

STATEMENT OF TENANT’S RIGHTS

Condominium Conversion Ordinance

TO: Tenants at

(Building Name and Address)

FROM: _____
(Owners)

DATE: _____

We intend to begin selling condominium units in this building in the near future. Under the City of Renton’s Condominium Conversion Ordinance you have certain rights and are entitled to certain benefits. These rights and benefits, and what you must do to receive them, are explained in this notice which has been provided by the City of Renton’s Building Division and which we are obligated by Ordinance to provide you. Because some of the benefits provided to you by the ordinance can be lost if you fail to act, IT IS IMPORTANT THAT YOU READ THIS NOTICE IMMEDIATELY. If you have any questions about anything discussed in this notice, contact the Building Division of the City of Renton at 425-430-7200.

_____, our agent, who can be reached at _____, will answer any questions that you may have about the building, individual units or our condominium sales program.

I. DOCUMENTS THAT YOU SHOULD HAVE RECEIVED:

This notice was distributed at a meeting between all the tenants in the building and the building owner. If there is more than one tenant in your apartment, then the tenant who signed the rental agreement is entitled to the notice and documents. With this notice you should receive the following documents:

1. A list of all the units in the building that are to be sold and the price of each unit;
2. A copy of the City of Renton’s Building Official’s Inspection Report.
3. Unless previously mailed, copies of documents that we intend to file with government agencies in establishing this condominium (a notice will be sent to you within 5 days of filing these documents by registered or certified mail);

4. A statement listing all the significant repairs and improvements that we have made in the last six months;
5. A statement listing all the repairs and improvements that we will make before completing the sale of any units;
6. A statement of those expenses that we now pay but which will later be transferred to condominium purchasers either directly or through the condominium owners' association;
7. a. EITHER an estimate of the useful life of the building's major systems and components* and the cost of repairing any component whose useful life is less than five years;

OR

- b. A detailed description of the condition of these systems and components whose useful life cannot be accurately estimated and a statement explaining why an estimate is impossible;
- * Major Systems and Components include the following: foundation, exterior walls, exterior wall coverings, other than paint, or similar protective coating, exterior stairs, floors and floor supports, carpeting in common areas, roof cover, chimneys, plumbing system, heating system, water heating appliances, mechanical ventilation system, and elevator equipment.
8. An itemized statement of the anticipated monthly cost of owning a condominium unit in this billing.

II. YOUR PURCHASE RIGHTS

1. Your right to purchase your unit.

You have the option to purchase the unit you lease under the terms and conditions set forth in the attached Exhibit A. You have until _____ (enter date 120 days from date of meeting) to accept or reject his offer. If you decide to purchase the unit, your acceptance must be IN WRITING and must be sent to us by REGISTERED OR CERTIFIED MAIL postmarked on or before _____. WE HAVE NO OBLIGATION TO HONOR ANY ACCEPTANCES POSTMARKED AFTER THAT DATE. If you decide not to purchase the unit, you should also notify us in writing prior to that date.

2. Your rights to purchase other units in the building.

All units that are not purchased by the tenants (or legal subtenants) who live in them will be made available for sale to the other tenants in the building. Your option to purchase one of the other units in the building begins when the tenant occupying that unit rejects our offer and expires _____ (enter date 120 days from the date of the meeting).

If you wish to purchase a unit other than your own, you must send us IN WRITING an acceptance of our offer for that unit. The acceptance must be sent to us by REGISTERED OR CERTIFIED MAIL postmarked on or before _____ (insert 120 days from date of meeting). WE HAVE NO OBLIGATION TO HONOR ANY ACCEPTANCE POSTMARKED AFTER THAT DATE. If you decide not to purchase the unit, you should also notify us in writing prior to that date. After that date all units which are not sold will be offered to the public. If more than one tenant submits an acceptance for any unit, we will honor the acceptance with the earliest postmark.

III. SUBTENANTS

If you sublet your unit, you should receive all the documents described in Section I. However, you, as subtenant, have no option to purchase the unit that you occupy until it is rejected by the tenant who rents it from us. When and if we receive a rejection of our offer from the tenant, we will notify you. You will have 30 days from the date of the notice to you or until _____ (insert date 120 days from meeting date) whichever is later, to accept the offer. Your acceptance must be delivered to us by registered or certified mail postmarked on or before the 30th day following our notice to you or on or before _____ (insert date 120 days from meeting date).

IV. YOUR RIGHTS AS A PURCHASER

Seven days before you sign a commitment to purchase, we will make available information listed in Schedule I. If you decide to purchase one of the units in this building, you will receive from us, seven days before you sign the final sale papers, a copy of the Building Official's Inspection Report and certification that the repairs in the Inspection Report have been made. After the sale you will receive a one-year warranty on each repair and improvement that we have made since _____ (enter date used for repair disclosure).

V. COMPLAINTS

If you do not receive all of the documents, rights and benefits described in this notice, you can file a written complaint with the City of Renton's Building Division.

VI. TERMINATION OF LEASE

You may terminate your lease at anytime during the following 120 days but on in accordance with the Revised Code of Washington 59.18.200 and 59.18.220. In the event you do so terminate your lease, you will forfeit all rights to purchase a unit.

ESTIMATE OF MONTHLY COST OF OWNERSHIP

The following examples are intended to show the estimated monthly costs of ownership of a unit priced at \$_____. These are estimates only and may vary depending on the unit selected, personal living habits, etc.

<u>Description</u>	<u>Estimated Monthly Cost</u>
Mortgage Payment (based on ____% financing at ____ - ____ year amortization with ____% down payment)	\$ _____ (3)
Real Estate Taxes (estimated based on 19____)	\$ _____ (1)
Homeowners Insurance (based on \$_____ content and personal coverage)	\$ _____ (1)
Electric Utilities	\$ _____ (1)
Gas Utilities	\$ _____
Water/Sewer/Garbage (if applicable)	\$ _____
Homeowners Assessment	\$ _____ (2)
Projected Monthly Assessment for replacing building components whose life expectancy is less than five years	\$ _____ (2)
SUBTOTAL	\$ _____
Estimated Monthly Cost of ownership before mortgage payment	\$ _____ (4)
TOTAL estimated monthly cost of ownership	\$ _____ (3)

(1) These costs would be incurred whether an individual purchased the unit or continued to rent.

(2) this is based on the initial projected operating budget which is enclosed, and the assumption that the building will be 100% occupied.

- (3) Since each individual's situation is unique, the mortgage payment portion and subsequently the total estimated monthly cost of ownership will be revised during an individual interview with each tenant after considering such items as anticipated down payment, interest rate, loan terms, etc.
- (4) NOTE – assuming an inflation rate of _____% per year, the monthly cost of ownership would increase approximately \$_____ per month in 20__, and _____% compounded annually thereafter. Since the mortgage payment will most likely be a fixed rate, inflation would not affect that item.

ESTIMATE OF USEFUL LIFE OF
MAJOR COMPONENTS AND MECHANICAL SYSTEMS

The following is an estimate of the useful life of the building's major components and mechanical systems and estimate of the cost of repairing any component whose useful life will terminate in less than five (5) years from the date of these documents.

<u>COMPONENT</u>	<u>REMAINING USEFUL LIFE</u>
Foundation	_____
Exterior Walls	_____
Exterior Wall covering s(other than paint or similar protective coating)	_____
Exterior Stairs	_____
Floors and Floor Supports	_____
Carpeting in common areas	_____
Roof Cover	_____
Chimneys	_____
Plumbing System	_____
Heating System	_____
Water Heating Appliances	_____
Mechanical ventilation system	_____
Elevator Equipment	_____

OFFER TO SELL

The Seller, _____, hereby offers to sell the unit(s) set forth in the attached list in the _____, Renton, Washington, to the tenant(s) presently occupying said unit(s), and the other tenants within the building. The terms of sale are:

- Price: The price of this unit is set forth on the attached schedule.
- Terms: All Cash.
- Closing Date: No later than 90 days from execution of Earnest Money Agreement or until Seller is able to close _____ unit sales simultaneously.
- Subject To: Declaration, Covenants, and Restrictions of _____, a Condominium, and subject further to the Purchaser executing an Earnest Money Agreement, in the form attached hereto, with the Seller.
- Condition of Unit: Offer is made subject to unit being accepted “as is” in its present condition.
- Parking: The parking stall(s) conveyed with this unit are as set forth on the attached schedule.

It should be specifically understood: that this offer is being made in compliance with Section 3.2 RMC Section 4-9-040E; that the tenant in possession shall have the exclusive right to buy the unit indicated above for a period of 120 days from the date this offer is made to said tenant and shall have an additional right to purchase any other unit in the complex which the tenant or subtenants thereof elect not to purchase and which is not under contract at the time seller receives notification. It should be understood that if any tenant elects not to purchase their specific unit, other tenants may then indicate their desire to purchase that unit. Units will be sold on a first come, first serve basis.

This offer is made this _____ day of _____, 20__.

SELLER:

- [] 1. I (we) desire to purchase:
- [] a. Unit No. ____ which I (we) presently occupy in the _____ apartments.
 - [] b. Unit No. ____ which I (we) do not presently occupy.
- [] 2. I (we) desire not to purchase a unit.

DATED this _____ day of _____, 20__.

Tenant

Tenant

Please return as soon as possible to:

