



CITY OF TAKOMA PARK, MARYLAND

NOTICE OF RENTAL HOUSING LAWS

This Notice is attached to and made a part the Contract dated _____, between the undersigned Seller and Purchaser for the sale and purchase of residential rental property located at _____, Takoma Park, Maryland.

The City of Takoma Park strongly encourages prospective purchasers to familiarize themselves with the City laws and regulations regarding rental housing before purchasing any property that is used as residential rental housing. These laws include the following:

1. Tenant Opportunity to Purchase (*Takoma Park Code, Chapter 6.32*). Before a Seller may go to settlement on the sale of a rental facility, the Seller must give the tenants an opportunity to purchase the rental facility. All contracts for the sale of the rental facility are subject to the rights of the tenant(s) or tenant association to purchase the rental facility in accordance with Chapter 6.32.

2. Rent Stabilization (*Takoma Park Code, Chapter 6.20*). The rent stabilization law restricts rent increases for residential rental units. The Seller is required to provide the Purchaser with copies of the two most recent annual Rent Reports for the rental facility, which must be initialed by the Purchaser and attached to the Contract of Sale. City law does not permit a landlord to increase the rents for the rental facility above the annual rent stabilization allowance without an order from the Commission on Landlord-Tenant Affairs. Neither the price paid for the rental facility, nor the financing terms, are considered in a landlord's petition to increase the rents for the rental facility above the annual rent stabilization allowance.

3. Rental Housing Licenses (*Takoma Park Code, Chapter 6.08*). All rental facilities must be inspected for compliance with the Property Maintenance Code and licensed. The Seller is required to provide the Purchaser with copies of the two most recent Rental Housing Licensing Inspection Reports for the rental facility, which must be initialed by the Purchaser and attached to the Contract of Sale.

4. Landlord-Tenant Relations (*Takoma Park Code, Chapter 6.16*). In addition to the applicable state landlord-tenant laws, the City of Takoma Park has supplemental laws regulating the landlord-tenant relation, including minimum lease term and lease renewal requirements, restrictions on allowable pet and other fees that may be charged to a tenant, and a Commission on Landlord-Tenant Relations, which hears complaints of landlord-tenant violations and appeals from rent increase petition decisions.

Additional information is available upon request from the City of Takoma Park Department of Housing and Community Development at (301) 891-7119 or at www.takomaparkmd.gov.

A Purchaser has the unconditional right, upon written notice to the Seller or Seller's agent, to rescind the contract of sale and to the immediate return of any deposit at any time within five (5) days following receipt of this Notice and receipt of copies of the annual Rent Reports* and Rental Housing Licensing Inspection Reports for the rental facility for the two years immediately preceding the sale. The right of a Purchaser, who has received this Notice and complete and accurate Rent Reports* and Inspection Reports, to rescind the contract of sale terminates if not exercised before settlement on the transfer of title to the rental facility.

* If the rental facility is exempt from rent stabilization, then a Certificate of Exemption from the City of Takoma Park must be attached to the contract of sale and copies of the annual Rent Reports do not need to be provided to the Purchaser.

This Notice is required by the City of Takoma Park to provide general information about the City's rental housing laws and requirements and is not intended to provide specific legal or investment advice.

Seller: _____

Date: _____

Print Name: _____

Seller: _____

Date: _____

Print Name: _____

Purchaser acknowledges receipt of this Notice, copies of rental housing licensing inspection reports for years _____ and _____, and copies of the annual rent reports* for years _____ and _____ for the property located at _____ in Takoma Park, Maryland.

Purchaser: _____

Date: _____

Print Name: _____

Purchaser: _____

Date: _____

Print Name: _____