



## New Executive Order pauses key deadlines for cooperative and condominium projects

By Erica F. Buckley

On Thursday, Governor Andrew M. Cuomo signed [Executive Order 202.18](#), which pauses certain key deadlines for cooperative and condominium developers. The new Executive Order also postpones the need for sponsors and other filers to pay filing fees to the Attorney General's Office during the state of emergency, which should be welcome relief to the Real Estate Finance Bureau. The Executive Order was signed on April 16, 2020, and is effective through May 16, 2020.

A summary of the key provisions impacting real estate are as follows:

- The 15-month statutory deadline to convert rental properties to cooperative or condominium status is tolled. It should be noted that this tolling only applies to conversion plans in New York City under General Business Law § 352-eeee;
- The requirement to update the first year of operation for all cooperative and condominium plans if delayed by six months or more is tolled. Sponsors will be required to update the budgets within 30 days from the expiration of the Executive Order, and so long as the budget amount doesn't increase by 25% or more, no right of rescission will be afforded to purchasers;
- The requirement to update the first year of operation if the first closing does not happen within the first year of operation for new construction condominiums is tolled. Sponsors will be required to update the first year of operation within 30 days from the expiration of the Executive Order, and will not be required to offer rescission due to any delay in having the first closing within the first year of operation; and
- Suspends the need for sponsors and other filers to make any payments to the Department of Law during the duration of the Executive Order. All payments must be made to the attorney general within 90 days from the expiration of the Executive Order.

This Executive Order provides much-needed guidance and certainty at this unprecedented time. This Executive Order along with Executive Order [202.11](#) (which granted the attorney general an additional 30 days to respond to statutory deadlines) and Executive Order [202.16/17](#) (which provides for expedited treatment for essential projects such as affordable housing) provides a common sense approach for dealing with myriad real estate issues while New York is on pause. In

particular, this Executive Order should also greatly curtail what could have been a floodgate of litigations based upon circumstances outside the control of all parties involved.

Nixon Peabody's full-service Cooperatives and Condominiums team is available to discuss the impact of this Executive Order with developers and purchasers. Both sponsors and purchasers should be carefully planning ahead for resuming business once the state of emergency is over, and should also be engaging in risk mitigation discussions while planning ahead on how to get into full regulatory compliance post-pandemic.

For more information on the content of this alert, please contact our [Cooperatives and Condominiums](#) team, your Nixon Peabody attorney or:

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