

Article - Corporations and Associations

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§5-6B-06.

(a) (1) An owner required to give notice under § 5-6B-05 of this subtitle shall offer in writing to each tenant entitled to receive that notice the right to purchase the cooperative interest which is coupled with the proprietary lease for that portion of the residential rental facility occupied by the tenant as the tenant's residence. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms, and conditions offered for the cooperative interest which is coupled with the proprietary lease for that portion of the residential rental facility to any other person during the 180-day period following the giving of the notice required by § 5-6B-05 of this subtitle. Settlement cannot be required any earlier than 120 days after the offer is accepted by the tenant.

(2) (i) The cooperative housing corporation shall adopt uniform objective standards concerning financial responsibility which shall apply to all tenants and initial purchasers.

(ii) The tenant's acceptance of the owner's offer is conditioned on the tenant meeting the financial standards established by the cooperative housing corporation under subparagraph (i) of this paragraph.

(3) The offer to each tenant shall be made concurrently with the giving of the notice required by § 5-6B-05 of this subtitle, shall be a part of that notice, and shall state that:

(i) The offer will terminate upon the earlier to occur of termination of the lease by the tenant or 60 days after delivery;

(ii) Acceptance of the offer by a tenant who meets the criteria for an extended lease under § 5-6B-07(b) of this subtitle is contingent upon the tenant not receiving an extended lease;

(iii) Settlement cannot be required earlier than 120 days after acceptance by the tenant; and

(iv) The household is entitled to reimbursement for moving expenses as provided in subsection (h) of this section.

(4) Delivery of a notice in the form specified in § 5-6B-05(f) of this subtitle meets the requirements of subsection (a) of this section.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, an owner may make alterations or additions to the size, location, configuration, and physical condition of the residential rental facility. The developer is not required to make the boundaries of a portion of the residential rental facility occupied by a tenant as the tenant's residence coincide with the boundaries of a proposed unit.

(2) If the boundaries of a portion of the residential rental facility occupied by a tenant as the tenant's residence do not coincide with the boundaries of a proposed unit, then, to the extent reasonable and practicable, the owner shall offer in writing to that tenant the right to purchase a substantially equivalent cooperative interest. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms, and conditions offered for the cooperative interest which is coupled with the proprietary lease for that portion of the residential rental facility to any other person and shall contain the statements required by paragraph (2) of subsection (a) of this section.

(c) Unless written acceptance of an offer made under subsection (a) or (b) of this section is first delivered to the owner by the tenant, the offer shall terminate, without further act, upon the earlier to occur of:

(1) Termination of the lease by the tenant; or

(2) 60 days after the offer is delivered to the tenant.

(d) Acceptance of an offer by a tenant who meets the criteria for an extended lease under § 5-6B-07 of this subtitle shall be contingent upon the tenant not receiving an extended lease.

(e) (1) Except as provided in paragraph (2) of this subsection, if the offer terminates, the owner may not offer to sell that cooperative interest at a price or on terms and conditions more favorable to the offeree than the price, terms, and conditions offered to the tenant during the 180-day period following the giving of the notice required by § 5-6B-05 of this subtitle.

(2) The owner may reoffer to sell that cooperative interest to the tenant on terms and conditions more favorable to the offeree, and if the owner does so, the offer shall supersede the first offer.

(f) Within 75 days after the giving of the notice required by § 5-6B-05 of this subtitle, the developer shall provide to any county, incorporated municipality, or housing agency which has a right to purchase cooperative interests in the residential rental facility under § 5-6B-09 of this subtitle a list of the names and units of all tenants who have validly accepted offers made under this section within 60 days of

the giving of the notice required by § 5-6B-05 of this subtitle, except those offers which have terminated because of the granting of an extended lease under § 5-6B-07 of this subtitle.

(g) If a membership certificate for a unit contains an affidavit by the issuer or transferor that the provisions of this section have been fulfilled, then the holder or transferee takes title to the cooperative interest free and clear of all claims and rights of a person arising under this section.

(h) (1) If the household does not accept the purchase offer made under this section, the owner shall:

(i) If the household qualifies as to income under § 5-6B-07 of this subtitle, pay the household \$375 when the household vacates the unit and reimburse the household for moving expenses in excess of \$375 up to \$750 which are actually and reasonably incurred; or

(ii) If the household does not qualify as to income under § 5-6B-07 of this subtitle, reimburse the household for moving expenses up to \$750 which are actually and reasonably incurred.

(2) The household shall make a written request for moving expense reimbursement to the developer, accompanied by reasonable evidence of the costs incurred, within 30 days after moving. The developer shall reimburse the household within 30 days following receipt of the request.

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