

4712 CONTRACT NEGOTIATION

4712.1 The tenant(s) and the owner shall bargain in good faith.

4712.2 The following items shall constitute *prima facie* evidence of lack of good faith:

- (a) The failure of an owner to offer the tenant(s) a price at least as favorable as that offered to a third party, within the time periods specified in the Act, without a reasonable justification;
- (b) The failure of an owner to make a contract with the tenant(s) that substantially conforms with the price and terms of a third party, without reasonable justification, except where the Act may require otherwise; and
- (c) The willful violation by a tenant or owner of the provisions of the Act.

4712.3 The owner shall not require the tenants to pay a deposit of more than five percent (5%) of the contract sales price in order to make a contract. The deposit, with interest accrued thereon, shall be refundable in the event of a good faith failure of the tenants to perform under the contract.

4712.4 The tenant(s) may assign his or her rights under Title IV of the Act to an agency or instrumentality of the District of Columbia or federal government.

4712.5 The tenant(s) may exercise rights under the Act in conjunction with a third party to aid in the purchase.

4712.6 A tenant or tenant organization shall have the right of first refusal for fifteen (15) days after the owner has notified the tenant organization of receipt of a valid sales contract from a third party. The owner shall notify the tenant(s) of such contract or offer.

4712.7 If the third party contract is received before or during the tenant negotiation period, the fifteen (15) day right of first refusal shall come at the end of the negotiation period. If the third party contract is received after the tenant negotiation period, the fifteen (15) day right of first refusal shall begin when the tenants receive notice.

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, 708-709 (February 13, 1981).