

4715 HOUSING ACCOMMODATION WITH FIVE OR MORE UNITS

4715.1 Upon receipt of the offer of sale, in order to contract with an owner for sale of the accommodation (unless such a tenant organization already exists in a form desired by the tenants) the tenants shall do the following:

- (a) Form a tenant organization with the legal capacity to hold real property;
- (b) Elect officers;
- (c) Adopt bylaws; and
- (d) File articles of incorporation.

4715.2 Within forty-five (45) days of the receipt of a valid offer of sale, the tenant organization shall deliver a statement of registration by first class mail or by hand to the owner and the Conversion and Sale Regulatory Office.

4715.3 If, at the time of receipt of the offer of sale, a tenant organization exists in a form desired by the tenants, such registration statement shall be delivered within thirty (30) days.

4715.4 Upon delivery of a tenant organization registration, the tenant organization constitutes the sole representative of the tenants.

4715.5 Registration of the tenant organization shall include the following:

- (a) Names, addresses and phone numbers of tenant officers and legal counsel (if any);
- (b) Copy of articles of incorporation;
- (c) Copy of the bylaws; and
- (d) Documentation that the organization represents at least a majority of the occupied rental units, including a list of tenant members with corresponding unit numbers and the number of vacant units, and that all tenants have had or will have adequate notice and sufficient time to join the organization. Any tenant on the date of the offer of sale shall be allowed to join the tenant organization.

4715.6 Only a tenant organization may reject an offer of sale for a housing accommodation with five (5) or more units before the forty-five day registration period expires.

4715.7 The owner shall afford the tenant organization a reasonable period to negotiate a contract for sale, and shall not require less than one hundred twenty (120) days from the date of receipt of

registration to negotiate a contract. For every day of delay beyond the seven (7) days in which the owner shall provide information as required by §§ 4711(c) and (d), the negotiation period shall be extended by one (1) day.

- 4715.8 The owner shall afford the tenant organization a reasonable period prior to settlement and shall not require less than one hundred twenty (120) days from the date of the contract. The owner shall afford an extension of time consistent with a written estimate from a lending institution or agency which normally provides financing if a decision with respect to financing or financial assistance will be made within two hundred forty (240) days after the date of contract.
- 4715.9 If, by the date of a contract to purchase, the tenant organization's Articles of Incorporation provide that the purpose of the tenant organization is to convert the housing accommodation to a nonprofit cooperative in which the share value is limited to a maximum of the annual rate of inflation, the owner shall require not less than one hundred eighty (180) days from the date of contract for settlement or such additional time as allowed by § 4715.7.
- 4715.10 If three hundred sixty (360) days elapse from the date of a *bona fide* offer to sell under this section and the owner has not sold or contracted to sell the accommodation, the owner shall comply anew with the requirements of Title IV of the Act. In such a case, the tenant organization shall comply anew with requirements of registration. The original articles of incorporation, officers and bylaws of the tenant organization remain effective unless defective under their own terms or other provisions of law.

SOURCE: Notice of Final Rulemaking published at 28 DCR 2443 (May 29, 1981), incorporating by reference the text of Notice of Emergency and Proposed Rulemaking published at 28 DCR 694, 710 (February 13, 1981).