CALIFORNIA ASSOCIATION OF REALTORS®

SAN FRANCISCO INFORMATION REGARDING MANDATORY DISCLOSURES TO TENANTS FOR SELLER/EXISTING OWNER AND BUYER/NEW OWNER

(C.A.R. Form SF-MDT, 1/11)

This disclosure concerns the residential property situated in the City of San Francisco, County of San Francisco, State of California, described as _____ _____ ("Property").

1. Seller AND Buyer are EACH required to make certain disclosures to residential tenants who are subject to Section 37.9 of the San Francisco Residential Rent Stabilization and Arbitration Ordinance ("Rent Ordinance").

A. Obligation of Seller/Existing Owner: Pursuant to Section 37.9(k)(1) of the Rent Ordinance, the Seller/Existing Owner of a building containing rental units subject to Section 37.9 of the Rent Ordinance must tell each tenant in the property that the tenant has those rights listed in the Rent Ordinance during and after the sale of the property. Seller/Existing Owner must give the required disclosure of rights to the tenants BEFORE selling the property. The real estate broker or agent is not responsible to ensure compliance with this requirement.

B. Obligation of Buyer/New Owner: Pursuant to Section 37.9(k)(2) of the Rent Ordinance, the Buyer/New Owner must tell each tenant in the property WITHIN 30 DAYS of acquiring title that each such tenant has certain rights listed in the Ordinance following the sale of the property. The 30 day period will in most cases begin to run on the date that the deed transferring title to the Buyer/New Owner is recorded. The Buyer/New Owner is solely responsible for the timely delivery of the required disclosure to the tenants. The real estate broker or agent is not responsible to ensure compliance with this requirement.

C. Form and Content of the Required Disclosure to Tenants: The required disclosure statement by the Seller/Existing Owner and the required disclosure statement by the Buyer/New Owner are each attached to this document. Each disclosure statement must be in writing and with specified paragraphs in bold type of at least 12 points.

2. Rental Units Subject to This Mandatory Disclosure of Rights to Tenants:

A. Tenants in all rental units must receive the Disclosure of Rights to Tenants forms (one from the Seller and one from the Buyer) unless the rental unit is exempt in whole or in part from the Rent Ordinance. The exemptions are contained in Section 37.2(r) of the Rent Ordinance and in Rule 1.17 adopted by the Rent Board.

B. While certain Rental Units are exempt from the rent increase limitations of the Rent Ordinance (Section 37.3) (for example, rental units exempt from rent increase limitations by the Costa Hawkins Rental Housing Act or tenants who the Rent Board has held do not occupy their rental unit as their principal place of residence under Rule 1.21), they are still subject to the eviction controls of Section 37.9. Therefore the tenants in these units must also receive the required Disclosure of Rights. Given the complexity of exemption issues, sellers and buyers are urged to seek legal counsel to determine if a particular rental unit is exempt.

3. Who Must Be Given the Disclosure of Rights: The Rent Ordinance requires each Seller/Existing Owner and Buyer/New Owner to provide the disclosure to "tenants of the property." Under Section 37.2(t) of the Rent Ordinance, a tenant is defined as "a person entitled by written or oral agreement, sub-tenancy approved by the landlord, or by

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sufferance, to occupy a residential dwelling unit to the exclusion of others." All tenants occupying the property need to receive the required Disclosure of Rights. If you are not sure whether an occupant falls under the definition of "tenant," you are advised to seek the advice of a real estate attorney.

4. **Method of Delivery:** No specific method of delivery is set forth. If personal delivery is used, the person delivering the Disclosure should immediately thereafter complete a separate statement that states the date and time of delivery as well as the name of the person who received the Disclosure. If delivery is made by some other method than personal delivery, it is recommended that the form of delivery be one that also has a proof of delivery attached to it as with proof of mailing from the USPS, or a written receipt provided by a delivery service such as UPS or FedEx.

5. **Additional Information:** More information regarding this Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to Section 37.9 is available at the San Francisco Rent Board, 25 Van Ness Ave., Suite 320, San Francisco, CA 94101. Telephone: (415) 252-4602; http://www.sfrb.org/.

6. REAL ESTATE BROKERS AND AGENTS ARE NOT OBLIGATED TO ENSURE TIMELY DELIVERY OF THE ATTACHED DISCLOSURE STATEMENTS TO TENANTS EITHER BEFORE OR AFTER THE SALE OF THE PROPERTY.

BUYER AND SELLER EACH (1) ACKNOWLEDGE RECEIPT OF (i) THIS INFORMATION REGARDING MANDATORY DISCLOSURE TO TENANTS FOR SELLER/EXISTING OWNER AND BUYER/NEW OWNER AND (ii) THE ATTACHED DISCLOSURE TO TENANT OF TENANTS' RIGHTS FORMS.

Date _____ Date _____

BUYER _____ BUYER _____

_____ _____

(Print name) (Print name)

_____

(Address)

Date _____ Date _____

SELLER _____ SELLER _____

_____ _____

(Print name) (Print name)

_____

(Address)

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Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

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