



**OFFICE OF THE ATTORNEY GENERAL OF THE  
STATE OF NEW YORK  
REAL ESTATE FINANCE BUREAU**

**TESTING THE MARKET  
COOPERATIVE POLICY STATEMENT #1  
WITH SUGGESTED FORMS**

**Applicable To Cooperatives, Condominiums,<sup>1</sup> Timeshares,<sup>2</sup> and Homeowners Associations**

**Effective March 13, 2018<sup>3</sup>**

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<sup>1</sup> Cooperative and condominium applications must be for newly constructed, vacant, or non-residential cooperatives and condominiums only. Owners of occupied residential rental buildings wishing to gauge interest in a potential conversion of an existing building to cooperative or condominium ownership must submit an Application to Test the Market pursuant to Cooperative Policy Statement #11, which is available at the following web address:

[https://ag.ny.gov/pdfs/ref/CPS%2011 Testing the Market in Occupied Rental Buildings.pdf](https://ag.ny.gov/pdfs/ref/CPS%2011%20Testing%20the%20Market%20in%20Occupied%20Rental%20Buildings.pdf)

<sup>2</sup> Timeshare applications must be for vacant or new construction developments only. Applications will not be accepted for existing timeshare developments, including, but not limited to, phased developments contemplating expansion.

<sup>3</sup> Supersedes previous version of Cooperative Policy Statement #1, dated January 15, 2016, which is hereby repealed.

## **COOPERATIVE POLICY STATEMENT #1**

*Applicable To Cooperatives, Condominiums, Timeshares, and Homeowners Associations*

### **A. Application To Test the Market**

The solicitation of indications of interest in cooperatives (13 NYCRR Part 21), condominiums (13 NYCRR Part 20), timeshares (13 NYCRR Part 24), or homeowners associations (13 NYCRR Part 22) will not be construed by the New York State Department of Law (the “Department”) as constituting the offer of a cooperative interest in realty, as that term is used in Section 352-e of the General Business Law, as long as such solicitation of interest (“market testing”) meets all of the following conditions:

1. Sponsor must file an Application To Test The Market (the “CPS-1 Application”) with the Department’s Real Estate Finance Bureau. CPS-1 Applications may be submitted by Sponsor any time prior to acceptance of an offering plan to the Department.
2. Market testing, including the use of advertisements and advertising literature, may begin only after receipt by Sponsor of written correspondence (including, without limitation, email transmissions) from the Department stating that the CPS-1 Application has been accepted.
3. The CPS-1 Application shall be effective for twelve (12) months after the acceptance date of the CPS-1 Application (*i.e.*, the date the Department indicates in writing that the CPS-1 Application has been granted). The Department may extend this period upon the submission to the Department of an Application for Extension of Application to Test the Market (“Extension Application”) or an Application to Amend Application to Test the Market (“Amendment Application”), as discussed herein in Sections B and C, respectively.
4. No reservations, binding or non-binding, may be accepted by Sponsor until an offering plan has been accepted for filing by the Department.
5. No deposits may be accepted by Sponsor until an offering plan has been accepted for filing by the Department.
6. Following the Department’s acceptance of the CPS-1 Application, all advertisements and advertising literature utilized by Sponsor shall conform to the Department’s Cooperative Policy Statement #1 (“CPS-1”) Advertising Guidelines until an offering plan has been accepted for filing by the Department. The CPS-1 Advertising Guidelines are annexed hereto. All advertisements and advertising literature to be utilized by Sponsor must be submitted to the Department at least five (5) business days before use or publication. Sponsor shall not utilize such advertisements or advertising literature until the Department indicates in writing (including, without limitation, email transmissions) that it has no objection to the use thereof, provided, however, that such non-objection shall not constitute and shall in no way be construed as approval of the contents of said advertisement or advertising literature. The Department shall make its best effort to notify Sponsor of the Department’s determination

within at least five (5) business days after the submission of proposed advertisements and advertising literature.

A CPS-1 Application must include the following materials:

1. A filing fee of \$225, in the form of a check payable to the “Department of Law” or “NYS Department of Law,” dated no earlier than ninety (90) days before submission to the Department. Checks for any other payee will be rejected.
2. A completed statistical record card. The statistical record card is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/stat.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/stat.pdf)

3. A Notice of Appearance submitted by a licensed attorney. The Notice of Appearance is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/Notice%20of%20Appearance%202005.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/Notice%20of%20Appearance%202005.pdf)

4. A transmittal letter, signed by the attorney who prepared the CPS-1 Application and affirmed under penalty of perjury, which:
  - a. Identifies the property that is the subject of the CPS-1 Application, including street address and zip code; and
  - b. States that the attorney has no actual knowledge of either a violation of Article 23-A of the General Business Law or the rules and regulations promulgated thereunder, or of any material fact omitted or any untrue statement of a material fact included in the CPS-1 Application.
5. A true copy of Sponsor’s deed, option, or contract, if any, to purchase the property that is the subject of the CPS-1 Application.
6. A copy of the floor plans for the building (for homeowners associations, include site plans).
7. A complete CPS-1 Application, with appropriate modifications, in the form annexed hereto as Exhibit A.
8. A complete and executed Certification signed by Sponsor and each of its principals, in the form annexed hereto as Exhibit A-1.
9. Copy (or other proof thereof) of the designation of the Secretary of State as agent to receive service of process in any action or proceeding in connection with the CPS-1 Application.

Please note that this requirement is only applicable if Sponsor and/or any of its principals is not a resident of, or was not organized under the laws of, the State of New York.

The Department reserves the right to reject CPS-1 Applications that do not include all applicable aforementioned requirements.

## **B. Application for Extension of Application to Test the Market**

An Extension Application may be submitted to the Department only if Sponsor has submitted an offering plan to the Department prior to the date of submission of the Extension Application. An Extension Application must be submitted no less than forty-five (45) days before the expiration of the original CPS-1 Application. The Extension Application, if granted, shall extend the term of the CPS-1 Application until the offering plan is either accepted or rejected for filing (excluding preliminary rejections of the offering plan based on deficiencies noted during the regulatory review process). The Department reserves the right to rescind its acceptance of an Extension Application if the Sponsor does not timely respond to the Department's deficiency comments to the offering plan.

An Extension Application must include the following:

1. A filing fee of \$225, in the form of a check payable to the "Department of Law" or "NYS Department of Law," dated no earlier than ninety (90) days before submission to the Department. Checks for any other payee will be rejected.
2. A completed statistical record card. The statistical record card is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/stat.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/stat.pdf)

3. A Notice of Appearance submitted by a licensed attorney. The Notice of Appearance is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/Notice%20of%20Appearance%202005.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/Notice%20of%20Appearance%202005.pdf)

4. A transmittal letter, signed by the attorney who prepared the Extension Application and affirmed under penalty of perjury, which:
  - a. Identifies the property that is the subject of the Extension Application, including street address and zip code;
  - b. Identifies the Department file number assigned to the original CPS-1 Application;
  - c. States that the submission is an Extension Application; and

- d. States that the attorney has no actual knowledge of either a violation of Article 23-A of the General Business Law or the rules and regulations promulgated thereunder, or of any material fact omitted or any untrue statement of a material fact included in the CPS-1 Application and/or Extension Application.
5. A complete Extension Application, with appropriate modifications, in the form annexed hereto as Exhibit B.
6. A complete and executed Certification signed by Sponsor and each of its principals, in the form annexed hereto as Exhibit B-1.
7. A copy of the original CPS-1 Application accepted by the Department.

The Department reserves the right to reject Extension Applications that do not include all applicable aforementioned requirements.

### **C. Application to Amend Application to Test the Market**

Sponsors must submit an Application to Amend Application to Test the Market in the following instances:

1. The nature of the proposed project described in the original CPS-1 Application substantially changes (*e.g.*, substantial increases or decreases in the number of units, substantial changes in proposed purchase prices, modifications to the proposed floor plans, etc.);
2. There is a change in Sponsor or principals of Sponsor; and/or
3. There is a change in the owner of the property (if a different entity or natural person than Sponsor that submitted the original CPS-1 Application).

An Amendment Application only may be submitted prior to the submission of an offering plan. An Amendment Application may not be submitted if the term of the original CPS-1 Application has expired; if the term of the original CPS-1 Application has expired, Sponsor must submit a new CPS-1 Application. An Amendment Application may not be submitted until the Department has accepted the original CPS-1 Application or previously submitted Amendment Application (if any).

The Amendment Application, if granted, shall extend the term of the Application for six (6) months after the expiration date of the original CPS-1 Application or most recent Amendment Application, as applicable.

An Amendment Application must include the following:

1. A filing fee of \$225, in the form of a check payable to the "Department of Law" or "NYS Department of Law," dated no earlier than ninety (90) days before submission to the Department. Checks for any other payee will be rejected.
2. A completed statistical record card. The statistical record card is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/stat.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/stat.pdf)

3. A Notice of Appearance submitted by a licensed attorney. The Notice of Appearance is available at the following web address:

[https://ag.ny.gov/sites/default/files/pdfs/bureaus/real\\_estate\\_finance/Notice%20of%20Appearance%202005.pdf](https://ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/Notice%20of%20Appearance%202005.pdf)

4. A transmittal letter, signed by the attorney who prepared the Amendment Application and affirmed under penalty of perjury, which:
  - a. Identifies the property that is the subject of the Amendment Application, including street address and zip code;
  - b. Identifies the Department file number assigned to the original CPS-1 Application;
  - c. States that the submission is an Amendment Application; and
  - d. States that the attorney has no actual knowledge of either a violation of Article 23-A of the General Business Law or the rules and regulations promulgated thereunder, or of any material fact omitted or any untrue statement of a material fact included in the CPS-1 Application and/or Amendment Application.
5. A copy of amended floor plans for the building (for homeowners associations, include amended site plans), if applicable.
6. A true copy of Sponsor's deed, option, or contract, if any, to purchase the property that is the subject of the CPS-1 Application. Please note that this requirement is only applicable if there is a change to the Sponsor.
7. A complete Amendment Application, with appropriate modifications, in the form annexed hereto as Exhibit C.
8. A complete and executed Certification signed by Sponsor and each of its principals, in the form annexed hereto as Exhibit C-1.

9. Copy (or other proof thereof) of the designation of the Secretary of State as agent to receive service of process in any action or proceeding in connection with the Application. Please note that this requirement is only applicable if there is a change to Sponsor and/or principals and Sponsor and/or any of its principals is not a resident of, or was not organized under the laws of, the State of New York.
10. A copy of the original CPS-1 Application accepted by the Department, as well as any prior Amendment Applications accepted by the Department.

The Department reserves the right to reject Amendment Applications that do not include all applicable aforementioned requirements.

#### **D. Notification of Department's Determination**

Upon the submission of a complete Application, Extension Application, or Amendment Application, the Department shall make its best effort to notify Sponsor within at least thirty (30) business days of the Department's determination regarding the Application, Extension Application, or Amendment Application. The Department shall notify Sponsor of its determination in writing (including, without limitation, email transmissions).

**THE ABOVE SHOULD NOT BE CONSTRUED AS A LIMITATION ON THE PROVISIONS OF ARTICLE 23-A OF THE GENERAL BUSINESS LAW AND REGULATIONS ISSUED THEREUNDER.**

**THE ATTORNEY GENERAL OF THE STATE OF NEW YORK MAY GRANT OR DENY THE APPLICATION TO TEST THE MARKET, THE EXTENSION APPLICATION, AND/OR THE AMENDMENT APPLICATION IN HIS OF HER SOLE DISCRETION.**

## **CPS-1 ADVERTISING GUIDELINES**

The Department requires Sponsors to adhere to the following guidelines in all advertising literature in connection with CPS-1 Applications, Extension Applications, and/or Amendment Applications.

### **Legends**

1. The following legend shall appear at the bottom of all printed and electronic advertisements or promotional literature<sup>4</sup> and stated in all radio, television, and other oral media advertisements and promotions:

This advertisement is not an offering. It is a solicitation of interest in the advertised property. No offering of the advertised units [for timeshares, state fractional interests] can be made and no deposits can be accepted, or reservations, binding or non-binding, can be made until an offering plan is filed with the New York State Department of Law. This advertisement is made pursuant to Cooperative Policy Statement #1, issued by the New York State Department of Law.

2. All legends in printed advertisements or promotional literature shall be printed in at least 10-point size, two points leaded.
3. All legends on signs exhibited at the site shall be clearly legible from street level.
4. There shall be no line or marking separating the legend from the body of the advertisement, brochure, or sign.
5. All advertisements shall contain the registration number assigned by the Attorney General.

### **Selling Price and Cost Figures**

1. The word “estimated”, if used, shall appear in the same size and type immediately following any price, maintenance or other cost figures shown.
2. No mortgage rates or representations that a mortgage commitment has been obtained shall be contained in an advertisement unless Sponsor has a firm written mortgage commitment.
3. No tax figures shall be included or implied unless Sponsor has supplied the Attorney General with a backup letter from the relevant taxing authorities.

### **Other Comments and Procedures**

1. All claims in the body of the advertisement shall be substantiated.

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<sup>4</sup> Including, but not limited to, advertisements in print or electronic media, signs exhibited at the site, brochures, and questionnaires to be completed by prospective purchasers.



2. All statutes referred to in the body of the advertisement (*e.g.*, tax abatement) shall be explained and substantiated.
3. An artist's rendering shall be clearly labeled as such and shall accurately depict the dimensions of the advertised property.
4. No abbreviations shall be employed unless the meaning is unmistakably clear.
5. Sponsor's name and address shall appear in every advertisement.
6. The name and location of the advertised property shall appear in every advertisement.
7. All representations shall be consistent with the Application.
8. All assertions of fact shall be provably true.
9. All advertising shall be submitted with the original Application, if available; any additional advertising shall be submitted at least five (5) business days before use and cleared by the Attorney General before use.
10. Advertisements shall not contain language, implicitly or explicitly, which urges the reader to "rush" to "buy" a unit.

**EXHIBIT A**  
**APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

1. \_\_\_\_\_, a [state the type of entity and state of formation] ("Sponsor") [is the owner of/ has entered into a contract/ has an option to purchase] a parcel of land and the improvements thereon, if any, consisting of \_\_\_\_\_ acres located in the State of \_\_\_\_\_, County of \_\_\_\_\_, being more particularly described as follows: [Insert description of exact location of land, including street address and zip code. If sponsor has an option or contract to purchase, add "annexed hereto is a true copy or contract to purchase the land."].
2. Sponsor intends to erect a housing development on said parcel of land to be owned cooperatively under the laws of the State of \_\_\_\_\_ [if a condominium, add "and to submit same to the provisions of N.Y. Real Prop. Law § 339 et seq. (or Article 9-B of the New York Real Property Law known as the Condominium Act)."]. Said project will consist of [number and type of units] units) to be located in \_\_\_\_\_ [number of structures]. The project will include \_\_\_\_\_ [set forth details concerning common elements, including parking spaces, swimming pool or other recreational area(s), roads, lawns, etc. and any other noteworthy features of the project including the status of construction].
3. The development is a new construction (or rehabilitation) project [specify which]. [If any portion of any building which is the subject of this application is currently occupied by tenants, or is expected to become occupied, so state.]
4. Sponsor anticipates that an offering plan, if ultimately submitted for filing to the Attorney General of the State of New York (the "Attorney General"), will be submitted pursuant to 13 NYCRR Part \_\_\_\_\_ [specify Part 20, 21, 22, 24, or Parts 20/22 contemporaneously].
5. [If applicable] Sponsor has received a mortgage commitment of \$ \_\_\_\_\_ from \_\_\_\_\_ to finance construction of the project.
6. The estimated purchase price for each unit [for timeshares, state fractional interests], the number of rooms in each unit, and the estimated monthly carrying costs (or maintenance) for each unit are as follows:

<u>Unit Designation</u> <sup>5</sup>	<u>Estimated Purchase Price</u>	<u>Number of Rooms</u> <sup>6</sup>	<u>Estimated Monthly Maintenance Costs, Common Charges, or Association Dues</u>
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7. Sponsor requests permission to solicit, for a period of twelve (12) months, indications of interest in the above project. No cooperative interest in realty will be offered for sale and no reservations,

<sup>5</sup> Omit "Unit Designation" if the subject of the Application is a homeowners association.  
<sup>6</sup> Omit "Number of Rooms" if the subject of the Application is a homeowners association.

binding or non-binding, will be made until an offering plan has been accepted for filing by the Attorney General. No deposits will be accepted by Sponsor until an offering plan has been accepted for filing.

8. Sponsor intends to solicit interest in the above project in the following manner:  
\_\_\_\_\_ (e.g., newspaper advertisement, brochure, etc.).  
\_\_\_\_\_
9. All advertisements and advertising literature utilized by Sponsor shall comply with Cooperative Policy Statement #1 Advertising Guidelines and with the regulations promulgated by the Attorney General. All advertisements and advertising literature to be utilized by sponsor must be submitted to the New York State Department of Law (the "Department") at least five (5) business days before use or publication. Sponsor shall not utilize such advertisements or advertising literature until the Department indicates in writing (including, without limitation, email transmissions) that it has no objection to the use thereof, provided, however, that such non-objection shall not constitute and shall in no way be construed as approval of the contents of said advertisement or advertising literature. The Department shall make its best effort to notify Sponsor of the Department's determination within five (5) business days after the submission of the proposed advertisements and advertising literature.
10. All advertisements or advertising literature, including, but not limited to, classified advertisements, signs exhibited at the site, and advertisements in electronic, radio, or television media, shall contain the legend required by Cooperative Policy Statement #1 Advertising Guidelines.
11. The Sponsor's assets, together with the proceeds of firmly committed construction financing, are or will be sufficient to meet Sponsor's unsecured obligations under an offering plan to complete all work and meet Sponsor's obligations for unsold units.
12. If Sponsor or any of its principals is not a resident of, or was not organized under the laws of, the State of New York, include the following: "Annexed hereto is the irrevocable designation by [Specify whether designation is for Sponsor and/or any of its principals] of the Secretary of State as its agent to receive the service of process in any action or proceeding in connection with this application, as the same may be extended, or amended."
13. Sponsor will file with the Attorney General, within twenty (20) business days of the expiration of the Application To Test The Market, an affidavit stating the following: (i) if the property is located in New York, that Sponsor has accepted no purchase agreements prior to the acceptance for filing of an offering plan by the Attorney General; (ii) if the property is located outside the State of New York, that Sponsor has accepted no purchase agreements from New York residents prior to the acceptance for filing of an offering plan by the Attorney General.
14. Sponsor and its principals understand that any violations of the New York General Business

Law may subject them, jointly and severally, to civil or criminal penalties under that statute.

15. Sponsor requests permission to test the market in the manner set forth above for a period of twelve (12) months pursuant to Cooperative Policy Statement # 1 of the Attorney General.

**EXHIBIT A-1**  
**CERTIFICATION OF SPONSOR AND PRINCIPALS**  
**APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

We are Sponsor and the principals<sup>7</sup> of Sponsor of the Application to Test the Market for the captioned property (the “Application”).

We understand that we have primary responsibility for compliance with the requirements set forth in Cooperative Policy Statement #1 of the Attorney General of the State of New York (the “Attorney General”), the provisions of Article 23-A of General Business Law, and such laws and regulations as may be applicable.

We have read the entire Application. We have investigated the facts set forth in the Application and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Application does, and that documents submitted hereafter by us which amend or supplement the Application, will:

- a. be a complete, current, and accurate representation of the proposed cooperative interest in realty for which Sponsor wishes to test the market to determine interest therein;
- b. not contain any untrue statement of a material fact;
- c. not contain any fraud, deception, concealment, suppression, or false pretense;
- d. not contain any promise or representation as to the future that is beyond reasonable expectation or unwarranted by existing circumstances;
- e. not contain any representation or statement that is false, where I/we:
- f. knew the truth;
- g. with reasonable effort could have known the truth;
- h. made no reasonable effort to ascertain the truth; or
- i. did not have knowledge concerning the representation or statement made.

We agree to file with the Attorney General, within twenty (20) business days of the expiration date of the Application, an affidavit stating the following: (i) if the property is located in New York, that

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<sup>7</sup> Sponsor and principal are defined in accordance with the regulations promulgated by the New York State Department of Law governing the offer and sale of cooperative interests in realty.

Sponsor has accepted no purchase agreements, deposits, or reservations, binding or non-binding, prior to the acceptance for filing of an offering plan by the Attorney General; or (ii) if the property is located outside the State of New York, that Sponsor has accepted no purchase agreements, no purchase agreements, deposits, or reservations, binding or non-binding, from New York residents prior to the acceptance for filing of an offering plan by the Attorney General.

This certification is made under penalty of perjury for the benefit of all persons from whom interest is solicited. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

[Insert name of Sponsor]

By: [Signature of authorized signatory]

\_\_\_\_\_

[Insert printed name and title of authorized signatory]

PRINCIPAL(S):

[Insert name of Principal(s) of Sponsor]

[Signature of Principal of Sponsor]

\_\_\_\_\_

[Insert printed name of Principal]

Sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Notary Public  
[Affix stamp]

**EXHIBIT B**  
**APPLICATION FOR EXTENSION OF APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

1. An Application to Test the Market for the proposed [condominium/homeowners association/cooperative development/timeshare] (the "Development") at \_\_\_\_\_ was granted on \_\_\_\_\_ [insert date the Department granted the original CPS-1 Application] and issued registration number \_\_\_\_\_ (the "Application"). The Application will expire on \_\_\_\_\_.
2. Sponsor submitted to the Attorney General of the State of New York (the "Attorney General") an offering plan for the proposed Development on \_\_\_\_\_ [insert submission date] (the "Plan").
3. All advertisements and advertising literature utilized by Sponsor have complied and will continue to comply with Cooperative Policy Statement #1 Advertising Guidelines, the New York General Business Law, and with the Rules and Regulations of the Attorney General.
4. Sponsor has not offered any of the advertised units for sale and no reservations, binding or non-binding, have been made. No deposits have been accepted by Sponsor.
5. Sponsor requests an extension of the Application To Test the Market pursuant to Cooperative Policy Statement # 1 of the Attorney General until the Plan is either accepted or rejected for filing.
6. [State the reasons for the Sponsor's request for an extension of the Application.]

**EXHIBIT B-1**  
**CERTIFICATION OF SPONSOR AND PRINCIPALS**  
**APPLICATION FOR EXTENSION OF APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

We are Sponsor and the principals<sup>8</sup> of Sponsor of the Application for Extension (the "Extension Application") of the Application to Test the Market (the "Application") for the captioned property.

We understand that we have primary responsibility for compliance with the requirements set forth in Cooperative Policy Statement #1 of the Attorney General of the State of New York (the "Attorney General"), the provisions of Article 23-A of General Business Law, and such laws and regulations as may be applicable.

We have read the entire Extension Application and Application. We have investigated the facts set forth in the Extension Application, Application, and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Extension Application and Application does, and that documents submitted hereafter by us which amend or supplement the Extension Application and Application will:

- a. be a complete, current, and accurate representation of the proposed cooperative interest in realty for which sponsor wishes to test the market to determine interest therein;
- b. not contain any untrue statement of a material fact;
- c. not contain any fraud, deception, concealment, suppression, or false pretense;
- d. not contain any promise or representation as to the future that is beyond reasonable expectation or unwarranted by existing circumstances;
- e. not contain any representation or statement that is false, where I/we:
- f. knew the truth;
- g. with reasonable effort could have known the truth;
- h. made no reasonable effort to ascertain the truth; or
- i. did not have knowledge concerning the representation or statement made.

We agree to file with the Attorney General, within twenty (20) business days of the expiration date

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<sup>8</sup> Sponsor and principal are defined in accordance with the regulations promulgated by the New York State Department of Law governing the offer and sale of cooperative interests in realty.



of the Extension Application, an affidavit stating the following: (i) if the property is located in New York, that Sponsor has accepted no purchase agreements, deposits, or reservations, binding or non-binding, prior to the acceptance for filing of an offering plan by the Attorney General; or (ii) if the property is located outside the State of New York, that Sponsor has accepted no purchase agreements, no purchase agreements, deposits, or reservations, binding or non-binding, from New York residents prior to the acceptance for filing of an offering plan by the Attorney General.

This certification is made under penalty of perjury for the benefit of all persons from whom interest is solicited. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

[Insert name of Sponsor]

By: [Signature of authorized signatory]

\_\_\_\_\_

[Insert printed name and title of authorized signatory]

PRINCIPAL(S):

[Insert name of Principal(s) of Sponsor]

[Signature of Principal of Sponsor]

\_\_\_\_\_

[Insert printed name of Principal]

Sworn to before me this  
\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Notary Public  
[Affix stamp]

**EXHIBIT C**  
**APPLICATION TO AMEND APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

1. An Application to Test the Market for the proposed [condominium/homeowners association/cooperative development] (the "Development") at \_\_\_\_\_ was granted on \_\_\_\_\_ [insert date the Department granted the original CPS-1 Application] and issued registration number \_\_\_\_\_ (the "Application"). The Application will expire on \_\_\_\_\_.

**[Include the following two paragraphs, as applicable.]**

2. The Application sets forth a description of the Development, estimated prices and monthly common or maintenance charges or dues. Sponsor [intends to amend] [has amended] certain features of the Development, as set forth below: [set forth the details concerning the changes to the Development].
3. The Sponsor and/or principals of Sponsor of the Development as set forth in the Application have changed, as set forth below: [set forth the changes in the Sponsor and/or principals of the Sponsor].

**[If Sponsor or any of its principals is not a resident of, or was not organized under the laws of, the State of New York, include the following paragraph.]**

4. Annexed hereto is the irrevocable designation by the [Specify whether designation is for Sponsor and/or any of its principals] of the Secretary of State as its agent to receive the service of process in any action or proceeding in connection with this Application, as the same may be extended, or the offering or sale of the aforementioned.
5. All advertisements and advertising literature utilized by Sponsor have complied and will continue to comply with Cooperative Policy Statement #1 Advertising Guidelines, the New York General Business Law, and with the Rules and Regulations of the Attorney General.
6. Sponsor has not offered any of the advertised units for sale and no reservations, binding or non-binding, have been made. No deposits have been accepted by Sponsor.
7. Sponsor requests that the Application be amended to reflect the changes described in this Application and the Expiration Date be extended for six (6) months to enable Sponsor to test the market pursuant to the Application, as amended.

**EXHIBIT C-1**  
**CERTIFICATION OF SPONSOR AND PRINCIPALS**  
**APPLICATION TO AMEND APPLICATION TO TEST THE MARKET**  
**[PROPERTY NAME AND ADDRESS]**

We are Sponsor and the principals<sup>9</sup> of Sponsor of the Application to Amend the Application to Test the Market (the "Amendment Application") for the captioned property.

We understand that we have primary responsibility for compliance with the requirements set forth in Cooperative Policy Statement #1 of the Attorney General of the State of New York (the "Attorney General"), provisions of Article 23-A of General Business Law, and such laws and regulations as may be applicable.

We have read the entire Amendment Application and Application. We have investigated the facts set forth in the Amendment Application, Application, and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Amendment Application and Application does, and that documents submitted hereafter by us which amend or supplement the Amendment Application and Application will:

- a. be a complete, current, and accurate representation of the proposed cooperative interest in realty for which sponsor wishes to test the market to determine interest therein;
- b. not contain any untrue statement of a material fact;
- c. not contain any fraud, deception, concealment, suppression, or false pretense;
- d. not contain any promise or representation as to the future that is beyond reasonable expectation or unwarranted by existing circumstances;
- e. not contain any representation or statement that is false, where I/we:
- f. knew the truth;
- g. with reasonable effort could have known the truth;
- h. made no reasonable effort to ascertain the truth; or
- i. did not have knowledge concerning the representation or statement made.

We agree to file with the Attorney General, within twenty (20) business days of the expiration date of the Amendment Application, an affidavit stating the following: (i) if the property is located in New York, that Sponsor has accepted no purchase agreements, deposits, or reservations, binding or non-binding, prior to the acceptance for filing of an offering plan by the Attorney General; or (ii) if the property is located outside the State of New York, that Sponsor has accepted no purchase

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<sup>9</sup> Sponsor and principal are defined in accordance with the regulations promulgated by the New York State Department of Law governing the offer and sale of cooperative interests in realty.

agreements, no purchase agreements, deposits, or reservations, binding or non-binding, from New York residents prior to the acceptance for filing of an offering plan by the Attorney General.

This certification is made under penalty of perjury for the benefit of all persons from whom interest is solicited. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

[Insert name of Sponsor]

By: [Signature of authorized signatory]

\_\_\_\_\_

[Insert printed name and title of authorized signatory]

PRINCIPAL(S):

[Insert name of Principal(s) of Sponsor]

[Signature of Principal of Sponsor]

\_\_\_\_\_

[Insert printed name of Principal]

Sworn to before me this  
\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public  
[Affix stamp]