in the common elements allocated in accordance with subsection (a) or (b) of this section shall add up to one if stated as fractions or one hundred per centum if stated as percentages.

(d) If, in accordance with subsection (a) or (b) of this section, an equal undivided interest in the common elements is allocated to each unit, the declaration may simply state that fact and need not express the fraction or percentage so allocated.

(e) Otherwise, the undivided interest allocated to each unit in accordance with subsection (a) or (b) of this section shall be reflected by a table in the declaration, or by an exhibit or schedule accompanying the declaration and recorded simultaneously therewith, containing three columns. The first column shall identify the units, listing them serially or grouping them together in the case of units to which identical undivided interests are allocated. Corresponding figures in the second and third columns shall set forth the respective areas or par values of those units and the fraction or percentage of undivided interest in the common elements allocated thereto.

(f) Except to the extent otherwise expressly provided by this act, the undivided interest in the common elements allocated to any unit shall not be altered, and any purported transfer, encumbrance, or other disposition of that interest without the unit to which it appertains shall be void.

(g) The common elements shall not be subject to any suit for partition until and unless the condominium is terminated.

Sec. 212. Reallocation of Interests in the Common Elements. -- (a) If a condominium contains any convertible land or is an expandable condominium, then the declaration shall not allocate undivided interests in the common elements on the basis of par value unless the declaration -

(1) prohibits the creation of any units not substantially identical to the units depicted on the plats and plans recorded pursuant to section 214(a) and (b) of this act, or

(2) prohibits the creation of any units not described pursuant to section 210 (b) (6) of this act (in the case of convertible lands) section 210(c) (12) of this act (in the case of additional land), and contains from the outset a statement of the par value that shall be assigned to every such unit that may be created.

(b) No allocation of interests in the common elements to any units created within any convertible land or within any additional land shall be effective until plats and plans depicting such units are recorded pursuant to section 214(c) of this act. The declarant shall reallocate the undivided interests in the common elements so that the units within the convertible land or additional land shall be allocated undivided interests in the common elements on the same basis as the units depicted on the plats and plans recorded pursuant to section 214(a) and (b). Promptly upon recording the amendment to the declaration, the declarant shall record an amendment to the plats and plans depicting the units created within the convertible land or additional land.

(c) If all of a convertible space is converted into common elements, then the undivided interest in the common elements appertaining to such space shall thenceforth appertain to the remaining units, being allocated among them in proportion to their undivided interests in the common elements. The principal officer of the unit owners' association, or such other officer or officers as the condominium instruments may specify, shall forthwith prepare, execute, and record an amendment to the declaration

reflecting the reallocation of undivided interests produced thereby.

(d) In the case of a leasehold condominium, if the expiration or termination of any lease causes a contraction of the condominium which reduces the number of units, then the undivided interest in the common elements appertaining to any units thereby withdrawn from the condominium shall thenceforth appertain to the remaining units, being allocated among them in proportion to their undivided interests in the common elements. The principal officer of the unit owners' association, or such other officer or officers as the condominium instruments may specify, shall forthwith prepare, execute, and record an amendment to the declaration reflecting the reallocation of undivided interests produced thereby.

Sec. 213. Assignments of Limited Common Elements. -- (a) All assignments and reassessments of limited common elements shall be reflected by the condominium instruments. No limited common element shall be assigned or reassigned except in accordance with the provisions of this act. No amendment to any condominium instrument shall alter any rights or obligations with respect to any limited common elements without the consent of all unit owners adversely affected thereby as evidence by their execution of such

amendment, except to the extent that the condominium instrument expressly provided otherwise prior to the first assignment of that limited common element.

(b) Unless expressly prohibited by the condominium instruments, a limited common element may be reassigned upon written application of the unit owners concerned to the principal officer of the unit owners' association, or to such other officer or officers as the condominium instruments may specify. The officer or officers to whom such application is duly made shall forthwith prepare and execute an amendment to the condominium instruments reassigning all rights and obligations with respect to the limited common element involved. Such amendment shall be delivered forthwith to the unit owners of the units concerned upon payment by them of all reasonable costs for the preparation and acknowledgement thereof. Such amendment shall become effective when the unit owners of the units concerned have executed and recorded it.

(c) A common element not previously assigned as a limited common element shall be so assigned only in pursuance to section 210(a)(6). The amendment to the declaration making such an assignment shall be prepared and executed by the principal officer of the unit owners' association, or by such other officer or officers as the

condominium instruments may specify. Such amendment shall be delivered to the unit owner or owners of the unit or units concerned upon payment by them of all reasonable cost for the preparation and acknowledgement thereof. Such amendment shall become effective when the aforesaid unit owner or owners have executed and recorded it, and the recordation thereof shall be conclusive evidence that the method prescribed pursuant to section 210(a) (6), was adhered to.

Sec. 214. Content of Plats and Plans. -- (a) There shall be recorded promptly upon recordation of the declaration, one or more plats of survey showing the location and dimensions of the submitted land, the location and dimensions of any convertible lands within the submitted land, the location and dimensions of any existing improvements, the intended location and dimensions of any contemplated improvements which are to be located on any portion of the submitted land other than within the boundaries of any convertible lands, and, to the extent feasible, the location and dimensions of all easements appurtenant to the submitted land or otherwise submitted to this act as a part of the common elements. If the submitted land is not contiguous, then the plats shall indicate the distances between the parcels constituting the submitted

land. The plats shall label every convertible land as a convertible land, and if there be more than one such land the plats shall label each such land with one or more letters or numbers, or both, different from those designating any other convertible land and different also from the identifying number of any unit. The plats shall show the location and dimensions of any withdrawable lands, and shall label each such land with one or more letters or numbers, or both, different from those designating any other convertible land and different also from the identifying number of any unit. The plats shall show the location and dimensions of any withdrawable lands, and shall label each such land as a withdrawable land. If, with respect to any portion or portions, but less than all, of the submitted land, the unit owners are to own only an estate for years, the plats shall show the location and dimensions of any such portions, and shall label each such portion as a leased land. If there is more than one withdrawable land, or more than one leased land, the plats shall label each such land with one or more letters or numbers, or both, different from those designating any convertible land or other withdrawable or leased land, and different also from the identifying number of any unit. The plats shall show all easements to which the submitted land or any portion thereof is subject,

and shall show the location and dimensions of all such easements to the extent feasible. The plats shall also show all encroachments by or on any portion of the condominium. In the case of any improvements located or to be located on any portion of the submitted land other than within the boundaries of any convertible lands, the plats shall indicate which, if any, have not been begun by the use of the phrase "NOT YET BEGUN", and which, if any, have been begun but have not been substantially completed by the use of the phrase "NOT YET COMPLETED". In the case of any units the vertical boundaries of which lie wholly or partially outside of structures for which plans pursuant to subsection (b) are simultaneously recorded, the plats shall show the location and dimensions of such vertical boundaries to the extent that they are not shown on such plans, and the units or portions thereof thus depicted shall bear their identifying numbers. Each plat shall be certified as to its accuracy and compliance with the provisions of this subsection by a registered land surveyor, and the said surveyor shall certify that all units or portions thereof depicted thereon pursuant to the preceding sentence of this subsection have been substantially completed. The specification within this subsection of items that shall be shown on the plats shall not be construed to mean that the

plats shall not also show all other items customarily shown or hereafter required for land title surveys.

(b) There shall also be recorded, promptly upon recordation of the declaration, plans of every structure which contains or constitutes all or part of any unit or units, and which is located on any portion of the submitted land other than within the boundaries of any convertible lands. The plans shall show the location and dimensions of the vertical boundaries of each unit to the extent that such boundaries lie within or coincide with the boundaries of such structures, and the units or portions thereof thus depicted shall bear their identifying numbers. In addition, each convertible space thus depicted shall be labeled a convertible space. The horizontal boundaries of each unit having horizontal boundaries shall be identified on the plans with reference to established datum. Unless the condominium instruments expressly provide otherwise, it shall be presumed that in the case of any unit not wholly contained within or constituting one or more such structures, the horizontal boundaries thus identified extend, in the case of each such unit, at the same elevation with regard to any part of such unit lying outside of such structures, subject to the following exception: in the case of any such unit which does not lie over any other unit

other than basement units, it shall be presumed that the lower horizontal boundary, if any, of that unit lies at the level of the ground with regard to any part of that unit lying outside of such structures. The plans shall be certified as to their accuracy and compliance with the provisions of this subsection by a registered architect or registered engineer, and the said architect or engineer shall certify that all units or portions thereof depicted thereon have been substantially completed.

(c) When converting all or any portion of any convertible land, or adding additional land to an expandable condominium, the declarant shall record new plats of survey conforming to the requirements of subsection (a). In any case where less than all of a convertible land is being converted, such plats shall show the location and dimensions of the remaining portion or portions of such land in addition to otherwise conforming with the requirements of subsection (a). At the same time, the declarant shall record, with regard to any structures on the land being converted, or added, either plans conforming to the requirements of subsection (b), or certifications, conforming to the certification requirements of said subsection, of plans previously recorded pursuant to section 215.

(d) When converting all or any portion or any convertible space into one or more units or limited common elements, the declarant shall record, with regard to the structure or portion thereof constituting that convertible space, plans showing the location and dimensions of the vertical boundaries of each unit or limited common elements formed out of such space. Such plans shall be certified as to their accuracy and compliance with the provisions of this subsection by a registered architect or registered engineer.

(e) For the purposes of subsections (a), (b), and (c), all provisions and requirements relating to units shall be deemed equally applicable to limited common elements. The limited common elements shall be labeled as such, and each limited common element depicted on the plats and plans shall bear the identifying number or numbers of the unit or units to which it is assigned, if it has been assigned, unless the provisions of section 206(e) make such designations unnecessary.

(f) The Office of the Surveyor shall receive plats and plans filed pursuant to this act. Unless such plats and plans are filed pursuant to section 215, the Office of the Surveyor shall ascertain whether such plats and plans contain the certification required by subsections (a) and (b) of this section. If plats and plans are filed pursuant

to section 215 or if plats and plans are filed with the required certification, the Office of the Surveyor shall record such plats and plans without further certification or review. If plats and plans filed pursuant to section 215 are thereafter certified as required by this section, the Office of the Surveyor shall record such certification with such plats and plans without further certification or review.

Sec. 215. Preliminary Recordation of Plans. -Plans previously recorded pursuant to the provisos set forth in section 210(b) and (c) may be used in lieu of new plans to satisfy in whole or in part the requirements of section 212(b), section 217(b) and section 219 if certifications thereof are recorded by the declarant in accordance with section 214(b); and if such certifications are so recorded, the plans which they certify shall be deemed recorded pursuant to section 214(c) within the meaning of the three sections aforesaid.

Sec. 216. Easement for Encroachments and Support. --(a) To the extent that any unit or common element encroaches on any other unit or common element, whether by reason of any deviation from the plats and plans in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of the settling or shifting of any

land or improvement, a valid easement for such encroachment shall exist; Provided, however, such easement shall not relieve unit owners of liability in cases of willful and intentional misconduct by them or their agents or employees, nor shall the declarant or any contractor, subcontractor, or materialman be relieved of any liability which any of them may have by reason of any failure to adhere strictly to the plats and plans.

(b) Each unit and common element shall have an easement for support from every other unit and common element.

Sec. 217. Conversion of Convertible Lands. --(a) The declarant may convert all or any portion of any convertible land into one or more units or common elements, or both, subject to any restrictions and limitations which the condominium instruments may specify. Any such conversion shall be deemed to have occurred at the time of the recordation of appropriate instruments pursuant to subsection (b) hereof and section 214 (c).

(b) The declarant shall prepare, execute, and record an amendment to the declaration describing the conversion. Such amendment shall assign an identifying number to each unit formed out of a convertible land and shall reallocate undivided interests in the common elements in accordance with section 212(b). Such amendment shall describe or

delineate the limited common elements formed out of the convertible land, showing or designating the unit or units to which each is assigned.

(c) All convertible lands shall be deemed a part of the common elements except for such portions thereof as are converted in accordance with the provisions of this section. Until the expiration of the period during which conversion may occur or until actual conversion, whichever occurs first, real estate taxes shall be assessed against the declarant rather than the unit owners as to both the convertible land and any improvements thereon. No such conversion shall occur after five years from the recordation of the declaration, or such shorter period of time as the declaration may specify.

Sec. 218. Conversion of Convertible Spaces. -- (a) The declarant may convert all or any portion of any convertible space into one or more units or common elements, or both, including without limitation, limited common elements, subject to any restrictions and limitations which the condominium instruments may specify. Any such conversion shall be deemed to have occurred at the time of the recordation of appropriate instruments pursuant to subsection (b) hereof and section 214(d).

(b) Simultaneously with the recording of plats and plans pursuant to section 214(d), the declarant shall prepare, execute, and record an amendment to the declaration describing the conversion. Such amendment shall assign an identifying number to each unit formed out of a convertible space and shall allocate to each unit a portion of the undivided interest in the common elements appertaining to that space. Such amendment shall describe or delineate the limited common elements formed out of the convertible space, showing or designating the unit or units to which each is assigned.

(c) If all or any portion of any convertible space is converted into one or more units in accordance with this section, the declarant shall prepare, execute, and record simultaneously with the amendment to the declaration, an amendment to the bylaws. The amendment to the bylaws shall reallocate votes in the unit owners' association, rights to future common profits, and liabilities for future common expenses not specially assessed, all as in the case of the subdivision of a unit in accordance with section 226(d).

(d) Any convertible space not converted in accordance with the provisions of this section, or any portion or portions thereof not so converted, shall be treated for all purposes as a single unit until and unless it is so

converted, and the provisions of this act shall be deemed applicable to any such space, or portion or portions thereof, as though the same were a unit.

Sec. 219. Expansion of the Condominium. -- No condominium shall be expanded except in accordance with the provisions of the declaration and of this act. Any such expansion shall be deemed to have occurred at the time of the recordation of plats and plans pursuant to section 214(c) and the recordation of an amendment to the declaration, duly executed by the declarant, including, without limitation, all of the owners and lessees of the additional land added to the condominium. Such amendment shall contain a legally sufficient description of the land added to the condominium, and shall reallocate undivided interests in the common elements in accordance with the provisions of section 212(b). Such amendment may create convertible or withdrawable lands within the land added to the condominium, but this provision shall not be construed in derogation of the time limits imposed by or pursuant to sections 210(d)(3) and 217(c).

Sec. 220. Contraction of the Condominium. -- No condominium shall be contracted except in accordance with the provisions of the declaration and of this act. Any such contraction shall be deemed to have occurred at the time of

the recordation of an amendment to the declaration, executed by the declarant, containing a legally sufficient description of the land withdrawn from the condominium. If portions of the withdrawable land were described pursuant to section 210(d)(5), then no such portion shall be so withdrawn after the conveyance of any unit on such portion. If no such portions were described, then none of the withdrawable land shall be withdrawn after the first conveyance of any unit thereon.

Sec. 221. Easement to Facilitate Conversion and Expansion. -Subject to any restrictions and limitations the condominium instruments may specify, the declarant shall have a transferable easement over and on the common elements for the purpose of making improvements on the submitted land and any additional land pursuant to the provisions of those instruments and of this act, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

Sec. 222. Easement to Facilitate Sales. --The declarant and the declarant's authorized agents, representatives, and employees may maintain sales offices, management offices, and model units on the submitted land if and only if the condominium instruments provide for the same and specify the rights of the declarant with regard to the number, size,

location, and relocation thereof. Any such sales office, management office, or model unit which is not designated a unit by the condominium instruments shall become a common element as soon as the declarant ceases to be a unit owner, and the declarant shall cease to have any rights with regard thereto unless such sales office, management office, or model unit is removed forthwith from the submitted land in accordance with a right reserved in the condominium instruments to make such removal.

Sec. 223. Declarant's Obligation to Complete and Restore. -- (a) No covenants, restrictions, limitations, or other representations or commitments in the condominium instruments with regard to anything that is or is not to be done on the additional land, the withdrawable land, or any portion of either, shall be binding as to any portion of either lawfully withdrawn from the condominium or never added thereto except to the extent that the condominium instruments so provide. But in the case of any covenant, restriction, limitation, or other representation or commitment in the condominium instruments, or in any other agreement requiring the declarant to add all or any portion of the additional land or to withdraw any portion of the withdrawable land, or imposing any obligations with regard to anything that is or is not to be done on or with regard

to the condominium or any portion thereof, this subsection shall not be construed to nullify, limit, or otherwise affect any such obligation.

(b) The declarant shall complete all improvements labeled "NOT YET COMPLETED" on plats recorded pursuant to the requirements of this act unless the condominium instruments expressly exempt the declarant from such obligation, and shall, in the case of every improvement labeled "NOT YET BEGUN" on such plats, state in the declaration either the extent of the obligation to complete the same or that there is no such obligation.

(c) To the extent that damage is inflicted on any part of the condominium by any person or persons utilizing the easements reserved by the condominium instruments or created by sections 221 and 222, the declarant together with the person or persons causing the same shall be jointly and severally liable for the prompt repair thereof and for the restoration of the same to a condition compatible with the remainder of the condominium.

Sec. 224. Alterations within Units. -- (a) Except to the extent prohibited by the condominium instruments, and subject to any restrictions and limitations specified therein, any unit owner may make any improvements or alterations within his unit that do not impair the

structural integrity of any structure or otherwise lessen the support of any portion of the condominium. But no unit owner shall do anything which would change the exterior appearance of his unit or of any other portion of the condominium except to such extent and subject to such conditions as the condominium instruments may specify.

(b) Except to the extent prohibited by the condominium instruments, and subject to any restrictions and limitations specified therein, if a unit owner acquires an adjoining unit, or an adjoining part of an adjoining unit, then such unit owner shall have the right to remove all or part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may in whole or in part be a common element, so long as no portion of any bearing wall or bearing column is weakened or removed and no portion of any common element other than that partition is damaged, destroyed, or endangered. Such creation of doorways or other apertures shall not be deemed an alteration of boundaries within the meaning of section 225.

Sec. 225. Relocation of Boundaries between Units. --

(a) If the condominium instruments expressly permit the relocation of boundaries between adjoining units, then the

boundaries between such units may be relocated in accordance with---

(1) the provisions of this section and

(2) any restrictions and limitations not otherwise unlawful which the condominium instruments may specify.

The boundaries between adjoining units shall not be relocated unless the condominium instruments expressly permit it.

(b) If the unit owners of adjoining units whose mutual boundaries may be relocated, desire to relocate such boundaries, then the principal officer of the unit owners' association, or such other officer or officers as the condominium instruments may specify, shall, upon written application of such unit owners, forthwith prepare and execute the appropriate instruments pursuant to subsections (c), (d) and (e).

(c) An amendment to the declaration shall identify the units involved and shall state that the boundaries between those units are being relocated by agreement of the unit owners therefor, which amendment shall contain words of conveyance between those unit owners. If the unit owners of the units involved have specified in their written application, a reasonable reallocation as between the units involved of the aggregate undivided interest in the common

elements appertaining to those units, the amendment to the declaration shall reflect that reallocation.

(d) If the unit owners of the units involved have specified in their written application reasonable allocations as between the units involved of the aggregate number of votes in the unit owners' association, rights to future common profits, or liabilities for future common expenses not specially assessed, then an amendment to the bylaws shall reflect any such reallocations.

(e) Such plats and plans as may be necessary to show the altered boundaries between the units involved together with their other boundaries shall be prepared, and the units depicted thereon shall bear their identifying numbers. Such plats and plans shall indicate the new dimensions of the units involved, and any change in the horizontal boundaries of either as a result of the relocation of their boundaries shall be identified with reference to establish datum. Such plats and plans shall be certified as to their accuracy and compliance with the provisions of this subsection ---

(1) by a registered land surveyor in the case of any plat, and

(2) by a registered architect or registered engineer in the case of any plan.

(f) When appropriate instruments in accordance with the preceding subsections hereof have been prepared, executed, and acknowledged, they shall be delivered forthwith to the unit owners of the units involved upon payment by them of all reasonable costs for the preparation and acknowledgement thereof. Said instruments shall become effective when the unit owners of the units involved have executed and recorded them, and the recordation thereof shall be conclusive evidence that the relocation of boundaries thus effectuated did not violate any restrictions or limitations specified by the condominium instruments and that any reallocations made pursuant to subsections (c) and (d) were reasonable.

(g) Any relocation of boundaries between adjoining units shall be governed by this section and not by section 226. Sec. 226 shall apply only to such subdivisions of units as are intended to result in the creation of two or more units in place of the subdivided unit.

Sec. 226. Subdivision of Units. -- (a) If the condominium instruments expressly permit the subdivision of any units, then such units may be subdivided in accordance with

- (1) the provisions of this section, and
- (2) any restrictions and limitations not otherwise unlawful which the condominium instruments may specify.

No unit shall be subdivided unless the condominium instruments expressly permit it.

(b) If the unit owner of any unit which may be subdivided desires to subdivide such unit, then the principal officer of the unit owners' association, or such other officer or officers as the condominium instruments may specify, shall, upon written application of the subdivider, as such unit owner shall henceforth be referred to in this section, forthwith prepare and execute appropriate instruments pursuant to subsections (c), (d) and (e).

(c) An amendment to the declaration shall assign new identifying numbers to the new units created by the subdivision of a unit and shall allocate to those units, on a reasonable basis acceptable to the subdivider, all of the undivided interest in the common elements appertaining to the subdivided unit. The new units shall jointly share all rights, and shall be equally liable jointly and severally for all obligations, with regard to any limited common elements assigned to the subdivided unit except to the extent that the subdivider may have specified in his written application that all or any portions of any limited common elements assigned to the subdivided unit exclusively should be assigned to one or more, but less than all of the new units, in which case the amendment to the declaration shall

reflect the desires of the subdivider as expressed in such written application.

(d) An amendment to the bylaws shall allocate to the new units, on a reasonable basis acceptable to the subdivider, the votes in the unit owners' association allocated to the subdivided unit, and shall reflect a proportionate allocation to the new units of the liability for common expenses and rights to common profits formerly appertaining to the subdivided unit.

(e) Such plats and plans as may be necessary to show the boundaries separating the new units together with their other boundaries shall be prepared, and the new units depicted thereon shall bear their new identifying numbers. Such plats and plans shall indicate the dimensions of the new units, and the horizontal boundaries thereof, if any, shall be identified thereon with reference to established datum. Such plats and plans shall be certified as to their accuracy and compliance with the provisions of this subsection,

(1) by a registered land surveyor in the case of any plat, and

(2) by a registered architect or registered engineer in the case of any plan.

(f) When appropriate instruments in accordance with the preceding subsections hereof have been prepared, executed, and acknowledged, they shall be delivered forthwith to the subdivider upon payment by the subdivider of all reasonable costs for the preparation and acknowledgment thereof. Such instruments shall become effective when the subdivider has executed and recorded them, and the recordation thereof shall be conclusive evidence that the subdivision thus effectuated did not violate any restrictions or limitations specified by the condominium instruments and that any reallocations made pursuant to subsections (c) and (d) were reasonable.

(g) Notwithstanding the provisions of sections 103(28) and 218(d), this section shall have no application to convertible spaces, and no such space shall be deemed a unit for the purposes of this section. However, this section shall apply to any units formed by the conversion of all or any portion of any such space, and any such unit shall be deemed a unit for the purposes of this section.

Sec. 227. Termination or Amendment before Conveyance of any Unit. -- If there is no unit owner other than the declarant, the declarant may unilaterally terminate the condominium or amend the condominium instruments, and any such termination or amendment shall become effective upon

the recordation thereof if the same has been executed by the declarant. But this section shall not be construed to nullify, limit, or otherwise affect the validity or enforceability of any agreement renouncing or to renounce, in whole or in part, the right hereby conferred.

Sec. 228. Termination or Amendment after Conveyance of any Unit. --(a) If there is any unit owner other than the declarant, then the condominium shall be terminated only by the agreement of unit owners of units to which four-fifths of the votes in the unit owners' association appertain, or such larger majority as the condominium instruments may specify.

(b) If there is any unit owner other than the declarant, then the condominium instruments shall be amended only by agreement of unit owners of units to which two-thirds of the votes in the unit owners' association appertain, or such larger majority as the condominium instruments may specify, except in cases for which this act provides different methods of amendments.

(c) If none of the units in the condominium are restricted exclusively to residential use, then the condominium instruments may specify majorities smaller than the minimums specified by subsections (a) and (b).

(d) Agreement of the required majority of unit owners to termination of the condominium or to any amendment of the condominium instruments shall be evidenced by execution of the termination agreement or amendment, or of ratifications thereof by such unit owners or their attorneys-in-fact, and the same shall become effective only when such agreement is so evidenced of record. For the purposes of this section and section 227, an instrument terminating a condominium shall be deemed a condominium instrument subject to the provisions of section 205, and for the purposes of this section, any ratification of such an amendment shall also be deemed such an instrument. Such recorded instrument shall also be recorded in the Office of the Surveyor.

(e) Except to the extent expressly permitted or expressly required by other provisions of this act, no amendment to the condominium instruments shall change the boundaries of any unit, the undivided interest in the common elements appertaining thereto, the liability for common expenses or rights to common profits appertaining thereto, or the number of votes in the unit owners' association appertaining thereto.

(f) Upon recordation of an instrument terminating a condominium, all of the property constituting the same shall be owned by the unit owners as tenants in common in

proportion to their respective undivided interests in the common elements immediately prior to such recordation. But as long as such tenancy in common lasts, each unit owner or the heirs, successors, or assigns thereof shall have an exclusive right of occupancy of that portion of such property which formerly constituted such unit owner's unit.

(g) Upon recordation of an instrument terminating a condominium, the rights of the unit owners to the net assets of the unit owners' association shall be in proportion to their respective liabilities for common expenses as set forth in the bylaws pursuant to section 312(c) prior to such recordation.

(h) No provision of this act shall be construed in derogation of any requirement of the condominium instruments that all or a specified number of the beneficiaries of mortgages or deeds of trust encumbering the condominium units approve specified actions contemplated by the unit owners' association.

Sec. 229. Requirements for Residential Leasehold Condominiums.

(a) The declarant of a leasehold condominium shall record with the condominium instruments any lease pursuant to which the condominium is a leasehold condominium ("condominium lease") Provided, however, it shall be

sufficient for the declarant to record a statement of the book, page and date of recordation of such lease if such lease has previously been recorded among the land records of the District of Columbia. Condominium instruments establishing a leasehold condominium containing more than three residential units shall not be effective unless the condominium lease(s) comply with the requirements of subsections (b), (c) and (d) of this section.

(b) If a condominium is a leasehold condominium subject to the provisions of this section, any condominium lease shall be for a term of not less than 99 years with a right of renewal for consecutive additional terms of not less than 99 years. The lease shall provide for level, periodic payments which may not be increased during the first 10 years of the leasehold term. If provided in the lease, the lessor may petition the Mayor for an increase in leasehold payments to be effective beginning with the eleventh year of the leasehold term, and the Mayor shall approve such increase if he finds that:

- (1) costs borne by the lessor in connection with the lease have increased, or
- (2) costs of living, as measured by a standard statistical index computed and published by the United

States Government and available for the period of the leasehold term, have increased, and

(3) the increase in the lease payments is in reasonable proportion to such increased costs.

An increase in lease payments shall be effective for a minimum period of 10 years, after which the lessor may again petition for an increase subject to the provisions of this subsection. The lessor shall not require or accept lease payments which do not meet the requirements of this paragraph.

(c) A Lessor of a condominium lease may sell or assign the lease only after offering the unit owners' association of the condominium the right to purchase the leasehold estate at a price and on terms offered to any other prospective purchaser. The lessor shall give the unit owners' association a period of at least 60 days within which to accept or reject the offer.

(d) The lessor of a condominium lease shall give the lessee of such lease a statement not less than five years prior to the expiration of such lease of whether the lease is to be renewed and on what terms the lease is to be renewed. If the lessor offers to renew the lease, the

lessor shall give the lessee a period of at least 180 days within which to accept or reject the offer.

Title III --- Control and Governance of Condominiums.

Sec. 301. Contents of the Bylaws. -- (a) There shall be recorded simultaneously with the declaration a set of bylaws providing for the self-government of the condominium by an association of all the unit owners. The unit owners' association may be incorporated.

(b) The bylaws shall provide whether or not the unit owners' association shall have an executive organ. The executive organ, if any, shall, subsequent to the expiration of the period of declarant control specified pursuant to section 302(a), be elected by the unit owners unless the unit owners vote to amend the bylaws to provide otherwise.

If there is to be such an organ, the bylaws shall specify the powers and responsibilities of the same and the number and terms of its numbers. The bylaws may delegate to such organ, inter alia, any of the powers and responsibilities assigned by this act to the unit owners' association. The bylaws shall also specify which, if any, of its powers and responsibilities the unit owners' association or its executive organ may delegate to a managing agent.

(c) The bylaws shall provide whether or not there shall be officers in addition to the members of the executive organ. If there are to be such additional officers, the bylaws shall specify the powers and responsibilities of the same, the manner of their selection and removal, their number and their terms. The bylaws may delegate to such additional officers, inter alia, any of the powers and responsibilities assigned by this act to the unit owners' association.

(d) In any case where an amendment to the declaration is required by section 212(b), (c), or (d), the person or persons required to execute the same shall also prepare and file, and record simultaneously with such amendment, an amendment to the bylaws. The amendment to the bylaws shall allocate to the new units votes in the unit owners' association, rights to future common profits, and liabilities for future common expenses not specially assessed, on the same bases as were used for such allocations to the units depicted on plats and plans recorded pursuant to section 214(a) and (b); or shall abolish the votes appertaining to former units and reallocate their rights to future common profits, and their liabilities for future common expenses not specially assessed, to the remaining units in proportion to the

relative rights and liabilities of the remaining units immediately prior to the amendment.

(e) The bylaws shall be so worded as to indicate by whom the deductible, if any, or any policy insurance on the common elements, will be paid.

Sec. 302. Control by the Declarant. -- (a) The condominium instruments may authorize the declarant, or a managing agent or some other person or persons selected or to be selected by the declarant, to appoint and remove some or all of the officers of the unit owners' association or members of its executive organ, or both, or to exercise powers and responsibilities otherwise assigned by the condominium instruments and by this act to the unit owners' association, the officers, or the executive organ. But no amendment to the condominium instruments shall increase the scope of such authorization if there is any unit owner other than the declarant and no such authorization shall be valid after the time set by the condominium instruments or after units to which three-fourths of the undivided interests in the common elements appertain have been conveyed, whichever occurs first. For the purposes of the preceding sentence only, the calculation of the fraction of undivided interest shall be based upon the total undivided interests assigned or to be assigned to all units registered with the Mayor

according to section 401. The time limit initially set by the condominium instruments shall not exceed three years in the case of an expandable condominium or a condominium containing convertible land, or two years in the case of any other condominium containing any convertible land, or two years in the case of any other condominium. Such period shall commence upon settlement of the first unit to be sold in any portion of the condominium.

(b) (1) If entered into at any time prior to the expiration of the period of declarant control contemplated by subsection (a), no contract or lease entered into with the declarant (other than leases subject to section 210(e)) or any entity affiliated with the declarant, management contract, employment contract or lease of recreational or parking areas or facilities, which is directly or indirectly made by or on behalf of the unit owners' association, or the unit owners as a group, shall be entered into for a period in excess of two years. Any such contract or agreement may be renewed for periods not in excess of two years; however, at the end of any two year period the unit owners' association or its executive organ may terminate any further renewals or extensions thereof.

(2) If entered into at any time prior to the expiration of the period of declarant control contemplated

by subsection (a), any contract, lease or agreement, other than those subject to the provisions of subsection (b) (1), may be entered into by or on behalf of the unit owners' association, its executive organ, or the unit owners as a group, if such contract, lease or agreement is bona fide and is commercially reasonable to the unit owners' association at the time entered into under the circumstances.

(c) If the unit owners' association is not in existence or does not have officers at the time of the creation of the condominium, the declarant shall, until there is such an association with such officers, have the power and the responsibility to act in all instances where this chapter or the condominium instruments require or permit action by the unit owners' association, its executive organ, or any officer or officers.

(d) Notwithstanding subsection (a) of this section, the bylaws shall provide that: (1) not later than the time that units to which twenty-five percent of the undivided interests in the common elements appertain have been conveyed, the unit owners' association shall cause a special meeting to be held at which not less than twenty-five percent of the members of the executive organ shall be selected by unit owners other than declarant; and (2) not later than the time units to which fifty percent of the

undivided interests in the common elements appertain have been conveyed, the unit owners' association shall cause a special meeting to be held at which not less than thirty-three and one-third percent of the members of the executive organ shall be selected by unit owners other than declarant.

(e) A person or entity is "affiliated with" the declarant for the purposes of this section if; (1) such person controls or has a substantial financial interest in the declarant or (2) the declarant controls or has a substantial financial interest in such person or entity.

(f) This section shall be strictly construed to protect the rights of the unit owners.

Sec. 303. Meetings. -- Meeting of the unit owners' association shall be held in accordance with the provisions of the condominium instruments at least once each year after the formation of such association. The bylaws shall specify an officer who shall, at least twenty-one days in advance of any annual or regularly scheduled meeting, and at least seven days in advance of any other meeting, send to each unit owner notice of the time, place, and purpose or purposes of such meeting. Such notice shall be sent by United States mail, to all unit owners of record at the address of their respective units and to such other addresses as any of them may have designated to such

officer; or such notice may be hand-delivered by the said officer, provided he obtains a receipt of acceptance of such notice from the unit owner.

Sec. 304. Quorums. -- (a) Unless the condominium instruments otherwise provide, a quorum shall be deemed to be present throughout any meeting of the unit owners' association until adjourned if persons entitled to cast more than the thirty-three and one-third percent of the votes are present at the beginning of such meeting. The bylaws may provide for a larger percentage, or for a smaller percentage not less than twenty-five percent.

(b) Unless the condominium instruments specify a larger majority, a quorum shall be deemed to be present throughout any meeting of the executive organ if persons entitled to cast one-half of the votes in that body are present at the beginning of such meeting.

Sec. 305. Voting. -- (a) The bylaws may allocate to each unit depicted on plats and plans that comply with section 214(a) and (b) a number of votes in the unit owners' association proportionate to the liability for common expenses as established pursuant to section 312(c).

(b) Otherwise, the bylaws shall allocate to each such unit an equal number of votes in the unit owners' association, subject to the following exception: each

convertible space so depicted shall be allocated a number of votes in the unit owners' association proportionate to the size of each such space, vis-a-vis the aggregate size of all units so depicted, while the remaining votes in the unit owners' association shall be allocated equally to the other units so depicted.

(c) Since a unit owner may be more than one person, if only one of such persons is present at a meeting of the unit owners' association, that person shall be entitled to cast the votes appertaining to that unit. But if more than one of such persons is present, the vote appertaining to that unit shall be cast only in accordance with their unanimous agreement unless the condominium instruments expressly provide otherwise, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this subsection to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a unit owner.

(d) The votes appertaining to any unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the unit owner, or, in cases where the unit owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the unit owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as foreseen, or if the signatures of any of those executing the same has not been duly acknowledged. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

(e) If fifty percent or more of the votes in the unit owners' association appertain to twenty-five percent or less of the units, then in any case where a majority vote is required by the condominium instruments or by this chapter, the requirement for such a majority shall be deemed to include, in addition to the specified majority of the votes, assent by the unit owners of a like majority of the units.

(f) Anything in this section to the contrary notwithstanding, no votes in the unit owners' association

shall be deemed to appertain to any condominium unit during such time as the unit owner thereof is the unit owners' association.

Sec. 306. Officers. -- (a) If the condominium instruments provide that any officer or officers must be unit owners, then any such officer who disposes of all of his units in fee or for a term or terms of six months or more shall be deemed to have disqualified himself from continuing in office unless the condominium instruments otherwise provide, or unless he acquires or contracts to acquire another unit in the condominium under terms giving him a right of occupancy thereto effective on or before the termination of his right of occupancy under such disposition or dispositions.

(b) If the condominium instruments provide that any officer or officers must be unit owners, then notwithstanding the provisions of section 206(a), the term "unit owner" in such context shall, unless the condominium instruments otherwise provide, be deemed to include, without limitation, any director, officer, partner in, or trustee of any person, which is, either alone or in conjunction with another person or persons, a unit owner. Any officer who would not be eligible to serve as such were he not a director, officer, partner in, or trustee of such a person,

shall be deemed to have disqualified himself from continuing in office if he ceases to have any such affiliation with that person, or if that person would itself have been deemed to have disqualified itself from continuing in such office under subsection (a) were it a natural person holding such office.

Sec. 307. Upkeep of the Condominium. -- (a) Except to the extent otherwise provided by the condominium instruments, all powers and responsibilities with regard to maintenance, repair, renovation, restoration, and replacement of the condominium shall belong (1) to the unit owners' association in the case of the common elements, and (2) to the individual unit owner in the case of any unit or any part thereof. Each unit owner shall afford to the other unit owners and to the unit owners' association and to any agents or employees of either such access through such unit owners' unit as may be reasonably necessary to enable them to exercise and discharge their respective powers and responsibilities. But to the extent that damage is inflicted on the common elements or any unit through which access is taken, the unit owner causing the same, or the unit owners' association if it caused the same, shall be liable for the prompt repair thereof.

(b) Notwithstanding anything in this section to the contrary the declarant shall warrant against structural defects, each of the units for one year from the date each is conveyed and all of the common elements for two years. The two years referred to in the preceding sentence shall begin as to each of the common elements, whenever the same has been completed, or if later, (1) as to any common element within any additional land or portion thereof at the time the first unit therein is conveyed, (2) as to any common element within any convertible land or portion thereof at the time the first unit therein is conveyed, and (3) as to any common element within any other portion of the condominium at the time the first unit therein is conveyed. For the purposes of this subsection, no unit shall be deemed conveyed unless conveyed to a bona fide purchaser. For the purposes of this subsection, structural defects shall be those defects in components constituting any unit or common element which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration, or replacement. Nothing in the subsection shall be construed to make the declarant responsible for any items of maintenance relating to the units or common elements. No action to enforce the

warranty created by this subsection may be brought after one year from the date such warranty period has expired, except for structural defects which occurred within the warranty period but which are latent and undetected in fact; in the case of such latent defects, no action shall be brought after six months from the date such defect is detected.

(c) The declarant shall post a bond with the Mayor in the sum of 10 percent of the estimated construction or conversion costs, or shall provide such other security as the Mayor shall prescribe. Such bond or other security shall be available to meet the costs arising from the declarant's failure to meet the requirements of this section. Such land or other security shall be posted or given prior to conveyance of the first unit and shall be continued until the end of the warranty period on each unit and on the common elements.

Sec. 308. Powers of the Unit Owners' Association. -- (a) Except to the extent expressly prohibited by the condominium instruments, and subject to any restrictions and limitations specified therein, the unit owners' association shall have the -

- (1) power to govern all matters relating to the condominium;
- (2) power to sue on behalf of all unit owners;

(3) power to employ, dismiss, and replace agents and employees who exercise and discharge the powers and responsibilities of such association arising under section 307;

(4) power to make or cause to be made additional improvements on and as a part of the common elements;

(5) power to manage the common elements and to provide for the use, rental or operation of common elements or limited common elements;

(6) right to any income derived from payments, fees or charges for the use, rental or operation of the common elements of the condominium;

(7) right to grant or withhold approval of any action by one or more unit owners or other persons entitled to the occupancy of any unit which would change the exterior appearance of any unit or of any other portion of the condominium, or elect to provide for the appointment of an architectural control committee, the members of which must have the same qualifications as officers, to grant or withhold such approval;

(8) right to acquire, hold, convey and encumber title to real property, including but not limited to condominium units; and

(9) right to make contracts and incur liabilities.

(b) Except to the extent prohibited by the condominium instruments, and subject to any restrictions and limitations specified therein, the executive organ of the unit owners' association, if any, and if not, then the unit owners' association itself, shall have the irrevocable power as attorney-in-fact on behalf of all the unit owners and their successors in title to grant easements through the common elements and accept easements benefiting the condominium or any part thereof.

Sec. 309. Tort and Contract Liability. -- (a) An action for tort alleging a wrong done (1) by any agent or employee of the declarant or of the unit owners' association, or (2) in connection with the condition of any portion of the condominium which the declarant or the association has the responsibility to maintain, shall be brought against the declarant or the association, as the case may be. No unit owner shall be precluded from bringing such an action by virtue of ownership of an undivided interest in the common elements or by reason of membership in the association or status as an officer.

(b) Unit owners other than the declarant shall not be liable for torts caused by agents or employees of the declarant within any convertible land or using any easement

reserved in the declaration or created by sections 221 and 222.

(c) An action arising from a contract made by or on behalf of the unit owners' association, its executive organ, or the unit owners as a group, shall be brought against the association, or against the declarant if the cause of action arose during the exercise by the declarant of control reserved pursuant to section 302(a). No unit owner shall be precluded from bringing such an action by reason of membership in the association or status as an officer.

(d) A judgment for money against the unit owners' association shall be a lien against any property owned by the association, and against each of the condominium units in proportion to the liability of each unit owner for common expenses as established pursuant to section 312(c), but no unit owner shall be otherwise liable on account of such judgment. Any such judgment shall be satisfied first out of the property of the association. Such judgment shall be otherwise subject to the provisions of title 15 of the District of Columbia Code.

Sec. 310. Insurance. -- When any policy insurance has been obtained by or on behalf of the unit owners' association, written notice of the procurement thereof and of any subsequent changes therein or termination thereof

shall be promptly furnished to each unit owner by the officer required to send notices of meetings of the unit owners' association. Such notices shall be sent in accordance with the provisions of the last sentence of section 303.

Sec. 311. Rights to Common Profits. -- The common profits shall be applied to the payment of common expenses or to the creation and maintenance of reserves, or shall be distributed to the unit owners in proportion to the liability for common expenses as established pursuant to section 312(c), as the bylaws shall provide.

Sec. 312. Liabilities for Common Expenses. -- (a) Except to the extent that the condominium instruments provide otherwise, any common expenses associated with the maintenance, repair, renovation, restoration, or replacement of any limited common element shall be specially assessed against the condominium unit to which that limited common element was assigned at the time such expenses were made or incurred. If the limited common element involved was assigned at that time to more than one condominium unit, however, such expenses shall be specially assessed against each such condominium unit equally so that the total of such special assessments equals the total of such expenses,

except to the extent that the condominium instruments provide otherwise.

(b) To the extent that the condominium instruments expressly so provide, any other common expenses benefiting less than all of the condominium units, or caused by the conduct of less than all those entitled to occupy the same or by their licensees or invitees, shall be specially assessed against the condominium unit or units involved, in accordance with such reasonable provisions as the condominium instruments may make for such cases.

(c) The amount of all common expenses not specially assessed pursuant to subsections (a) or (b) shall be assessed against the condominium unit, including those units owned by the declarant, in accordance with the provisions of the condominium instruments. The bylaws may establish the fraction or percentage of liability for such expenses appertaining to each condominium unit proportionate to either the size or par value of such condominium unit. Otherwise, the bylaws shall allocate to each such condominium unit an equal liability for such expenses, subject to the following exception: each convertible space shall be allocated a liability for common expenses proportionate to the size of each such space, vis-a-vis the aggregate size of all units, while the remaining liability

for common expenses shall be allocated equally to the other units. Such assessments shall be made by the unit owners' association annually, or more often if the condominium instruments so provide. No change in the number of votes in the unit owners' association appertaining to any condominium unit shall enlarge, diminish, or otherwise affect any liabilities arising from assessments made prior to such change.

(d) If the condominium instruments provide for any common expense assessments to be paid in installments, such instruments may further provide that upon default in the payment of any one or more of such installments, the balance thereof shall be accelerated, or that the said balance may be accelerated at the option of the unit owners' association, its executive organ, or the managing agent.

(e) Unless the condominium instruments provide otherwise, unpaid assessments for common expense and unpaid installments of such assessments shall become past due on the fifteenth day from the day such assessment or installment thereof first became due and payable, and any past due assessment or installment thereof shall bear interest at the lesser of ten percent per annum or the maximum rate permitted to be charged in the District of

Columbia to natural persons on first mortgage loans at the time such assessment or installment became past due.

Sec. 313. Lien for Assessments. -- (a) All assessments levied against a condominium unit in accordance with the provisions of this act and all lawful provisions of the condominium instruments shall, from the time such assessments became due and payable, constitute a lien in favor of the unit owners' association on the condominium unit to which such assessments pertain. If an assessment is payable in installments, the full amount of such assessment shall be a lien from the time the first installment thereof becomes due and payable. Such lien shall be prior to all other liens and encumbrances except: (1) liens and encumbrances recorded prior to the recordation of the declaration; (2) liens of any first priority mortgage or deed of trust on such unit recorded prior to the due date of such assessment or the due date of the first installment payable on such assessment; and (3) liens for real estate taxes and municipal assessments or charges against the unit. The provisions of this subsection shall not affect the priority of mechanics or materialmen's liens.

(b) The recording of the condominium instruments pursuant to the provisions of this act shall constitute record notice of the existence of such lien and no further

recording of any claim of lien for assessment shall be required.

(c) A lien for assessments against a condominium unit may be enforced against such condominium unit by a power of sale in favor of the unit owners' association if assessments are past due, unless the condominium instruments provide otherwise. A unit owner shall have the right to cure any default in payment of assessments at any time prior to the foreclosure sale by tendering payment in full of past due assessments, plus any late charges and interest due thereon and reasonable attorney's fees and costs incurred in connection with the enforcement of the lien for such assessments. Such power of sale may be exercised by the executive organ on behalf of the unit owners' association, and the executive organ shall have the authority to deed a unit sold at a foreclosure sale by the unit owners' association to the purchaser at such sale.

The recitals in such deed shall be prima facie evidence of the truth of the statement made therein and conclusive evidence in favor of bona fide purchasers for value. No foreclosure sale shall be held until thirty days after notice is sent by certified mail to a unit owner at the mailing address of the unit and at any other address designated by a unit owner to the executive organ for

purposes of such a notice. The notice shall specify the amount of the assessments past due, together with any accrued interest thereon and late charges, if any, as of the date of the notice and shall further notify the unit owner that if such past due assessments and accrued interest and any late charges are not paid within thirty days after the date such notice is mailed, the executive organ shall sell the unit at a public sale at the time and place and on a date stated in the notice. Such date of sale shall not be sooner than thirty-one days from the date such notice is mailed. The executive organ shall give public notice of the foreclosure sale by advertisement in at least one newspaper of general circulation in the District of Columbia and by such other means it deems necessary and appropriate to give notice of sale, if any. Such newspaper advertisement shall appear on at least three separate days during the fifteen day period prior to the date of the sale. The proceeds of sale shall be applied -

- (i) to unpaid assessments with interest thereon and later charges, if any;
- (ii) to the cost of foreclosure including but not limited to, reasonable attorney's fees; and
- (iii) the balance to the person or persons legally entitled thereto.

(d) Unless the condominium instruments provide otherwise, the executive organ shall have the power to purchase on behalf of the unit owners' association any unit at any foreclosure sale held on such unit. The executive organ may take title to such unit in the name of the unit owners' association and may hold, lease, encumber or convey the same on behalf of the unit owners' association.

(e) The lien for assessments provided herein shall lapse and be of no further effect as to unpaid assessments (or installments thereof) together with interest accrued thereon and late charges, if any, if such lien is not discharged or if foreclosure or other proceedings to enforce the lien have not been instituted within three years from the date such assessment (or any installment thereof) became due and payable.

(f) The judgment or decree in an action brought pursuant to this section shall include, without limitation, reimbursement for costs and attorneys' fees.

(g) Nothing in this section shall be construed to prohibit actions at law to recover sums for which subsection (a) creates a lien, maintainable pursuant to section 209.

(h) Any unit owner or purchaser of a condominium unit shall be entitled upon request to a recordable statement setting forth the amount of unpaid assessments currently

levied against that unit. Such request shall be in writing, directed to the principal officer of the unit owners' association or to such other officer as the condominium instruments may specify. Failure to furnish or make available such a statement within five business days from the receipt of such request shall extinguish the lien created by subsection (a) as to the condominium unit involved. Such statement shall be binding on the unit owners' association, the executive organ, and every unit owner. Payment of a reasonable fee may be required as a prerequisite to the issuance of such a statement if the condominium instruments so provide.

(i) Upon any voluntary transfer of a legal or equitable interest in a condominium unit, except as security for a debt, all unpaid common expense assessments or installments thereof then due and payable from the grantor shall be paid or else the grantee shall become jointly and severally liable with the grantor subject to the provisions of subsection (h). Upon any involuntary transfer of a legal or equitable interest in a condominium unit, however, the transferee shall not be liable for such assessments or installments thereof as became due and payable prior to his acquisition of such interest. To the extent not collected from the predecessor in title of such transferee, such

arrears shall be deemed common expenses, collectible from all unit owners (including such transferee) in proportion to their liabilities for common expenses pursuant to section 312(c).

Sec. 314. Financial Records. -- The unit owners' association shall cause to be kept books with detailed accounts in chronological order of the associations' income and expenditures. Said books and the vouchers accrediting the entries therein shall be made available for examination by the unit owners and their attorneys, accountants, and authorized agents during reasonable hours on business days. Such books shall be kept in accordance with generally accepted accounting principles and shall be subjected to an independent audit at least once each year.

Sec. 315. Restraints on Alienation. -- If the condominium instruments create any rights of first refusal or other restraints on free alienability of any of the condominium units, such rights and restraints shall be void unless the condominium instruments make provisions for promptly furnishing to any unit owner or purchaser requesting the same a recordable statement certifying to any waiver of, or failure or refusal to exercise, such rights and restraints, in all cases where such waiver, failure, or refusal does in fact occur. Failure or refusal to furnish

promptly such a statement in such circumstances in accordance with the provisions of the condominium instruments shall make all such rights and restraints inapplicable to any disposition of a condominium unit in contemplation of which such statement was requested. Any such statement shall be binding on the association of unit owners, its executive organ, and every unit owner. Payment of a reasonable fee may be required as a prerequisite to the issuance of such a statement if the condominium instruments so provide.

Title IV -- Registration and Offering of Condominiums

Sec. 407. Exemptions. -- Unless the method of offer or disposition is adopted for the purpose of evasion of this act, the provisions of sections 403, 404, 405, 406, 407, 408, 409, and 412 of this act do not apply to -

(a) dispositions in a condominium in which all units are restricted to commercial, industrial, or other nonresidential use;

(b) dispositions pursuant to court order;

(c) dispositions by any government or government agency; or

(d) solicitation and acquisition by the declarant of nonbinding reservation agreements.

Sec. 402. Prohibitions on Dispositions of Units. --

Unless exempt by section 401 -

(a) Neither declarant nor any person on behalf of declarant may offer or dispose of any interest in a condominium unit located in the District of Columbia, nor dispose in the District of Columbia of any interest in a condominium unit located without the District of Columbia prior to the time the condominium including such unit is registered in accordance with this act; and

(b) No declarant may dispose of any interest in a condominium unit unless there is delivered to the purchaser a current public offering statement by the time of such disposition and such disposition is expressly and without qualification or condition subject to cancellation by the purchaser within fifteen days after the contract date of such disposition, or within 15 days after delivery of the current public offering statement, whichever is later. A public offering statement is not current unless any necessary amendments are incorporated therein or attached thereto. Unless otherwise stated herein, the foreclosure of lien provisions should be in accord with D.C. Code, sec. 45-615(b) (1973 edition). If the purchaser elects to cancel, he may do so by notice thereof hand-delivered or sent by United States mail, return receipt requested, to the declarant.

Such cancellation shall be without penalty, and any deposit made by the purchaser shall be promptly refunded in its entirety.

(c) The public offering statement and sales contract shall contain a clause and its Spanish equivalent in a form prescribed by the Mayor which shall clearly state the purchaser's right to cancel.

Sec. 403. Application for Registration. -- (a) The application for registration of the condominium shall be filed as prescribed by the Mayor's rules and shall contain the following documents and information:

(1) An irrevocable appointment of an agent in the District of Columbia, and in the absence of such an agent, the agency to receive service of any lawful process in any noncriminal proceeding arising under this act against the applicant or applicant's personal representative.

(2) The states or jurisdictions in which an applicant for registration or similar document pertaining to the condominium has been filed, and any adverse order, judgment, or decree by any regulatory authority or by any court entered against declarant or any other person referred to in paragraph (3) in connection with (A) any registration, offer of sale of any condominium or condominium units; (B) any violation of any condominium statute or any lack of

compliance with a condominium instrument; and (C) any breach of contract, fraud or misrepresentation perpetrated against any unit owner, unit owner association or unit purchaser.

(3) The name, address, and principal occupation for the past five years of every officer of the applicant or person occupying a similar status or performing similar functions; the extent and nature of such person's interest in the applicant or the condominium as of a specified date within thirty days of the filing of the application.

(4) A statement, in a form acceptable to the Mayor, of the condition of the title to the condominium project including encumbrances as of a specified date within thirty days of the date of application by a title opinion of a licensed attorney, not a salaried employee, officer or director of the applicant or owner, or by other evidence of title acceptable to the Mayor.

(5) Copies of any management agreements, employment contracts or other contracts or agreements affecting the use or maintenance of, or access to, all or a part of the condominium.

(6) Plats and plans of the condominium that comply with the provisions of section 214 other than the certification requirements thereof, and which show all units and buildings containing units to be built anywhere within the submitted

land other than within the boundaries of any convertible lands; except that the Mayor may by regulation or order waive or modify this requirement or the requirements of section 214 for plats and plans of a condominium located outside the District of Columbia.

- (7) The proposed public offering statement.
 - (8) Any other information, including any current financial statement, which the Mayor by his regulations requires for the protection of purchasers.
- (b) If the declarant registers additional units to be offered for disposition in the same condominium he may consolidate the subsequent registration with any earlier registration offering units in the condominium for disposition under the same promotional plan.
- (c) The declarant shall maintain a copy of the application for registration at the declarant's principal office at the condominium. The application for registration shall be made available for public inspection upon request at reasonable times. Provided, however, that the Mayor may grant confidential status to any information required pursuant to section 404(a)(11). The declarant shall promptly report any material changes in the information contained in an application for registration and amend the application accordingly.

(d) Each application shall be accompanied by a fee in an amount determined by the Mayor. The amount of such fee shall be established at a rate adequate to cover the costs related to processing such application and to provide additional funds to be available to defray the costs of administering this act.

Sec. 404. Public Offering Statement. -- (a) A public offering statement shall disclose fully and accurately the characteristics of the condominium and the units therein offered and shall make known to prospective purchasers all unusual and material circumstances or features affecting the condominium. The proposed public offering statement submitted to the Mayor shall be in a form prescribed by his rules and shall include -

(1) the name and principal address of the declarant and the condominium;

(2) the applicant's name, address, and the form, date, and jurisdiction of organization, the address of each of its offices in the District of Columbia, the names and addresses of all general partners if applicant is a partnership, and all directors and owners of ten percent or more of the beneficial interest in the stock of applicant if applicant is a corporation;

(3) to the extent that such information is reasonably available to applicant, the names and addresses of the attorney primarily responsible for the preparation of the condominium documents, the general contractor, if any, all contractors who are primarily responsible for the construction, reconstruction or renovation of the electrical, plumbing or mechanical systems or the roof of the condominium, and the architect and engineer primarily responsible for the design, construction or renovation of the condominium;

(4) a general narrative description of the condominium stating the total number of units in the offering; the total number of units planned to be sold and the number of units to be rented; the total number of units that may be included in the condominium by reason of future expansion or merger of the project by the declarant;

(5) a copy of the declaration and bylaws, with a brief narrative statement describing each and including (A) information on declarant control, (B) a projected budget for at least the first year of the condominium's operation (including projected common expense assessments for each unit), (C) provisions for enforcement of liens for assessments, (D) provisions for reserves for capital expenditures, (E) the estimated amount of any initial or

special condominium fee due from the purchaser on or before settlement of the purchase contract and the basis of such fee; and (F) a description of any restraints on alienation;

(6) copies of the instruments which will be delivered to a purchaser to evidence his interest in the unit and of the contracts and other agreements which a purchaser will be required to agree to or sign.

(7) a copy of any management contract, lease of recreational areas, and any other contract or agreement substantially affecting the use or maintenance of, or access to all or any part of the condominium with a brief narrative statement of the effect of each such agreement upon a purchaser, the condominium unit owners and the condominium, and a statement of the relationship, if any, between the declarant and the managing agent or firm;

(8) a general statement of (A) the status of construction, (B) the project's compliance with zoning, site plan and building permit regulations, (C) source of financing available and the estimated amount necessary to complete all improvements shown on the plats and plans as "NOT YET COMPLETED" or "NOT YET BEGUN" which declarant is obligated to complete and (D) the projected date of completion of construction or renovation of the major amenities of the condominium;

(9) the significant terms of any encumbrances, easements, liens and matters of title affecting the condominium;

(10) the significant terms of any financing offered by or through the declarant to purchasers of units in the condominium;

(11) the provisions and any significant limitations of any warranties provided by the declarant on the units and the common elements, other than the warranty prescribed by section 307(b);

(12) a statement that the contract purchaser of a condominium unit from the declarant may cancel the purchase transaction within fifteen days following the date of execution of the contract by the purchaser or the receipt of a current public offering statement, whichever is later;

(13) a statement as to whether or not the condominium satisfies, or is expected to satisfy, the special requirements pertaining to condominiums established by federal, federally chartered or District of Columbia institutions which insure, guarantee or maintain a secondary market for condominium unit mortgages;

(14) additional information required by the Mayor to assure full and fair disclosure to prospective purchasers; and

(15) plans of the condominium which clearly locate all units and buildings and all common elements.

(b) The public offering statement shall not be used for any promotional purposes before registration of the condominium project and afterwards only if it is used in its entirety. No person may advertise or represent that the Mayor approves or recommends the condominium or disposition thereof. No portion of the public offering statement may be underscored, italicized, or printed in larger or heavier or different color type than the remainder of the statement if such emphasis is intended to mislead the prospective purchaser or to otherwise conceal material facts, except that there may be a cover sheet for such public offering statement using such design, pictures and words as the Mayor may deem reasonable. The form, content, and layout of the public offering statement shall be subject to approval by the Mayor.

(c) The declarant shall file with the Mayor a statement ✓ of any material change in the information contained in the public offering statement. Such statement shall be filed within fifteen days after the date on which the declarant knows or should have known about the change. The Mayor may require the declarant to amend the public offering statement if necessary to assure full and fair disclosure to

prospective purchasers. A public offering statement is not current unless any necessary amendments are incorporated therein or attached thereto. Such amendments must be mailed by United States registered mail, return receipt requested. Such receipt shall be kept on file for review.

(d) The provisions of this section shall be deemed to be complied with if the public offering statement filed pursuant to the provisions of section 404(a)(9) is for offers of units currently registered as securities with the Securities and Exchange Commission.

Sec. 405. Inquiry and Investigation. -- Upon receipt of an application for registration in proper form, the Mayor may forthwith initiate an investigation to determine -

(a) that there is reasonable assurance that the declarant can convey or cause to be conveyed the units offered for disposition if the purchaser complies with the terms of the offer;

(b) that there is reasonable assurance that all proposed improvements will be completed as represented;

(c) that the advertising material and the general promotional plan are not false or misleading and comply with the standards prescribed by the Mayor in its rules and afford full and fair disclosures;

(d) whether the declarant has, or if a corporation its officers and principals have, been convicted of a crime involving condominium unit dispositions or any aspect of the land sales business in the United States or any foreign country within the past ten years, or has been subject to any injunction or administrative order restraining a false or misleading promotional plan involving land dispositions; and

(e) the public offering statement requirements of this act have been satisfied.

Sec. 406. Notice of Filing and Registration. -- (a) Upon receipt of the application for registration in proper form, the Mayor shall, within five business days, issue a notice of filing to the applicant. Within sixty days from the date of the notice of filing, the Mayor shall enter an order registering the condominium or rejecting the registration. If no order of rejection is entered within sixty days from the date of notice of filing, the condominium shall be deemed registered unless the applicant has consent in writing to a delay.

(b) If the Mayor affirmatively determines, upon inquiry and examination, that the requirements of section 405 have been met, he shall enter an order registering the condominium and may require any additions, deletions, or

modifications in and to the public offering statement in order to assure full and fair disclosure.

(c) If the Mayor determines upon inquiry and examination, that any of the requirements of section 405 have not been met, he shall notify the applicant that the application for registration must be corrected in the particulars specified within fifteen days or such longer period as he may prescribe. If the requirements are not met within the time allowed the Mayor shall enter an order rejecting the registration which shall include the findings of fact upon which the order is based. The order rejecting the registration shall not become effective for twenty days after the lapse of the aforesaid period during which twenty-day period the applicant may petition for reconsideration and shall be entitled to a hearing to contest the particulars specified in the Mayor's notice. Such order of rejection shall not take effect during the pendency of a hearing, if requested.

Sec. 407. Annual Report; Termination of Registration.
-- The declarant shall, during any period of control of the condominium by the declarant pursuant to section 302, file a report in the form prescribed by the rules of the Mayor within thirty days of each anniversary date of the order registering the condominium. The report shall reflect any

material changes in information contained in the original application for registration. In the event that the annual report reveals that all of the units in the condominium have been disposed of, and that all period for conversion or expansion have expired, the Mayor shall issue an order terminating the registration of the condominium.

Sec. 408. Conversion Condominiums; Special Provisions.

-- (a) Any declarant of a conversion condominium shall include in his public offering statement in addition to the requirements of section 404 -

(1) A description of any provisions made in the budget for reserves for capital expenditures, contingencies and improvements and an explanation of the basis for such reserves, or, if no provision is made for such reserves, a statement to that effect; and

(2) a statement by the declarant based upon a report of a qualified architect or engineer as to the present condition of all structural components and major utility installations in the condominium. The statement shall include:

(A) the approximate dates of construction, installation, and major repairs of structural components and major utility installations and a general description of

each installed system as particularly suitable or unsuitable for use in a conversion condominium;

(B) an evaluation of the adequacy of each system to perform its intended function both before and after completion of the condominium conversion; and

(C) the estimated life of the system components, and the estimated cost (in current dollars) of replacing each component that has a rated life that is evaluated to be less than the rated life of the entire structure.

The architect's or engineer's report upon which the statement required by this subsection is based shall be filed with The Mayor as a part of the application for registration.

(b) In the case of a conversion condominium:

(1) The declarant shall give each of the tenants or subtenants of the building or buildings which the declarant submits to the provisions of this act at least one hundred twenty days notice of the conversion before any such tenant or subtenant may be served with notice to vacate. Such notice of conversion shall be given no later than ten days after the date the declarant's application for registration of the condominium units is approved. The notice shall be in such form as the Mayor may require and shall set forth generally the rights of tenants and subtenants pursuant to

this section. Such notice shall be hand-delivered or sent by United States mail, return receipt requested. Such notice shall contain a statement indicating that such notice shall not be construed as abrogating any rights any tenant may have under a valid existing written lease.

(2) During the first sixty days of the one hundred twenty-day notice period, each of the tenants who entered into an agreement with declarant or declarant's predecessor in interest to lease the apartment unit shall have the exclusive right to contract for the purchase of such apartment unit. If the tenants do not contract for the purchase of their apartment unit, during the second sixty days of such one hundred twenty-day period, each of the subtenants, if any, who occupy the apartment unit under an agreement with the tenants shall have the exclusive right to contract for the purchase of such apartment unit. The exclusive right to contract for the purchase of such apartment units shall be on terms and conditions at least as favorable to the tenants or subtenants as those being offered by declarant to the general public. The right to contract for purchase granted to the tenants and subtenants, if any, of an apartment unit shall be granted only where the tenant or subtenant has remained, and on the date of the notice is, in substantial compliance with the terms of the

lease or sublease agreement, and if such apartment unit is to be retained in the conversion condominium without substantial renovation or alteration in its physical layout. If there is more than one tenant, then each such tenant shall be entitled to contract for the purchase of a proportionate share of the apartment unit and of a proportionate share of the share of any tenant who elects not to purchase. If the tenants do not contract for the purchase of the apartment unit and if there is more than one subtenant occupying the apartment unit, then each such subtenant shall be entitled to contract for the purchase of a proportionate share of the apartment unit occupied, and of a proportionate share of the share of any subtenant who elects not to purchase. In no case shall this subsection be deemed to authorize the purchase of less than the entire interest in the apartment unit to be conveyed.

(3) If the notice of conversion specifies a date by which the apartment unit shall be vacated, then such notice shall constitute and be the equivalent of a valid statutory notice to vacate. Otherwise, the declarant shall give the tenant or subtenant occupying the apartment unit to be vacated the statutory notice to vacate where required by law in compliance with the requirements applicable thereto.

Sec. 409. Escrow of Deposit. -- Any deposit made in regard to any disposition of a unit, including a nonbinding reservation agreement, shall be held in escrow until either delivered at settlement or returned to the prospective purchaser. Such escrow funds shall be deposited in a separate account for each condominium in a financial institution the accounts of which are insured by a federal or state agency. These deposits shall bear interest at the passbook rate then prevailing in the District of Columbia beginning with the first business day after the date deposited with declarant or declarant's agent. Earned interest shall be credited to the prospective purchaser's deposit. Such escrow funds shall not be subject to attachment by the creditors of either the purchaser or the declarant.

Sec. 410. Declarant to Deliver Declaration and Bylaws to Purchaser. -Unless previously furnished, an exact copy of the recorded declaration and bylaws shall be furnished to each purchaser by the declarant within ten days of recordation thereof as provided for in sections 201 and 205.

Sec. 411. Resale by Purchaser. -- (a) In the event of any resale of a condominium unit by a unit owner other than the declarant, such owner shall obtain from the unit owners' association and furnish to the purchaser, prior to the

contract date of the disposition, the following, or else the contract shall be enforceable only at the option of the purchaser -

(1) appropriate statements pursuant to section 313(h) and, if applicable, section 315;

(2) a statement of any capital expenditures anticipated by the unit owners' association within the current or succeeding two fiscal years;

(3) a statement of the status and amount of any reserves for capital expenditures, contingencies, and improvements, and any portion of such reserves earmarked for any specified project by the executive organ;

(4) a copy of the statement of financial condition for the unit owners' association for the then most recent fiscal year for which such statement is available and the current operating budget, if any;

(5) a statement of the status of any pending suits or any judgments to which the unit owners' association is a party;

(6) a statement setting forth what insurance coverage is provided for all unit owners by the unit owners' association and a statement whether such coverage includes public liability, loss or damage, or fire and extended

coverage insurance with respect to the unit and its contents;

(7) a statement that any improvements or alterations made to the unit, or the limited common elements assigned thereto, by the prior unit owner are not in violation of the condominium instruments; and

(8) a statement of the remaining term of any leasehold estate affecting the condominium or the condominium unit and the provisions governing any extension or renewal thereof.

(b) The principal officer of the unit owners' association or such other officer or officers as the condominium instruments may specify, shall furnish the statements prescribed by subsection (a) hereof upon the written request of any unit owner or purchaser within ten days of the receipt of such request.

(c) Subject to the provisions of section 401, but notwithstanding any other provisions of this act, the provisions and requirements of this section shall apply to any such resale of a condominium unit created under the provisions of the Horizontal Property Act.

Sec. 412. General Powers and Duties of the Mayor. (a) This act shall be administered by the Mayor or his designee. The Mayor shall prescribe reasonable rules which shall be

adopted, amended or repealed in accordance with the provisions of the District of Columbia Administrative Procedure Act (D.C. Code secs. 1-1501 et seq.). The rules shall include but not be limited to provisions for advertising standards to assure full and fair disclosure; provisions for operating procedures; and such other rules as are necessary and proper to accomplish the purposes of this act. The initial such regulations shall be promulgated by the Mayor within 120 days after the effective date of this act.

(b) The Mayor by regulation, rule or order, after public notice and hearing may require the filing of any material relating to condominiums prior to the distribution of such material.

(c) The Mayor may by regulation, rule or order approve the filing and use of an abbreviated public offering statement if the agency determines that the public interest and the interests of purchasers would best be served thereby. The Mayor shall determine whether or not such abbreviated disclosure will be permitted based upon consideration of the following factors among others:

(1) the total number of units being offered is small, which shall mean generally less than ten;

(2) adequate disclosure of relevant information will otherwise be readily available to prospective purchasers;

(3) the class of purchasers will be comprised substantially of persons having the ability to protect their own interests (such as the present tenants); and

(4) in the case of a conversion condominium, no substantial renovation or remodelling of the units will be done.

(d) If it appears that a person has engaged or is about to engage in an act or practice constituting a violation of a provision of this act, or a rule, regulation or order hereunder, the Mayor, with or without prior administrative proceedings may bring an action in the Superior Court of the District of Columbia to enjoin the acts or practices and to enforce compliance with this act or any rule, regulation or order hereunder. Upon proper showing, injunctive relief or temporary restraining orders shall be granted. The Mayor is not required to post a bond in any court proceedings or prove that any other adequate remedy at law exists.

(e) The Mayor may intervene in any suit involving the rights and liabilities of declarant with respect to the condominium being registered and any transactions related thereto. The Mayor may require the declarant to notify the

Mayor of any suit by or against the declarant involving a condominium established or sold by the declarant.

(f) The Mayor may -

- (1) accept registrations filed in other jurisdictions or with the Federal Government;
- (2) contract with similar agencies in this or other jurisdictions to perform investigative functions; and
- (3) accept grants in aid from any governmental source.

(g) The Mayor shall notify the Rental Accommodations Commission whenever an application is made to register a conversion condominium and at such time as any application to register a conversion condominium is approved.

Sec. 413. Investigations and Proceedings. -- (a) The Mayor may make necessary public or private investigations in accordance with law within or outside of the District of Columbia to determine whether any person has violated or is about to violate this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder.

(b) For the purpose of any investigation or proceeding under this act, the Mayor or any officer designated by rule may administer oaths or affirmations, and upon the Mayor's own motion or upon request of any party

shall subpoena witnesses, compel their attendance, take evidence; and require the production of any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents or other tangible things and the identity and location of persons having knowledge of relevant facts or any other matter reasonably calculated to lead to the discovery of material evidence.

(c) Upon failure to obey a subpoena or to answer questions propounded by the investigating officer and upon reasonable notice to all persons affected thereby, the Mayor may apply to the Superior Court of the District of Columbia for an order compelling compliance.

Sec. 414. Cease and Desist Orders. -- (a) If the Mayor determines after notice and hearing that a person has

- (1) violated any provision of this act;
- (2) directly or through an agent or employee knowingly engaged in any false, deceptive or misleading advertising, promotional, or sales method to offer or dispose of a unit;
- (3) made any substantial change in the plan of disposition and development of the condominium subsequent to the order of registration without notifying the agency;

(4) disposed of any units which have not been registered with the agency; or

(5) violated any lawful order or rule of the agency;

the Mayor may issue an order requiring the person to cease and desist from the unlawful practice and to take such affirmative action as in his judgment will carry out the purposes of this act.

(b) If the Mayor makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order the Mayor may issue a temporary cease and desist order. Prior to issuing the temporary cease and desist order, the Mayor shall give notice of the proposal to issue a temporary cease and desist order to the person affected. Every temporary cease and desist order shall include in its terms a provision that upon request a hearing will be held promptly to determine whether or not such order becomes permanent.

Sec. 415. Revocation. -- (a) A registration may be revoked after notice and hearing upon a written finding of fact that the declarant has -

(1) failed to comply with the terms of a cease and desist order;

(2) been convicted in any court subsequent to the filing of the application for registration for a crime involving fraud, deception, false pretenses, misrepresentation, false advertising, or dishonest dealing in real estate transactions;

(3) disposed of, concealed, or diverted any funds or assets of any person so as to defeat the rights of unit purchasers;

(4) failed faithfully to perform any stipulation or agreement made with the Mayor as an inducement to grant any registration, to reinstate any registration, or to approve any promotional plan or public offering statement; or

(5) made intentional misrepresentations or concealed material facts in an application for registration. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings.

(b) If the Mayor finds after notice and hearing that the declarant has been guilty of a violation for which revocation could be ordered, the agency may issue a cease and desist order instead.

Sec. 416. Judicial Review. -- Proceedings for judicial review of Maycral actions shall be subject to and be in

accordance with the District of Columbia Administrative Procedure Act (D.C. Code, secs. 1-1501 et seq.) applicable to "rule-making"; Provided, however, that review of Mayoral actions pursuant to section 406 shall be subject to provisions applicable to "contested cases".

Sec. 417. Penalties. -- Any person who willfully violates any provision of this act or any rule adopted under or order issued pursuant to section 412 or any person who willfully in an application for registration makes any untrue statement of a material fact or omits to state a material fact shall be fined not less than \$1000 or double the amount of gain from the transaction, whichever is the larger but not more than \$50,000; or such person may be imprisoned for not more than six months; or both, for each offense. Prosecution for violations of this act shall be brought in the name of the District of Columbia by the Corporation Counsel or his assistants.

Sec. 418. Severability. -- If any provision of this act, or any paragraph, section, sentence, clause, phrase or word or the application thereof, in any circumstances is held invalid, the validity of the remainder of this act, and of the application of any such provision, paragraph, section, sentence, clause, phrase or word in any

circumstances shall not be affected thereby and to this end, the provisions of this act are declared severable.

Section 419. Effective Date. -- This act shall take effect as provided for acts of the Council of the District of Columbia in Section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

Sec. 420. Amendments to existing Law. -- The District of Columbia Rental Accommodations act of 1975 (D.C. Law, No. 1-33) is amended as follows:

(1) Sec. 213(b) (4) of such act is amended by inserting "and such rental unit or housing accommodation is not being converted to a condominium," immediately after "another person".

(2) Sec. 213(c) of such act is amended by inserting "(1)" immediately after "(c)", and by inserting the following at the end thereof:

"(2) in any case where a landlord seeks to recover possession of a rental unit or housing accommodation to convert such rental unit or housing accommodation to a condominium, notice shall be given according to the provisions of section 503 of the Condominium act of 1976."

(3) Sec. 302 of such act is amended by (A) striking out "condominium or", (B) striking out "180" and inserting in lieu thereof "120", (C) striking out "150" and inserting in

lieu thereof "90" and (D) striking out "condominium units" and inserting in lieu thereof "cooperative units".

Title V -- Condominium Conversion; Housing Assistance

Part A -- Condominium Conversion

Sec. 501. (a) Notwithstanding any other provision of law, no person may convert nor shall the Mayor permit the conversion of any housing accommodation or rental unit in the District of Columbia into a condominium, except as provided in this title.

(b) (1) A housing accommodation or rental unit in the District of Columbia may be converted into a condominium -

~ (A) if that housing accommodation is a high rent housing accommodation or if that rental unit is located in a high rent housing accommodation, at any time after the effective date of this title; or

(B) except as provided in paragraph (2), if that housing accommodation is not a high rent housing accommodation or if that rental unit is located in a housing accommodation which is not a high rent housing accommodation, at any time after the effective date of this title at which the most recently computed vacancy rate (computed according to the procedure set forth upon the enactment of the Condominium act of 1976, Bill 1-179, adopted by the Council July 20, 1976 effective at the end of

the thirty day period, provided for Congressional review of acts of the Council under section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act) higher than 3 percent.

For the purposes of this title, the term "high rent housing accommodation" includes any housing accommodation in the District of Columbia for which the total monthly rent exceeds an amount computed for such housing accommodation as follows:

(i) multiply the number of rental units in the following categories by the corresponding rent: (I) \$212.50 for one bedroom rental units; (II) \$267 for two bedroom rental units. (III) \$375 for three or more bedroom rental units; and (IV) \$162.50 for efficiency rental units; and

(ii) total the results obtained in phase (i).

(2) Any housing accommodation which is not a high rent housing accommodation may be converted to a condominium, notwithstanding a vacancy rate of 3 percent or less, if at least a majority of the heads of households actually residing in such housing accommodation, as of the first day of the month in which the application relating to the registration of such housing accommodation is filed, have signed a written agreement consenting to such

conversion. If a majority of the heads of households in such housing accommodation have signed such written agreements, but the conversion has not taken place, then the landlord of that housing accommodation shall notify each prospective tenant of that housing accommodation that a majority of the heads of households in that housing accommodation have signed such agreements. No landlord or declarant shall use any means whatsoever to coerce any person into signing such an agreement.

Sec. 502 Within ninety days after the effective date of this act, the Mayor shall, according to a procedure developed by him which may include the use of a scientific random sample, compute and certify the percentage of all privately owned rental units in the District of Columbia located in housing accommodations which are not high rent housing accommodations. At least once every twelve months thereafter the Mayor shall, according to such procedure, compute and publish in the District of Columbia Register a preliminary percentage. During the immediately following 30 days the Mayor shall conduct hearings on that percentage, and based upon the record of those hearings, he shall certify a final percentage. When certified, the percentage so certified by the Mayor shall be the vacancy rate for the

purposes of section 501 until another percentage is computed and certified by the Mayor.

Part B -- Housing Assistance

Sec. 511. (a) In addition to all other requirements of this act, and to all other applicable provisions of law, each declarant of a conversion condominium shall pay housing assistance, in an amount calculated according to section 512, to any eligible recipient who -

- (1) makes application for such assistance;
- (2) has been living, for at least one year immediately prior to the first day of the month in which the application for registration relating to such conversion is filed, in the rental unit from which he is being displaced;
- (3) is displaced from a rental unit because such rental unit is being converted to a condominium by the declarant; and

- (4) relocates in the District of Columbia.

Such housing assistance shall be paid in one lump sum payment within 30 days after the date such recipient relocates. Beginning with the twenty-fifth month occurring immediately after the month in which such recipient relocated, and for the immediately succeeding 35 months thereafter, housing assistance payments to such recipient shall be made by the Mayor of the District of Columbia if,

as of the first day of the twenty-fifth month occurring after his relocation, the recipient is eligible for such payment. In lieu of monthly payments, the Mayor may make a lump sum payment to an eligible recipient equal to the amount to which he is entitled to receive under this title.

(b) In addition to all other requirements of this act, and to all other applicable provisions of law, each declarant of a conversion condominium shall pay relocation compensation to any eligible recipient in each rental unit in the building converted if such rental unit is occupied primarily for residential purposes on the date the notice required by subsection 403(b) is given. Such relocation assistance shall be calculated according to the provisions of section 513.

(c) No part of any housing assistance payment or any relocation compensation made under this title shall be considered income to the recipient for the purposes of the District of Columbia Income and Franchise Tax act of 1947. Any such housing assistance payment or any relocation compensation made to any person or family entitled to receive any other payment from the District of Columbia government related to paying the costs of housing or shelter shall be in addition to and shall not affect the amount of or entitlement to such other payment.

Sec. 512. (a) The amount of each housing assistance payment to be made under this title shall be calculated as follows:

(1) If the amount of an applicant's average monthly housing expense, during the twelve consecutive month period ending with the month preceding the month during which he relocated as a result of his rental unit being converted to a condominium, is an amount which is less than 25 percent of the average net monthly family income, computed for such period, then the amount of the monthly housing assistance payment to such applicant shall be in an amount equal to the difference between an amount equal to 25 percent of such average net monthly family income and the amount of the monthly housing expense to be paid by the applicant for the first full month after such relocation, (excluding security deposit, if any).

(2) If the amount of a recipient's average monthly housing expense, during such period, is an amount which is more than 25 percent of such average net monthly family income, then the amount of the monthly housing assistance payment payable to such applicant shall be in an amount equal to the difference between such average monthly housing expense during such period and the amount of the monthly housing expense to be paid by the applicant for the first

full month after such relocation (excluding security deposit, if any).

(3) To obtain the total housing assistance payment to be made by a declarant to any eligible recipient, multiply the figure obtained under either paragraph (1) or (2), as appropriate, by twenty-four. To obtain the total housing assistance payment to be made by the Mayor to any eligible recipient, multiply such appropriate figure by thirty-six.

(b) The Mayor shall determine, from time to time and at least once every twelve months, the range of rents being charged in the District of Columbia by landlords of privately owned housing accommodations for generally available one bedroom, two bedroom, three bedroom or more, and efficiency rental units. The Mayor shall publish his preliminary range of rents in the District of Columbia Register and, during the next immediately occurring 30 days, hold hearings on that preliminary range. Based on the record of those hearings, the Mayor shall certify a final range of rents to be used by him for the purposes of this title. The figure obtained under either paragraph (1) or (2) of subsection (a), as appropriate, shall not exceed the difference between the highest rent in the range of rents of comparable rental units of suitable size, as determined by

the Mayor at the time of the housing assistance payment is made to such recipient, and the amount of the recipient's average monthly housing expense for the twelve month period referred to in section (a) (1).

Sec. 513. (a) The amount of relocation compensation payable shall be calculated as follows:

(1) Relocation compensation in the amount of one hundred twenty-five dollars for each room in the apartment unit shall be payable to the tenants if the tenants are occupying the apartment unit or if the tenants are not occupying the apartment unit, to the tenants or subtenants bearing the cost of removing the majority of the furnishings. For the purposes of the preceding sentence a "room" in an apartment unit shall mean any space sixty square feet or larger which has a fixed ceiling and floor and is subdivided with fixed partitions on all sides, but shall not mean bathrooms, balconies, closets, pantries, kitchens, foyers, hallways, storage areas, utility rooms or the like.

(2) The Mayor shall adjust the amounts to be paid as relocation compensation from time to time solely to reflect changes in the cost of moving within the Washington Metropolitan Area. Such adjustments shall be made no more

than once in any calendar year and shall be made only after prior notice and hearing.

(b) Relocation compensation shall be paid no later than 24 hours prior to the date the apartment unit is to be vacated by the tenants or subtenants if the declarant has received at least ten days advance written notice of the date upon which the apartment unit is to be vacated. If no such notice has been received, then relocation compensation shall be paid within thirty days after the apartment unit is vacated.

(c) If there is more than one person entitled to relocation compensation with respect to an apartment unit, each such person shall be entitled to share equally in the amount of relocation compensation. In any case in which there is a dispute as to whether relocation compensation shall be paid for an apartment unit, or the proper amount of such compensation or the persons entitled to such compensation, the declarant may pay to the Mayor the maximum possible relocation compensation allowable for such apartment unit and shall thereby be relieved of any further obligation under this subsection (d) with respect to such apartment unit. The Mayor shall hold such payment and shall determine whether relocation compensation is payable with respect to the apartment unit, the amount of relocation

compensation payable, if any, and the person or persons entitled thereto. The Mayor shall refund any remainder of such payment to the declarant.

(d) Payment of relocation compensation shall not be required with respect to any apartment unit which is the subject of an outstanding judgment for possession obtained by the declarant or declarant's predecessor in interest against the tenants or subtenants for a cause of action whether such cause of action arises before or after the service of the notice of conversion. If, however, the judgment for possession is based on nonpayment and arises after the notice of conversion has been given, then relocation compensation shall be required in an amount reduced by the amount determined to be due and owing to declarant by the court rendering the judgment for possession.

Sec. 514(a). Each declarant of a conversion condominium, in addition to and at the same time that he sends tenants in the building to be converted, the notices required under section 408(b), shall send to each such tenant the necessary application forms (with instructions), provided by the Mayor, for making application for the housing assistance payments and relocation compensation payable under the provisions of this title. Each applicant

for such assistance or compensation shall give to the Mayor such reasonable information as he may require in order to determine whether such applicant is eligible for the payments for which he applied. All information provided to the Mayor under this section shall be confidential and shall not be disclosed to any person or governmental or private entity in such a manner as to identify the applicant to whom the information relates.

(b) If the information provided by an applicant on the form filed with the Mayor indicates that such applicant is eligible for the relocation compensation payable under section 511-(b), then such applicant shall be presumed to be an eligible recipient and the Mayor shall notify the appropriate declarant of the amount of payment due, to whom it shall be paid, and the address at which such payment should be delivered. Each declarant shall make each relocation compensation payment in a lump sum payment equal to the total amount of the payment for which he is liable to that recipient.

(c) In the event that a declarant believes that either the recipient is not an eligible recipient, or that the payment to that recipient should be lower than the amount indicated by the Mayor, for either housing assistance payments or for relocation compensation, he may seek review

of both the eligibility of the recipient and the amount of such payment by (1) making the payment as indicated by the Mayor, and (2) filing a notice of appeal and request for a hearing with the Mayor within 10 days after making such payment. The Mayor shall conduct such requested hearing as soon as possible after such request is made. Based on the record of the hearing held as requested by a declarant, the Mayor shall determine whether the recipient is actually eligible for the payment received, or whether the amount of such payment is correct, as appropriate. In the event the Mayor determines that the recipient is not eligible, or that the amount of the payment made should be reduced, he shall issue an order to that effect, requiring the recipient to return to the declarant any payment received to which he was not entitled.

(d) The eligibility of a recipient for housing assistance payments shall be reviewed by the Mayor biannually.

Sec. 515. The Mayor may enter into contracts with any bank or other financial institution in the District of Columbia providing that such bank or other financial institution shall make the monthly payments of housing assistance for which the District of Columbia is liable (if the Mayor elects not to make a lump sum payment) from sums

of money deposited in such bank or financial institution by the Mayor for that purpose.

Sec. 516. A new section 5-732(b) is hereby added to the District of Columbia Code to read as follows:

"Whenever a building in the District of Columbia is converted from rental to condominium units, the Relocation Assistance Office shall provide relocation advisory services for tenants who move from the converted building. This includes: Ascertaining the relocation needs for each household; providing current information on the availability of equivalent substitute housing; supplying information concerning Federal and District housing programs; and providing other advisory services to displaced persons in order to minimize hardships in adjusting to relocation."

Sec. 517. (a) For the purposes of this title, the term "suitable size" means for a one person family, an efficiency rental unit; for a two person family, a one bedroom rental unit; for a family of three or four persons, a two bedroom rental unit; for a family of five or six persons, a three bedroom rental unit; and for a family of seven or more persons, a four bedroom rental unit; except, adjustments shall be made to allow children and unmarried adults, of the opposite sex, to have separate sleeping rooms. In determining suitable size for a comparable rental unit, one

person living in a one bedroom rental unit before relocation as a result of condominium conversion shall be eligible for assistance at the level of a one bedroom comparable rental unit.

(b) An eligible recipient, for the purposes of this title, means the head of household in which the household has a combined annual income totaling less than the following percentages of the median annual family income (for a household of four persons) for the District of Columbia, as such median is determined by the United States Bureau of the Census and adjusted yearly by historic trends of that median, and as may be further adjusted by an interim census of District of Columbia incomes collected under contract by local or regional government agencies:

one-person household	50 percent
two-person household	60 percent
three-person household or a one-or-two person household containing any person who is 60 years of age or older or who is handicapped as defined by the Mayor	90 percent
four-person household	100 percent
five-person household	110 percent
more than five-person household	120 percent

(c) For the purposes of this title, "housing accommodation" means any structure or building in the District of Columbia containing one or more rental units,

and the land appurtenant thereto. Such term shall not include any hotel, motel, or other structure, including any room therein, used primarily for transient occupancy and in which at least 60 percent of the rooms devoted to living quarters for tenants or guests are used for transient occupancy, any rental unit in an establishment which has as its primary purpose the providing of diagnostic care and treatment of diseases, including but not limited to hospitals, convalescent homes, nursing homes, and personal care homes; or any dormitory of an institute of higher education, or a private boarding school, in which are provided for students.

(d) For the purposes of this title, the term "housing project" means a group of housing accommodations which are managed as a single business entity.

(e) For the purposes of this title, the term "head of household" means an individual who maintains a rental unit as his principal place of abode, is a bona fide resident and domiciliary of the District of Columbia, and contributes more than one half the cost of maintaining such rental unit. An individual may be considered a head of household without regard as to whether such individual would qualify as a head of household for the purposes of any other law.

(f) For the purposes of this title, the term "comparable rental units" means rental units of corresponding facilities and with the same or similar benefits or services included in the price of the rent.

(g) For the purposes of this title, the term "total monthly rent" shall include the rents asked for vacant units.

Sec. 518. (a) The provisions of this title shall not apply to any housing accommodation, any housing project, or any rental unit in any housing accommodation, if -

(1) the initial condominium instruments relating to the conversion of the housing accommodation, the housing project (including any housing accommodation which is part of the housing project), or the rental unit was filed with the Recorder of Deeds in the District of Columbia before the beginning of the first moratorium on condominium conversions in the District of Columbia; and

(2) the actual conversion process for not less than 50 percent of the units in the proposed condominium was begun before June 1, 1976; or

(3) the housing accommodation or housing project has been vacant for the twelve consecutive months ending on June 1, 1976.

(b) In addition, this title shall not apply to a housing accommodation owned by a cooperative association.

(c) The provisions of this title shall not apply to any housing accommodation or building owned by the government of the District of Columbia.

Considered in Council June 29, 1976First Vote June 29, 1976

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
TUCKER	X				DIXON	X				SPAULDING	X			
MOORE, D.	X				HARDY	X				WILSON	X			
BARRY	X				HOBSON	X				WINTER	X			
CLARKE	X				MOORE, J.	X								
COATES	X				SHACKLETON	X								

X—Indicates Vote A. B.—Absent N. V.—Not Voting

Robert Williams

(Secretary of the Council)

Final Vote in Council July 20, 1976

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
TUCKER	X				DIXON	X				SPAULDING			X	
MOORE, D.		X			HARDY	X				WILSON	X			
BARRY	X				HOBSON	X				WINTER	X			
CLARKE	X				MOORE, J.	X								
COATES	X				SHACKLETON	X								

X—Indicates Vote A. B.—Absent N. V.—Not Voting

Robert Williams

(Secretary of the Council)

Presented to the Mayor _____

Mayor's Action: ✓ 26 AUG 1976Approved: 26 AUG 1976

Disapproved: _____

26 AUG 1976

Robert Williams
(Mayor's Signature)

Enacted without Mayor's Signature _____

(Secretary of the Council)

Reconsidered by Council _____

Vote _____

RECORD OF COUNCIL VOTE

COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.	COUNCIL MEMBER	AYE	NAY	N.Y.	A.B.
TUCKER					DIXON					SPAULDING				
MOORE, D.					HARDY					WILSON				
BARRY					HOBSON					WINTER				
CLARKE					MOORE, J.									
COATES					SHACKLETON									

X—Indicates Vote

A. B.—Absent

N. V.—Not Voting

(Secretary of the Council)

Presented to the President _____

(Secretary of the Council)

Sustain Mayor's Veto _____

Not Sustain Mayor's Veto _____

(President of the U. S.)

Submitted to the Congress JAN 10 1977

(Secretary of the Council)

Senate Action _____

Resolution Number _____

House Action _____

Resolution Number _____

(Secretary of the Senate)

(Clerk of the House)

Enacted without Congressional action _____

(Secretary of the Council)