

16. A current financial statement of the developer and any predecessor, parent or subsidiary company, including but not limited to a current profit and loss statement and balance sheet audited by an independent public accountant;

17. A statement concerning any adjudication of bankruptcy during the last five years against the developer, its predecessor, parent or subsidiary company and any principal owing more than 10 percent of the interests in the development at the time of the filing of the application for registration. This requirement shall not extend to limited partners or those whose interests are solely those of investors;

18. Copies of all easements and restrictions, whether of record or not;

19. A statement as to the status of compliance with all the requirements of all laws, ordinances, regulations of governmental agencies having jurisdiction over the premises, including but not limited to any permits required by the Department of Environmental Protection, together with copies of all necessary Federal, State, county and municipal approvals;

20. A statement that the developer, its officers or principals have never been convicted of a crime involving any aspect of real estate sales business in this State, the United States or any other state or foreign jurisdiction and that the developer has never been subject to any permanent injunction or final administrative order restraining a false or misleading promotional plan involving real property disposition;

21. An affidavit, signed by the developer, that the contents of the application are true and accurate;

22. Such other additional information as the Division may require in individual cases after review of an application for registration to assure full and fair disclosure;

23. A listing of the units in the building together with the current monthly rental thereof.

As amended, R.1979 d.349, eff. November 1, 1979.

See: 11 N.J.R. 497(a), 11 N.J.R. 610(b).

As amended, R.1981 d.130, eff. May 7, 1981.

See: 12 N.J.R. 631(b), 13 N.J.R. 259(a).

(a)12, 21 through 23, 25 through 27.

As amended, R.1983 d.446, eff. October 17, 1983.

See: 15 N.J.R. 1055(a), 15 N.J.R. 1758(b).

In (a), deleted old and added new 7-10 and 13. Also deleted and reserved 15., 21., 22., and 24.

As amended, R.1984 d.434, eff. October 1, 1984.

See: 16 N.J.R. 2032(a), 16 N.J.R. 2522(a).

Amended by R.1996 d.94, effective February 20, 1996.

See: 27 N.J.R. 4478(a), 28 N.J.R. 1226(a).

5:26-3.2 Form of the application for registration

(a) An application for registration shall be submitted in the following form:

1. Two sets of the information and documents required to be filed shall be submitted in separate binders,

fastened at the top in such a manner as to permit the reading of each page without requiring removal. The two required copies of the Public Offering Statement shall be submitted in separate binders. The items set forth in N.J.A.C. 5:26-3.1(a)2 and 15 need not be submitted for developments of 24 or fewer units.

2. All information and documents shall be arranged in the order set forth in N.J.A.C. 5:26-3.1;

3. Each binder shall note the name and address of the developer and the name and address of the person responsible for the preparation of the application on the front cover;

4. The first page shall be a table of contents;

5. The right side of the first page of each section shall bear a tab numbered in conformity with the table of contents. Each tab shall be visible without the necessity of lifting any other tab;

6. If a section or document is omitted, a single sheet of paper, properly tabbed, shall be inserted containing a description of what is omitted and an explanation as to the reason for the omission;

7. With the exception of maps, drawings, surveys and the like, all documents shall be no smaller than 8½ x 11 inches nor more than 8½ x 14 inches.

(b) Plats, maps or surveys which are too bulky to include in a binder may be submitted in a separate folder and a list of such shall be included in the binder.

As amended, R.1983 d.446, eff. October 17, 1983.

See: 15 N.J.R. 1055(a), 15 N.J.R. 1758(b).

In (a)1., added last two sentences.

5:26-3.3 Amendment of the application for registration

(a) Developers shall immediately report to the Agency any changes in the information or documents contained in the application for registration, with a request for an amendment of the application of registration.

(b) No changes in the substance or intent of the promotional plan or the plan of disposition or development shall be made unless such change has been approved by the Agency by way of amendment to the application for registration.

As amended, R.1981 d.130, eff. May 7, 1981.

See: 12 N.J.R. 631(b), 13 N.J.R. 259(a).

(a) "Material" deleted before "changes".

5:26-3.4 Review of requests for amendment

The Agency shall process and review requests for amendments of an application for registration in accordance with the standards and procedures established in this chapter for review of application for registration. Requests for amendment, other than price changes and advertising, shall be accompanied by a fee of \$250.00.

As amended, R.1983 d.446, eff. October 17, 1983.
See: 15 N.J.R. 1055(a), 15 N.J.R. 1758(b).
Added last sentence.

5:26-3.5 Public inspection of application for registration

The Agency shall maintain a copy of every application for registration together with all amendments thereto that have been approved and shall make them reasonably available for public inspection during ordinary business hours at the Agency's office.

5:26-3.6 Copies of the application for registration; fee

(a) The Agency shall comply with all reasonable requests for copies of an application for registration, together with all amendments thereto.

(b) The Agency shall charge a fee for such copies equal to the cost of reproduction of the application for registration, with amendments, plus any cost of postage.

SUBCHAPTER 4. PUBLIC OFFERING STATEMENT

5:26-4.1 Public offering statement required

(a) No developer may dispose of any lot, parcel, unit or interest in a planned real estate development or retirement community unless said developer delivers to the purchaser a current public offering statement on or before the contract date.

1. The Public Offering Statement for new construction applications may be prepared in two parts. Part I shall be in narrative form and shall consist of the information required by N.J.A.C. 5:26-4.2(a)1 through 6, 7i, 8, 9i, 10, 12, 14 and 16 through 25. Part II shall consist of the documents required by N.J.A.C. 5:26-4.2(a)7ii through 9ii, 11, 13 and 24.

2. For new construction applications containing 24 or fewer units, the information specified in N.J.A.C. 5:26-4.2(a)4 need not be included.

3. Public Offering Statements for the conversion of existing buildings shall include all information required by this subchapter and N.J.A.C. 5:26-9.

(b) The public offering statement shall disclose fully and accurately the characteristics of the development and the lots, parcels, units or interests offered and shall make known to prospective purchasers all unusual and material circumstances and features affecting the development. The public offering statement shall be in clear and concise language and combine simplicity and accuracy in order to fully advise purchasers of their rights, privileges, obligations and restrictions.

(c) The Agency may require the developer to alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers and may require the revision of a public offering statement which it finds to be unnecessarily complex, confusing or illegible.

(d) The developer shall provide copies of the Public Offering Statement, Part I, at no charge to prospective purchasers upon their request. In any event, the Public Offering Statements, Parts I and II, must be provided at, or prior to, the time a contract is executed, at no charge to the prospective purchaser;

(e) A Public Offering Statement shall not be deemed current unless it contains all amendments approved by the Agency.

As amended, R.1983 d.446, eff. October 17, 1983.
See: 15 N.J.R. 1055(a), 15 N.J.R. 1758(b).
In (a), added 1-3. Also deleted old and added new (d).

5:26-4.2 Contents of public offering statement

(a) The public offering statement shall contain the following information:

1. The name and principal address of the developer;
2. A narrative description of the interest to be offered including but not limited to the rights and obligations of purchasers in their lots, parcels, units or interests and in the common elements;
3. A narrative description of the development including but not limited to the total number of lots, parcels, units, or interests in the offering, the total number of lots, parcels, units, or interests to be constructed in the entire project, the present and proposed access to the development and the anticipated completion date of the present offering and of the entire development;
4. Relevant community information including but not limited to the existence and location of hospitals, health and recreational facilities, schools, fire and police protection, places of worship, streets, water supplies, levees, drainage control systems, irrigation systems, customary utilities, etc.;
5. A statement of the nature, type and capacity of improvements to be installed by the developer and the estimated date of completion and whether they will be dedicated to the public use. In the event the developer is to construct common recreation or community facilities a statement, together with any plans, of the nature, size, capacity and amenities of such recreational and community facilities such as, but not limited to, air conditioning, furniture, supplies, carpet or drapes, their location within the development and whether or not the use thereof will be limited to owners of the lots, parcels, units or interests, or whether the common recreational or community facilities will be available for use by the general public;

Condominium was not substantially complete and was not ready to be occupied. Department of Community Affairs, Div. of Housing and Development v. Atrium Palace Syndicate, 247 N.J.Super. 511, 589 A.2d 1046 (A.D.1991), certification denied 126 N.J. 338, 598 A.2d 895.

Lack of timely performance requires deposit return. Department of Community Affairs, Div. of Housing and Development v. Atrium Palace Syndicate, 247 N.J.Super. 511, 589 A.2d 1046 (A.D.1991), certification denied 126 N.J. 338, 598 A.2d 895.

Contractor bound to sales contract terms. Department of Community Affairs, Div. of Housing and Development v. Atrium Palace Syndicate, 244 N.J.Super. 329, 582 A.2d 821 (A.D.1990), certification denied 126 N.J. 317, 598 A.2d 878.

Cancellation provisions must be mutual to be effective. Becker v. Sunrise at Elkridge, 226 N.J.Super. 119, 543 A.2d 977 (A.D.1988), certification denied 113 N.J. 356, 550 A.2d 465.

5:26-6.6 Mandatory provisions

(a) Every contract or agreement for the purchase of a lot, parcel, unit or interest in a planned real estate development or retirement community shall contain clauses and provisions to include the following, in addition to the requirement of notice of cancellation as in N.J.A.C. 5:26-6.3:

1. A clause or provision providing that all deposits or money paid under the contract or agreement shall be held in escrow until closing or termination of the contract or agreement, or until a bond or other guarantee acceptable to the Agency is provided. There shall also be stated the name of the institution where the escrow account is located or name of the attorney in whose trust account the funds are deposited and the fact that the escrow will exist for at least the seven day rescission period;

2. A clause or provision that if the contract or agreement is subject to a mortgage contingency, the mortgage commitment be obtained within a specific period of time and if it is not obtained within that time, either party may cancel the contract or agreement upon written notice to the other, without penalty;

3. A clause or provision providing for the right of inspection by the purchaser of the lot, parcel, unit or interest prior to closing. Said inspection shall be within a reasonable period of time prior to closing;

4. A clause or provision providing reimbursement to the purchaser of the cost of title searches or surveys in the event title to a lot, parcel, unit or interest is found to be unmarketable;

5. A clause or provision that the purchaser is receiving a proportionate undivided interest in the common elements and/or facilities and stating what that interest is;

6. A clause or provision stating the type of deed to be given to the purchaser;

7. A statement, near the signature line, stating that the purchaser has received a copy of the public offering statement.

Case Notes

Seller's failure to comply with statute not subject to lack of due care defense. Enfield v. FWL, Inc., 256 N.J.Super. 502, 607 A.2d 685 (Ch.1991), affirmed 256 N.J.Super. 466, 607 A.2d 666, certification denied 130 N.J. 9, 611 A.2d 648.

Rescission was not appropriate remedy where money damages were available. Enfield v. FWL, Inc., 256 N.J.Super. 502, 607 A.2d 685 (Ch.1991), affirmed 256 N.J.Super. 466, 607 A.2d 666, certification denied 130 N.J. 9, 611 A.2d 648.

SUBCHAPTER 7. WARRANTIES

5:26-7.1 Warranty on construction

(a) The developer of a planned real estate development or retirement community shall warrant the construction of the unit or interest as provided in the New Home Warranty and Builders' Registration Act, c.467, P.L. 1977.

(b) The developer of a planned real estate development or retirement community shall, in addition to the warranties required under the New Home Warranty and Builders' Registration Act (P.L. 1977, c.467), warrant the following to be free from defect due to material and workmanship for a period of one year from the date of possession or settlement: outbuildings, driveways, walkways, patios, retaining walls, and fences. The developer shall also warrant that all drainage is proper and adequate and that all off site improvements are free from defects for a period of one year from the date of construction.

(c) Developer shall warrant that all lots, parcels, units or interests are fit for their intended use.

5:26-7.2 Warranty on construction of common facilities

(a) The developer of a planned real estate development or retirement community shall warrant the construction of the common facilities for a period of two years from the date of the completion of each of the common facilities;

(b) The developer shall warrant that the common facilities are fit for their intended use;

(c) The developer shall repair or correct any defect in construction, material or workmanship in the common facilities within a reasonable time after notification of the defect.

5:26-7.3 Warranty as to description

The developer shall expressly warrant that any lot, parcel, unit, interest, or common facility will substantially conform to the model, description or plans used to induce the purchaser to enter into a contract or agreement to purchase unless noted otherwise in the contract.

5:26-7.4 Nonapplicability

The warranties contained herein are not applicable to conversions.

SUBCHAPTER 8. COMMUNITY ASSOCIATIONS**5:26-8.1 Creation**

A developer shall organize, or cause to be organized, an association whose obligation it shall be to manage the common elements and facilities. The association shall be formed on or before the filing of the master deed or declaration of covenants and restrictions and may be formed as a profit or nonprofit corporation, unincorporated association or any other form permitted by law.

5:26-8.2 Powers and duties

(a) Subject to the master deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that it is legally entitled to do under the laws applicable to its form of organization.

(b) The association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community.

(c) The association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the association, and between different unit owners, that shall be readily available as an alternative to litigation.

(d) All meetings of the association that are required by law to be open to all unit owners shall be held at a location within the development or, if there is no suitable meeting room within the development, at a suitable meeting room **either elsewhere** in the municipality in which the development is located or in an adjoining municipality.

1. A meeting room shall not be deemed to be suitable if it is not large enough to accommodate a reasonable number of unit owners who might wish to attend an open meeting.

Amended by R.1987 d.291, effective July 20, 1987.

See: 19 N.J.R. 797(b), 19 N.J.R. 1291(d).

Added (b) and (c).

Amended by R.1993 d.522, effective November 1, 1993.

See: 25 N.J.R. 3693(b), 25 N.J.R. 4901(b).

Amended by R.1995 d.17, effective January 3, 1995.

See: 26 N.J.R. 4277(a), 27 N.J.R. 91(b).

5:26-8.3 Executive board

(a) Subject to the master deed, declaration of covenants and restrictions, by-laws or other instruments of creation, (c) below, and the laws of the State, the executive board may act in all instances on behalf of the association.

(b) The members of the executive board appointed by the developer shall be liable as fiduciaries to the owners for their acts or omissions.

(c) During control of the executive board of the association by the developer copies of the annual audit of association funds shall be available for inspection by owners or their authorized representative at the project site.

5:26-8.4 Administration and control

(a) Irrespective of the time set for developer control of the association provided in the master deed, covenants and restrictions or other instruments of creation, control of the association shall be surrendered to the owners in the following manner:

1. Sixty days after conveyance of 25 percent of the lots, parcels, units or interests, not less than 25 percent of the members of the executive board shall be elected by owners;

2. Sixty days after conveyance of 50 percent of the lots, parcels, units or interests, not less than 40 percent of the members of the executive board shall be elected by the owners;

3. Sixty days after conveyance of 75 percent of the lots, parcels, units or interests, the developer's control of the executive board shall terminate at which time the owners shall elect the entire executive board.

(b) Notwithstanding (a)1, 2 and 3 above, the developer may retain one member of the executive board so long as there are any units remaining unsold in the regular course of business.

(c) In calculating the above percentages, it is presumed that they are calculated on the basis of the entire number of units entitled to membership in the association.

(d) A developer may surrender control of the executive board of the association prior to the time as specified, provided the owners agree by a majority vote to assume control.

(e) Upon assumption by the owners of control of the executive board of the association, the developer shall forthwith deliver to the association all items and documents pertinent to the association such as, but not limited to a copy of the master deed, declaration of covenants and restrictions, documents of creation of the association, by-laws, minute book, including all minutes, any rules and regulations, an accounting of association funds, association funds, all personal property, insurance policies, government permits, a membership roster and all contracts and agreements relative to the association.

(f) The association, when controlled by the owners, shall not take any action that would be detrimental to the sales of units by the developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of controls, until the last unit is sold.

(g) From the time of conveyance of 75 percent of the lots, parcels, units or interests, until the last lot, parcel, unit or interest in the development conveyed in the ordinary course of business the master deed, by-laws or declaration of covenants and restrictions shall not require the affirmative vote of more than 75 percent of the votes to be cast in order to amend the by-laws or rules and regulations.

(h) The developer shall not be permitted to cast any votes allocated to unsold lots, parcels, units or interest in order to amend the master deed, by-laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the common elements or facilities.

Amended by R.1979 d.439, effective November 1, 1979.
 See: 11 N.J.R. 497(a), 11 N.J.R. 610(b).
 Amended by R.1981 d.130, effective May 7, 1981.
 See: 12 N.J.R. 631(b), 13 N.J.R. 259(a).
 (h) added.

Case Notes

Condominium statute prevailed over any contrary provision in condominium association's master deed or bylaws. *Hill v. Cole*, 248 N.J.Super. 677, 591 A.2d 1036 (A.D.1991).

Where at least 75% of units were sold, statute prevented developer from voting unsold units. *Hill v. Cole*, 248 N.J.Super. 677, 591 A.2d 1036 (A.D.1991).

5:26-8.5 Termination of agreements and contracts affecting common elements and facilities

Any contract or agreement affecting the use, maintenance, management or access of the common elements and facilities entered into between the developer and itself or a company owned, operated or controlled by the developer or in which it has a financial interest prior to the owners being entitled to elect a majority of the members of the board, shall not be entered into for a period in excess of one year. Such contracts or agreements shall not be renewed for periods in excess of one year and the association may, at the expiration of any one year period, terminate any further renewals or extensions thereof.

5:26-8.6 Assessments for common expenses

(a) Until such time as the association shall make an assessment for common expenses, the developer shall pay all of the expenses of the common elements and facilities.

(b) When the association has made a common expense assessment, the assessment shall be assessed against the units individually owned and under development in proportion to the benefit derived by the unit from the items included in the budget.

5:26-8.7 Budgets

(a) The association shall, prior to making an annual assessment, prepare and adopt an operating budget which shall provide for any and all common expenses to be incurred during the year as well as adequate reserves for repair and replacement of the common elements and facilities.

(b) No budget prepared by the developer or by the executive board while under the control of the developer shall contain any payment or subsidy by the developer that artificially influences the monthly assessment, unless the details are fully disclosed in the public offering statement to the satisfaction of the Agency.

(c) While the developer maintains a majority of the executive board, the executive board shall have an annual audit of association funds prepared by an independent public accountant, a copy of which shall be delivered to each unit owner within 90 days of the expiration of the fiscal year of the association. The audit shall cover the operating budget and reserve accounts.

(d) Until the expiration of any management contracts entered into while the developer maintains a majority of the executive board, the developer shall insure that a bond, or other guarantee acceptable to the Agency, is posted. For the first year of operation, the bond or other guarantee shall be in an amount equal to the annual budget. For the second year and for succeeding years, the bond or other guarantee shall be in an amount equal to the annual budget plus accumulated reserves. The developer shall provide the agency with such proof of such bond or other guarantee as may be necessary at the time of registration and annually thereafter.

Amended by R.1983 d.576, effective December 19, 1983.
 See: 15 N.J.R. 1408(a), 15 N.J.R. 2154(a).
 Added (c) and (d).

SUBCHAPTER 9. CONVERSIONS

5:26-9.1 Requirements

(a) In addition to the requirements set forth in N.J.A.C. 5:26-4.2 (Contents of public offering statement), the developer shall, in the case of conversion from a residential rental or hotel use to a condominium, cooperative, time-sharing venture, or other planned real estate development, include in the public offering statement the following information:

1. The price at which the lot, parcel, unit or interest will be offered;
2. An audited statement of expenses for the property for the past five years or for a shorter period as permitted by the Agency due to extenuating circumstances, certified by an independent public account;

3. An engineering survey, in the form set forth in the appendix, prepared by a licensed professional engineer, which shall include mechanical, structural, electrical and engineering reports to disclose the condition of the building, as well as an energy audit, in a form approved by the Agency, setting forth the energy efficiency of the building.

i. The engineer who prepares the survey shall certify to the Agency whether, in his or her judgment, the building is in compliance with the code standards adopted under the Hotel and Multiple Dwelling Law and set forth at N.J.A.C. 5:10 and with the code standards adopted under the Uniform Fire Safety Act and set forth at N.J.A.C. 5:18, and shall list all outstanding violations then existing in accordance with his or her observation and judgment.

ii. As provided by P.L. 1991, c.509, the engineer shall be immune from tort liability with regard to such certification and list in the same manner, and to the same extent, as if he or she were a public employee protected by the New Jersey Tort Claims Act.

iii. As further provided in P.L. 1991, c.509, in the event of any discrepancy between the engineering survey submitted by the developer and an engineering survey submitted by any tenant(s), the Agency may have another engineering survey done for it at the developer's sole cost and expense.

4. A statement of the effect on prospective owners of the New Jersey Statute Governing Removal of Tenants (N.J.S.A. 2A:18-61.1 et seq.), the Senior Citizens and Disabled Protected Tenancy Act (N.J.S.A. 2A:18-61.22 et seq.) and, if the building is located in Hudson County, the Tenant Protection Act of 1992 (N.J.S.A. 2A:18-61.40 et seq.), and the rules promulgated thereunder at N.J.A.C. 5:24.

Amended by R.1981 d.130, effective May 7, 1981.

See: 12 N.J.R. 631(b), 13 N.J.R. 259(a).

(a)2: "the period if ownership, whichever is less or" deleted after "for the past five years or" and conjunction "and" deleted between (a)2 and (a)3.

Amended by R.1983 d.446, effective October 17, 1983.

See: 15 N.J.R. 1055(a), 15 N.J.R. 1758(b).

In (a)3, added energy audit report to be included.

Amended by R.1992 d.287, effective July 6, 1992.

See: 24 N.J.R. 1453(a), 24 N.J.R. 2429(a).

Engineering survey provisions added at (a)3i-iii; references to statute added at (a)4.

Amended by R.1996 d.94, effective February 20, 1996.

See: 27 N.J.R. 4478(a), 28 N.J.R. 1226(a).

Case Notes

Purchaser's lack of due care not defense to statutory action. *Enfield v. FWL, Inc.*, 256 N.J.Super. 502, 607 A.2d 685 (Ch.1991), affirmed 256 N.J.Super. 466, 607 A.2d 666, certification denied 130 N.J. 9, 611 A.2d 648.

Conversion moratorium ordinance invalid as preempted by State legislation. *Plaza Joint Venture v. Atlantic City*, 174 N.J.Super. 231, 416 A.2d 71 (App.Div.1980).

Municipalities cannot regulate conversion of residential rental units into cooperatives and condominiums; preemption doctrine. *Hampshire House Sponsor Corp. v. Fort Lee*, 172 N.J.Super. 426, 412 A.2d 816 (Law Div.1979).

5:26-9.2 Compliance with statutes and rules governing tenant removal and protected tenancy

(a) The developer shall conform to the requirements of the New Jersey Statute Governing Removal of Tenants, P.L. 1974, c.49 and P.L. 1977, c.419 (N.J.S.A. 2A:18-61.1 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:24-1.1 et seq.

(b) The developer shall conform to the requirements set forth in the Senior Citizens and Disabled Protected Tenancy Act, P.L. 1981, c.226 (N.J.S.A. 2A:18-61.22 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:24-2.1 et seq.

(c) If the building is located in Hudson County, the developer shall conform to the requirements of the Tenant Protection Act of 1992, P.L. 1991, c.509 (N.J.S.A. 2A:18-61.40 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:24-3.

Amended by R.1992 d.287, effective July 6, 1992.

See: 24 N.J.R. 1453(a), 24 N.J.R. 2429(a).

References to statutes added.

Case Notes

Registration of condominium's public offering statement did not preclude court review. *809-811 Washington Street Associates v. Grego*, 253 N.J.Super. 34, 600 A.2d 1222 (A.D.1992).

Agency approval regarding one statute did not express compliance with different statute. *809-811 Washington Street Associates v. Grego*, 253 N.J.Super. 34, 600 A.2d 1222 (A.D.1992).

Full and complete statutory and regulatory compliance is required for developers of condominiums to convert rental property to condominium ownership. *Market Dundee Corp. v. Jaramillo*, 244 N.J.Super. 385, 582 A.2d 850 (L.1990).

5:26-9.3 Public Offering Statement

(a) Simultaneously with the filing of an application for registration with the Agency, the developer shall serve upon all tenants in the building a copy of the proposed Public Offering Statement and file an affidavit of service with the Agency within 10 days.

1. The proposed Public Offering Statement that is given to the tenants shall contain the following statement on the first page:

THIS IS THE PROPOSED PUBLIC OFFERING STATEMENT SUBMITTED TO THE DIVISION OF HOUSING AND DEVELOPMENT, DEPARTMENT OF COMMUNITY AFFAIRS, IN AN APPLICATION FOR REGISTRATION TO CONVERT THE BUILDING TO A CONDOMINIUM OR COOPERATIVE. THIS STATEMENT IS SUBJECT TO CHANGE. THE DEPARTMENT OF COMMUNITY AFFAIRS WILL ACCEPT WRITTEN COMMENTS CONCERNING THIS STATEMENT FOR A PERIOD OF 45 DAYS. ALL COMMENTS SHOULD BE ADDRESSED TO: