

PENN ATTORNEYS

TITLE ALERT

DATE: 12/29/06

RE: Title Alert 2006-24

PA Condominium Conversions

With the trend toward conversion of apartments and townhouse communities to condominiums, we will see an increasing number of first-time conveyances of a unit whose premises has been converted to a condominium. The provisions of 68 Pa. C.S.A. § 3410 impose requirements on the converting Declarant/Seller including a notice to residential tenants and subtenants at least one (1) year in advance of the conversion accompanied by a public offering statement concerning the proposed sale of the units, and an offer to convey the unit to the tenant at a set price and terms. The notice shall be hand delivered to the unit or mailed by prepaid United States certified or registered mail return receipt requested to the residential tenant and residential subtenant at the address of the unit and not more than one other mailing address provided by a residential tenant.

If you are insuring a single unit, you may not know this is the first-time conveyance of the converted unit unless the Agreement of Sale specifies, or your savvy searcher lets you know. Once you learn it is the first-time conveyance, it is important to obtain the answers to the following questions to determine how to proceed and insure properly. (See page 2 of this Title Alert.)

Penn Attorneys Title Insurance Co.

State Headquarters
900 State Street, Ste 320
Erie, PA 16501
814-454-8278 * 800-352-2216

erie@pennattorneys.com

Eastern Pennsylvania Office
New Bridge Center, Ste 317
480 Pierce Street
Kingston, PA 18704
570-288-1108 * 800-929-4024

epro@pennattorneys.com

1. **Is the Buyer to be insured the current tenant in the unit, or are they/were they a tenant in the same premises in which they are purchasing a different unit?**
 - a. If “YES”, proceed to BOXED SECTION BELOW.
 - b. If “NO”, proceed to #2.

2. **Has the tenant surrendered the unit?**
 - a. The proof: **“Waiver of Right to Purchase”** pursuant to § 3410(j), signed by the tenant and notarized. If the answer is YES and proof is received, proceed to #3. See Waiver following this Title Alert. The Waiver is also available on our website at www.pennattorneys.com in the Forms Library.
 - b. If NO, you must determine why a notice has not been provided and discuss this with your servicing Penn Attorneys office to determine if this can be insured.

3. **Has more than twelve (12) months elapsed from the date of the conversion notice to tenant, and the date of the Agreement of Sale?** This is important because it is a violation of the statute for Seller to sell the unit for an amount less than or on more favorable terms than were offered to tenant, and the sale occurs before the 12 month period elapses.
 - a. The proof: The dated notice and return receipt of certified or registered mailing to tenant if not hand-delivered, and accompanying public offering statement. If the answer is YES and the proof is received, proceed to BOXED SECTION BELOW.
 - b. **If NO, WE WILL DECLINE TO INSURE THE TRANSACTION.**

To protect the parties and our insurance, we need to request an affidavit executed by the Seller for every first-time conveyance of a unit in a converted condominium.

See **Sellers Affidavit Concerning Pennsylvania Condominium Conversion** following this Title Alert. The Affidavit is also available on our website at www.pennattorneys.com in the Forms Library.

To read the full statute, please visit Penn Attorney’s website at under this Title Alert at http://www.pennattorneys.com/printable/title_alerts/2006-24.pdf .

For any questions or concerns, contact your servicing Penn Attorneys office.

**CONDOMINIUM
WAIVER OF RIGHT TO PURCHASE**

1. I/We, _____, am/are the tenant(s)
or subtenant(s) occupying Unit No. _____ in the
_____ located at
(Condominium)

(Street Address)
_____, Pennsylvania _____.
(City) *(Zip Code)*

2. Pursuant to Section 3410 of the Pennsylvania Uniform Condominium Act ("Act"), I/we have received the notice of the conversion of

(Street Address)
to the condominium form of ownership and an offer to purchase the unit together with the Public Offering Statement required to be given to a prospective purchaser under Section 3402 of the Act.

3. I/We do not wish to purchase the unit and wish to reject the offer and, pursuant to Subsection 3410(j) of the Act, waive any right to purchase the unit.
4. I/We am/are are making alternative living arrangements and will vacate the unit.
5. I/We understand that _____ (Declarant/Seller) has the authority to show the unit upon forty-eight hours written or verbal notice and to offer to sell the unit to other persons.

Signature

Signature

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF _____) §

I, THE UNDERSIGNED, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that
_____ whose name(s) is/are signed to the foregoing instrument, has/have acknowledged the same before me in the aforesaid jurisdiction.

GIVEN under my hand and seal on this _____ day of _____, _____.

(SEAL)

My Commission Expires: _____

SELLERS AFFIDAVIT CONCERNING PENNSYLVANIA CONDOMINIUM CONVERSION

Penn Attorneys' File No. _____

Premises: _____

COMMONWEALTH OF PENNSYLVANIA) ss
COUNTY OF _____)

BEFORE ME, the undersigned officer, personally appeared:

_____, ("Deponent[s]"),
who, being duly sworn according to law, and intending to be legally bound, depose and say that he/she/they is/are
the Owner[s] of the above premises being the identical person[s] as the Grantee[s] in the Deed recorded in
_____ Book _____, Page _____, in the Office of the Recorder of Deeds in and for
_____ County, Pennsylvania.

Deponent[s] represent[s] and warrant[s] that as the Owner[s] of the subject premises and as Declarant[s] of
_____ Condominiums,
he/she/they are converting or has/have converted same to Pennsylvania condominiums.

Deponent[s] further represent[s] and warrant[s] that he/she/they has/have fully complied with the notice and offer
for sale provisions of 68 Pa.C.S.A. §3410(a) and (b).

Deponent[s] further represent[s] and warrant[s] that if the Grantee in the proposed insured conveyance is not a
former Tenant in the premises, that either:

- 1. The consideration paid by proposed Grantee is in an amount that is no less than, and on no more
favorable terms than the price or terms offered to and declined by the prior residential tenant of the unit
being conveyed hereunder, or
- 2. That more than 12 months elapsed from the date of the conversion notice provided pursuant to
68 Pa.C.S.A. §3410(a), to the date of the offer to convey from Grantor to proposed Grantee.

Deponent[s], for himself/herself/themselves and on behalf of all other owners of said premises by and with their full
authority for so doing, make this Affidavit for the purpose of inducing:

_____, Approved Attorney,
to hold settlement for the conveyance of said premises, to issue an attorney's certification of title, and to make
disbursement of funds arising out of said transaction.

Deponent[s] is/are aware that this affidavit is also being made for the purpose of inducing Penn Attorneys Title
Insurance Co. to issue its title insurance policy/policies without exception for matters pertaining to the
Pennsylvania Condominium Conversion.

DEPONENT[S]:

Sworn and subscribed before me, this _____ day of _____, _____.

Notary Public: _____ My Commission Expires: _____