

Start Over Period (360 days)
More Information!

Settlement

Typically the tenant association will have **120 days** after the date of contracting to secure financing and financial assistance. There are also extension provisions to this rule, particularly if a lending institution estimates in writing that a decision with respect to financing or financial assistance will be made within 240 days after the date of contracting, the owner shall afford an extension of time consistent with that written estimate. **CONSULT YOUR ATTORNEY. More Information!**

Negotiation w/ Owner

The law allows a minimum **120 day** negotiation period after the current owner receives the tenant association's registration application.

- The 120 days can be extended one day for each day the owner fails to deliver required information referenced in the next bullet point.
- The 120 days can also be **extended by 15 days** if the owner enters into a contract with a third party before or during the negotiation period. This is called a right of first refusal period.

More Information!

If Tenant Association Does Not Exist

Must incorporate T.A. and deliver registration application within 45 days from receipt of offer of sale (by T.A. or Rental Conversion and Sale Division, whichever date is later).

*T.A. must be formed and registered with DCRA, Corporations Division and Rental Conversion and Sale Division.

The tenant organization registration application must be sent to both the owner and the Rental Conversion and Sale Division by certified mail or by hand delivery.

Document Due Date...

Registration application must be hand-delivered or sent via certified mail no later than the 45th day.

Notice of Transfer

The Notice of Transfer must be delivered to the tenants and the Condominium Office **at least 90 days** before the proposed transfer. The Notice must describe the transaction, and state whether the transfer is an exempt transaction, (or not a sale). It must give the reasons why the transfer is not a sale.

Tenants' Challenge to Transfer

If any owner does not claim an exemption, then tenants may challenge the transfer by filing an intent to file a petition for declaratory relief within **45 days**. If the owner claims an exemption, the tenants must file their intent notice in 30 days.

Offer of Sale

Must be provided to tenants (before or after contract is signed with third party), but before settlement with third party. Accompanying documents (if requested by tenants) must be provided within 7 days of request.

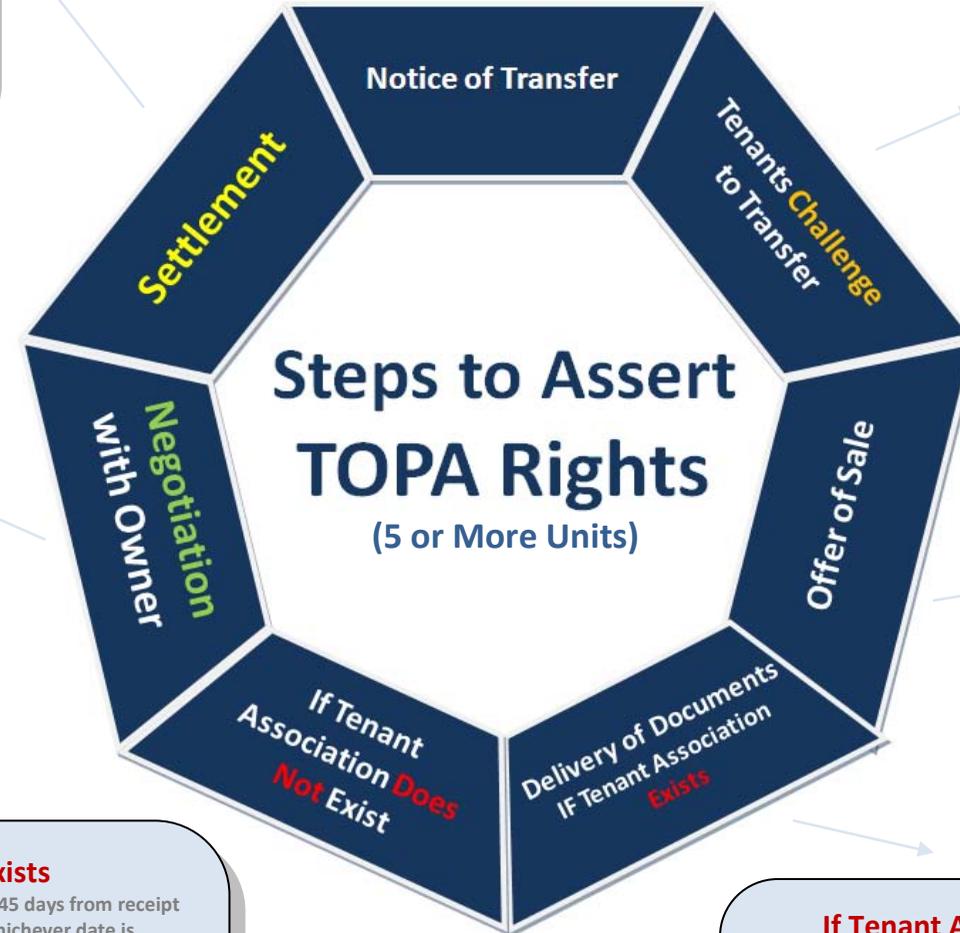
*Accompanying documents: floor plan list of operating expenses, utility consumption rates, past 2 years expenditures, most recent rent roll, list of tenants, list of vacant apartments.

If Tenant Association Already Exists

- Statement of Interest in Purchasing
 - Tenant Association Registration Application*
- More Information!**

These 2 documents must be delivered to both the owner and the Rental Conversion and Sale Division by certified mail or hand delivery within 30 days receipt of offer of sale (by T.A. or Rental Conversion and Sale Division, whichever date is later).

Document Due Date... More Information!



Steps to Assert TOPA Rights (5 or More Units)

More Information!



-Negotiation w/ Owner

The tenant association may request certain building and operational information. Within 7 days after receiving the tenant association's written request, the owner must provide:

- A floor plan of the building (if the owner does not have a floor plan, the owner may state in writing that the owner does not have a floor plan);
- An itemized list of monthly operating expenses, utility consumption rates, and capital expenditures for each of the 2 preceding calendar years; and
- The most recent rent roll, list of tenants, and list of vacant apartments.

The owner and the tenant association must negotiate in good faith. While the statute does not define good faith, it does give examples of bad faith:

- Owner's failure to offer the tenant a price or term at least as favorable as that offered to a third party, within the negotiation period without a reasonable justification for so doing;
- Owner's failure to contract with the tenant association with terms which substantially conform with the price and terms of a third party contract without a reasonable justification for so doing; or
- Intentional failure of a tenant association or an owner to comply with the TOPA statute.

Right of First Refusal:

Tenants have the right to match any contract for sale between the owner and a third party. The law gives tenants 15 days to match the contract. If the owner gives the tenants the contract during or before the negotiation period discussed above, 15 days are added to the end of the negotiation period.

- The owner may not require the tenant association to prove financial ability to purchase as a condition to entering into a contract, and the owner may not require the tenant association to pay the purchase price in installments unless the owner provides financing on terms reasonably acceptable to the tenant association. The rules get complicated at this point. CONSULT YOUR ATTORNEY.
- The owner, however, may require the tenant association to pay a deposit of up to 5% of the contract sales price in order to make a contract. The deposit is refundable in the event of a good faith failure of the tenant association to perform under the contract.
- Instead of purchasing the building themselves, the tenant association can assign or sell its tenant rights to other groups. Using this right, a tenant association can use its rights to negotiate better building conditions, limit rent increases or for other benefits.

-Start Over Period

If the owner does not enter into a contract with anyone else within 360 days after the offer is made to the tenants, the owner must start over. This means the owner must offer the building to the tenants again and comply with the time periods.

-If Tenant Association Already Exists

Document Due Date...

Documents should be delivered no later than the 30th day after the later of when (a) DHCD received the offer of sale or (b) the tenants received the offer of sale.

Once registered, the tenant association will be the sole representative of the tenants and the offer of sale is an offer to the tenant association.

A Tenant Association Registration Application includes...

- Names and contact information for tenant officers and the association's attorney (if any),
- Copies of the certificate of incorporation, the articles of incorporation and bylaws, and
- Documentation that the tenant association represents at least a majority of the occupied units at the time of registration. Note: When determining if the tenant association represents a majority, tenants who have worked for the owner in the last 120 days or have lived in the housing accommodation less than 90 days are not counted toward the majority. (They can, however, join the tenant association.)

Remember that the tenant association should also include a letter indicating interest in purchasing the housing accommodation.

-Settlement

Amount of Days...

The tenant association may receive 180 days if the tenant association's purpose is to convert the building to a low income limited equity share nonprofit cooperative.