



The COMMONS at NEW STREET
CONDOMINIUM



The COMMONS at NEW STREET
CONDOMINIUM

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THE PUBLIC
OFFERING STATEMENT APPLICABLE TO OLDE CITY PLACE CONDOMINIUM
DATED JUNE 1, 1983, AS WELL AS THE CONDOMINIUM DOCUMENTS
ATTACHED TO SUCH PUBLIC OFFERING STATEMENT ON THIS _____
DAY OF _____, 198

WITNESS:

_____ (SEAL)

_____ (SEAL)

PUBLIC OFFERING STATEMENT
THE COMMONS AT NEW STREET, CONDOMINIUM
NORTHWEST CORNER THIRD AND NEW STREETS
244-248 NORTH THIRD STREET
AND
217-225 NEW STREET
PHILADELPHIA, PENNSYLVANIA

THE COMMONS AT NEW STREET, A CONDOMINIUM

Purchaser Should Read This Document
Carefully for His Own Protection

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: The Commons At New Street, A Condominium

LOCATION OF CONDOMINIUM: 244-248 North Third Street and
217-225 New Street,
Philadelphia, Pennsylvania

NAME OF DECLARANT: Historic Venture Associates, Inc.

ADDRESS OF DECLARANT: 2310 Terwood Drive
Huntingdon Valley, Pennsylvania 19006

EFFECTIVE DATE OF PUBLIC
OFFERING STATEMENT: November 1, 1984

IMPORTANT NOTICE:

(Pursuant to §3402(a) (b) of the Pennsylvania Uniform
Condominium Act ["the Act"]).

- 1
- A. UNDER PENNSYLVANIA LAW, A PURCHASER OF A CONDOMINIUM UNIT IS AFFORDED A FIFTEEN DAY PERIOD AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT DURING WHICH HE OR SHE MAY CANCEL, WITHOUT PENALTY, ANY AGREEMENT OF SALE PREVIOUSLY EXECUTED AND OBTAIN FULL REFUND OF ANY SUMS DEPOSITED IN CONNECTION WITH THE AGREEMENT. IF THE PURCHASER SO ELECTS TO CANCEL, HE OR SHE MUST DELIVER NOTICE OF CANCELLATION TO THE DECLARANT BY HAND (IN WHICH CASE EVIDENCE OF RECEIPT SHOULD BE OBTAINED) OR BY POSTAGE PREPAID UNITED STATES MAIL, RETURN RECEIPT REQUESTED.
- B. IF THE DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT, IN ADDITION TO ANY OTHER RELIEF, AN AMOUNT EQUAL TO 5% OF THE SALE PRICE OF THE UNIT UP TO A MAXIMUM OF \$2,000, OR PURCHASER'S ACTUAL DAMAGES, WHICHEVER IS GREATER. A MINOR OMISSION OR ERROR IN THE PUBLIC OFFERING STATEMENT, OR ANY AMENDMENT THERETO, WHICH IS NOT WILLFUL, SHALL ENTITLE THE PURCHASER TO RECOVER ACTUAL DAMAGES ONLY.
- C. IF A PURCHASER RECEIVES THE PUBLIC OFFERING STATEMENT MORE THAN FIFTEEN DAYS BEFORE SIGNING AN AGREEMENT OF SALE, HE CANNOT CANCEL THE AGREEMENT.

THE COMMONS AT NEW STREET CONDOMINIUM

Table of Contents

<u>Topic</u>	<u>Page</u>
Introduction.....	1
Condominiums in General.....	1
Description of the Condominium.....	2
Individual Units.....	5
Common Elements.....	5
The Declarant.....	5
Terms of the Offering.....	6
Governing Documents.....	7
Sales Prices of Units.....	15
Easements and Encumbrances.....	15
Restrictions on Transfer, Etc.....	17
Unit Owners Association.....	17
Surrounding Area.....	18
Parking.....	18
Financial Matters.....	18
Insurance.....	20
Taxes.....	21
Zoning, Housing and Building Codes.....	22
Warranties.....	22
Inspection of Units.....	23
Pending Litigation.....	23
General Information.....	23

Exhibits

- A - Declaration (with Exhibits)
 - 1. Text of Declaration.
 - 2. Exhibit "A" - Legal Description of Land.
 - 3. Exhibit "B" - Schedule of Percentage Interest in Common Elements.
 - 4. Exhibit "C" - Plats and Plans.
- B - By-Laws
- C - Projected Budget for First Year of Operation
- D - Property Report
- E - Estimated Real Estate Taxes
- F - Agreement of Sale
- G - Title Report.
- H - Current Price List

HISTORIC VENTURE ASSOCIATES, INC.

PUBLIC OFFERING STATEMENT

INTRODUCTION

Historic Venture Associates, Inc., a Pennsylvania Corporation ("Declarant"), presents its proposal for condominium ownership of certain real estate located in the Olde City area of Philadelphia, Pennsylvania, at 244-248 North Third Street and 217-225 New Street ("Real Property"). 244-248 North Third Street is occupied by a six story plus basement, brick and concrete facade structure. The structure will be rehabilitated into a total of twenty-two (22) units, consisting of twenty (20) apartment Residential Units and two (2) Commercial Units. The real estate at 217-225 New Street will be improved to serve as a parking lot for twenty-four (24) motor vehicles. The Real Property and its structure will constitute a condominium known as The Commons at New Street Condominium ("Condominium"). Condominium units will be offered by the Declarant for sale to the public. All units and Common Elements will be substantially completed prior to the conveyance of any Unit.

This Public Offering Statement consists of two parts, both a narrative and an Exhibit portion. The Exhibits include legal documents which are required for the creation, marketing and operation of the Condominium, a projected budget for the Condominium and copies of the engineering inspection or Property Report. The narrative portion of the Public Offering Statement is intended to summarize the significant features of the Exhibits and also to present other information of importance to the prospective purchaser. In the event of any inconsistency between the Exhibits and the narrative, the provisions of the Exhibits will govern.

CONDOMINIUMS IN GENERAL

The term "condominium" refers to a form of property ownership. Property owned as a condominium contains two distinct types of property -- Units and Common Elements. Units are portions of a condominium which are set aside for individual ownership and occupancy. They will be owned in fee simple absolute. In the case of a condominium such as The Commons at New Street Condominium, the Residential Units are the separate living quarters or apartments which may be used only by the Unit Owner or a lessee from such Unit Owner for residential purposes only, and the Commercial Units may be used only for certain commercial purposes. Common Elements, on the other hand, are all portions of the Condominium which are not included within the Units. The Common Elements include, without limitation, the land and those portions of the structure which support, enclose or service the Units and the parking lot. Each Unit Owner owns an "undivided interest" in the Common Elements. An undivided interest is a fractional or percentage share of ownership of all

of the Common Elements. In this Condominium, the undivided interest is a percentage and is hereinafter referred to as the "Percentage Interest". The ownership of an undivided interest gives the Unit Owner the right to participate in the control and management (by voting) of all the Common Elements, but such ownership carries with it the obligation of each Unit Owner to pay his share of the expenses of operating and maintaining all of the Common Elements ("Common Expenses").

Each Unit will be taxed separately for real estate tax purposes. No Unit Owner is liable for the payment of real estate taxes on any other Unit. Similarly, no Unit is subject to the lien of a mortgage on any other Unit.

Certain Common Elements are designated Limited Common Elements. A Limited Common Element is a portion of the Common Elements allocated for use only by those in a particular Unit. The Unit Owner of the Unit to which a Limited Common Element is allocated has an exclusive right to use the Limited Common Element.

DESCRIPTION OF THE CONDOMINIUM

The Condominium is located on the Real Property owned by the Declarant. The site upon which the structure is erected is located on the northwest corner of Third and New Streets, Philadelphia, Pennsylvania. These streets have been dedicated to public use.

The Declaration, a copy of which is attached as Exhibit A to this Public Offering Statement, is a legal document which creates the Condominium. The Declaration becomes effective when recorded in the Office for the Recording of Deeds in Philadelphia. The Declaration establishes the boundaries of the Condominium as a whole, as well as the boundaries of and Percentage Interests in the Common Elements appertaining to each Unit. In addition, the Declaration establishes special property rights within the Condominium, such as Limited Common Elements and easements (see below).

Amendments of the Declaration may be accomplished by a seventy five (75%) percent vote of the Unit Owners on the basis of Percentage Interests, except that certain amendments will require the approval of institutional lenders holding first mortgages on Condominium Units.

The Residential Units in the Condominium are restricted to residential use except that the Declarant may use any unsold unit as a model, sales office or management office; the Commercial Units may be used for certain restricted commercial purposes and any of the Commercial Units may hereafter be converted into Residential Units provided approval is obtained from various departments of the City of Philadelphia; other

reasonable, non-residential uses may be permitted by the Executive Board.

The Condominium being offered consists of an existing structure as described in the Property Report attached hereto as Exhibit "D". Extensive renovation work will be done by Declarant. The former interior of the existing structure will be completely renovated.

Since the building on the Real Property is being gutted with all utilities being completely replaced, the Property Report attached hereto as Exhibit "D" contains a description only of the present condition of all structural components in the Condominium. Structural components include, but are not limited to, foundations, bearing walls and floors.

The Property Report also states the approximate dates of original construction of structural components. Approximate dates of utility installations and significant repairs, alterations, or improvements are not given because all of this has been or will be completely renovated. The expected useful life of the structural components is stated. The expected useful life is the number of years remaining of the useful life which, in turn, is the period during which an asset may be used for its intended purpose. In the case of a building, the useful life begins upon its erection. The useful life is, by its nature, speculative.

At the end of the Budget, there is a description of provisions for reserves for capital expenditures (which include major repairs and replacements) and an explanation of the basis for such reserves.

The rehabilitation Plans and Specifications are available for inspection at the Sales Office and will not be changed so as to materially adversely affect any purchaser. The Declarant reserves the right to substitute materials, fixtures, appliances and equipment of substantially equal quality for any of those set forth in the Plans and Specifications. The Plans and Plans are attached hereto as an Exhibit and will be attached as Exhibit "C" to the Declaration of Condominium when the same is recorded. Prior to such recording, they will be revised and supplemented to exhibit additional details and dimensions as the building renovation is actually constructed.

The types and sizes of Units are set forth in Exhibit "B" attached to the Declaration of Condominium which is attached hereto.

The Declarant represents that the information set forth in the Property Report attached as Exhibit "D" hereto is its declaration of the conditions set forth therein and its best estimate of the estimated useful life and replacement cost (in

current dollars) of all structural components and major utility installations.

All items involved in the renovation and upgrading program will be new and in good order and condition constructed or installed during the period of renovation referred to below. Some of the items now existing or referred to herein will involve periodic maintenance and/or replacement and will not result in assessments for the full replacement cost in a single year. Useful life estimates are averages and useful lives of particular items may vary. Useful lives are estimated under the assumption that all items will be properly maintained and not misused.

The expected useful life of each structural component and major utility installation together with the estimated cost (in current dollars) of replacing each of the same is estimated in the following schedule:

	<u>Expected Useful Life</u>	<u>Estimated Replacement Cost (in current dollars)</u>
<u>Mechanical</u>		
Heat Pumps.....	10 years	\$ 1,500 each
Corridor AC Unit.....	15 years	3,000
Hot Water Heater.....	20 years	200 each
Piping.....	50 years	100,000
<u>Electrical</u>		
Transformers & Metering Equipment.....	30 years	50,000
<u>Structural</u>		
Roofing & Water- Proofing.....	20 years	\$ 50,000
Structural Frame.....	60 years	800,000
Windows.....	30 years	50,000
Elevators.....	25 years	70,000

It is anticipated that all of the upgrade work will be substantially completed by December 24, 1984, though it is impossible to predict with certainty if this target date can be met, since delays can occur by reason of conditions beyond the control of the Declarant such as, but not limited to, adverse weather conditions, strikes, shortage of labor and materials, Acts of God and changes in the availability of financing. No assurance can be given at this time with respect to a date on which all of the work described above will be completed.

INDIVIDUAL UNITS

Generally speaking, each Residential and Commercial Unit will consist of the space bounded by the walls, floor and ceiling of the Unit. The Unit will also include any floor covering (carpet, tile, etc.), wall board and wall covering, doors and windows, and any portion of the plumbing, electrical and mechanical systems serving only that Unit.

The Identifying Letter and size of each Unit in the Condominium are set forth in Exhibit B to the Declaration.

Units with one and two bedrooms are offered as well as several studio units.

Each Unit will contain a self-contained electric heat pump which will supply heating, ventilating and air-conditioning to the Unit. Each Unit will have an electric hot water heater. All Penthouses and 5th floor Units will have fireplaces.

Alterations, combinations and divisions of, and certain improvements to Units are subject to the prior approval of the Executive Board.

COMMON ELEMENTS

The Common Elements constitute all of the Condominium other than the Units. The following items are the major Common Elements of the Condominium: all of the land, the parking lot, the supporting structure of the building, exterior walls, roofs, walls separating Units, portions of plumbing, electrical, heating, mechanical, sprinkler and air conditioning systems serving more than one Unit, hallways, stairs, storage spaces, trash area and rooftop master antenna.

As indicated above, each Unit has an appurtenant Percentage Interest in the Common Elements. The Percentage Interest assigned to each Unit is based upon the size (square feet of floor space) of the Unit. The Percentage Interest is calculated by dividing the number of square feet of floor area of the Unit by the number of square feet of floor area of all Units in the Condominium. The Percentage Interest appertaining to each Unit is listed in Exhibit B to the Declaration which is attached to this Public Offering Statement as Exhibit A. In the case of a commercial use that would increase the insurance coverage cost, such Commercial Unit will pay for such increase.

THE DECLARANT

The Declarant is Historic Venture Associates, Inc., a Pennsylvania Corporation whose officers are Theophile J. Mignatti, Jr., President and William P. Fusselbaugh, Jr., Secretary.

Theophile J. Mignatti, Jr. is also the President of Mignatti Construction Company, Inc. The purpose of the firm is to quarry granite and stone of all types; to supply, buy, sell, and deal in building and construction materials, of every class and description; to carry on a general contracting, building, and construction business.

William P. Fusselbaugh, Jr., has been in the past and is presently engaged in real estate investment, limited partnership formation and condominium conversion.

TERMS OF THE OFFERING

Offering prices for all Units in the Condominium have been tentatively established at this time as set forth in Exhibit "H" and will be subject to change at any time prior to execution of Agreements of Sale for such Units. Different Purchasers may pay different prices for similar Units at the sole discretion of the Declarant. Initial offering prices will be from approximately One Hundred Thousand (\$100,000.00) to One Hundred Fifty-Seven Thousand (\$157,000.00) Dollars, depending on the Unit.

Deposits will be held in an escrow account in accordance with the provisions of Section 3408 of the Pennsylvania Uniform Condominium Act and will be returned to the Purchaser without interest if the Purchaser cancels the Agreement of Sale pursuant to Section 3406 of the Act.

A Unit Purchaser may apply for financing from any lender or may pay all cash at settlement.

At settlement, the Purchaser will be required to pay, in addition to the purchase price of the Condominium Unit, the settlement costs which are identified in the Agreement of Sale.

In addition, each Purchaser will be required to make a non-refundable initial capital contribution to the Unit Owners Association in an amount determined by dividing Seventeen Thousand Four Hundred (\$17,400) Dollars by each Unit's Percentage Interest. The general purpose of these contributions is to provide for certain prepaid items (i.e. insurance premiums, and supply costs). This payment is not to be credited as an advance payment of Common Expenses.

Settlement will occur when a Statement of Occupancy has been obtained from the City of Philadelphia. Declarant has not undertaken to provide financing for purchasers acquisition of the units. If purchasers desire to borrow money to facilitate their purchase, they must secure their own financing. If Purchaser fails to complete settlement on a Unit as required, the Declarant may cancel the Agreement of Sale and keep all sums deposited by the Purchaser in connection with the Agreement of Sale.

The Declarant, except to the extent required by law, does not presently intend to rent units (other than as agent for Unit Owners), but does intend to primarily market the Units individually or in blocks to buyers who will not occupy such Units, but instead will rent them. No additional Units not now part of the Condominium are presently intended to be included in the Condominium.

GOVERNING DOCUMENTS

The basic Agreement of Sale form to be used by the Declarant is included as "Exhibit F" hereto. The existing title report is attached as "Exhibit G".

The ownership, use and occupancy of the Units of the Condominium are governed by certain regulations, covenants and restrictions contained in a Declaration of Condominium (Exhibit A of this Statement), By-laws (Exhibit B of this Statement), and Rules and Regulations that may be promulgated by a governing Executive Board, whose responsibility it is to manage the entire Condominium property. These documents, taken together, are known as the Governing Documents of the Condominium. It is important that you read and attempt to understand each portion of the Governing Documents prior to your purchase, so that no restriction placed upon you because of the Documents will come as a surprise, after you purchase.

By purchasing a Unit, you automatically agree to abide by the Governing Documents and all the Rules and Regulations which may be promulgated by the Executive Board at later times.

The following is a brief summary of the significant portions of the Governing Documents.

A. Declaration

The Condominium entity is created by the Declarant's recording of the Declaration.

Article 1 of the Declaration lists easements and licenses affecting the Condominium in §1.2 (see Section 9 below).

Article 2 of the Declaration provides a glossary of certain terms used in the Governing Documents. Note the definition of "Permitted Mortgage" in §2.2.

The provisions of the Uniform Condominium Act apply to the Operation and governance of the Condominium except (where permitted by the Act) to the extent that contrary provisions are found in the Governing Documents.

Article 3 and 4 of the Declaration describe the boundaries of the Units, the Limited Common Elements and the

Common Elements in the Condominium. Unit boundaries (the "Unit Title Lines") generally run along the Unit-side surfaces of ceilings and floors and the plane formed by the Unit-side surface of the portion of the structure to which the drywall forming all perimeter walls and party walls is attached. The Unit Title Lines run along the Unit-side surface of doors and windows and their sills and hardware in perimeter walls and along the exterior surfaces of all window panes. The significance of the Unit Title Lines is that all portions of the Unit contained within these lines are owned by the Unit Owner and the Unit Owner has sole responsibility for the care, maintenance and replacement of these areas.

All portions of the building which are not contained within the Units are deemed to be Common Elements. Common Elements are maintained by the Association of behalf of all Unit Owners and the cost of this maintenance is allocated to the individual Units in accordance with their Percentage Interests which are listed in Exhibit B to the Declaration.

The owner of each Unit shall own, in addition to his Unit, an undivided interest in the Common Elements as set forth in Exhibit B to the Declaration. Undivided interests in the Common Elements were computed as set forth under the heading "Common Elements" above. The legal description of each Unit consists, in part, of its identification number as set forth in Exhibit B to the Declaration. (See §5.1 of the Declaration).

All expenses of administration, maintenance, repair or replacement of the Common Elements, and any expense agreed upon by the Unit Owners to be paid as Common Expenses by the Unit Owners, or which are set forth as such in the Declaration, By-laws or the Act shall be deemed "Common Expenses" and shall be paid by the Unit Owners in proportion to their relative percentage of ownership interests in the Common Elements.

Section 3.3 permits the relocation of boundaries between Units, combination and subdivision of Units and conversion of Units by the Declarant to Units, Common Elements or a combination thereof. Alterations and improvements are permitted as set forth in the Act, subject to restrictions in the Governing Documents.

Until closing of the sale of all Units, the Declarant may use portion of the Property, including Units owned by it, in connection with sales of Units, management and promotion of sales of Units. The Declarant has certain special rights with respect to the use, sale or lease of any Unit or portion of the Property and the right to transact any business necessary to complete the renovation and rehabilitation of the Units and the Common Elements.

Article 12.3 of the Declaration and Article X of the By-laws provide that except as provided below, the declaration and the By-laws may be amended only by the vote of 67% of the Unit

Owners. If any right, privilege, power or option or obligation of the Declarant is affected by such an amendment, the prior approval of the Declarant is required for said amendment. Any amendment to abandon, partition or subdivide Units, to transfer any portion of the Common Elements, or to do certain other things affecting mortgagees require the prior written approval of all holders of Permitted Mortgages.

The Executive Board may, without approval of the Unit Owner Owners or holders of Permitted Mortgages, but subject to certain restrictions, amend the Governing Documents to correct ambiguities or defects, or to conform the documents to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to the condominium projects.

Article 6 of the Declaration imposes various restrictions of on the use of the Units and various other portions of the Condominium. The Residential Units in the Condominium are generally restricted to residential uses only; however, certain professional offices may be maintained in portions of individual Units. Unit Owners are barred from conducting any activity which unreasonably interferes with the quiet enjoyment of adjacent Units and there are restrictions on the kinds of pets which may be kept in the Condominium.

In addition to those provisions contained within the Declaration dealing with the use of Units and Common Elements, additional Rules and Regulations (that are consistent with the Declaration) may be promulgated by the Executive Board of the Association. No such Rules and Regulations have been prepared as of the effective date of the Public Offering Statement.

Subject to certain restrictions set forth in §6.2, Commercial Units may be used for any lawful commercial purpose not inconsistent with or in violation with any applicable law, code or ordinance.

Article 8 provides that Purchasers may not deliver any mortgage, or obligation secured thereby unless they have first notified the Executive Board of the name and address of the proposed Permitted Mortgagee and unless the Executive Board approves the mortgage. Copies of all Permitted Mortgages must be provided to the Association.

Section 8.3 grants certain Mortgagees the right to receive notice upon the happening of certain events.

Article 12 of the Declaration deals with the powers of the Executive Board of the Association. The Executive Board has most of the same powers and functions as the Board of Directors of a corporation. Among other powers, the Executive Board and its officers have the power to manage the Condominium, including

paying all Common Expenses, making maintenance assessments and budgets, engaging the services of a managing agent, formulating policy, borrowing money on the credit of the Association, entering into leases or licenses with respect to portions of the Common Elements, assigning parking spaces for motor vehicles to the occupants of the units and enforcing the Governing Documents, including collection and levying of assessments. The Board will have final say in resolving or arbitrating disputes between Unit Owners regarding the property or the Governing Documents.

Article 14 of the Declaration (together with Article 6 of the By-laws) deals with the liability of Unit Owners to pay for all Common Expense assessments allocated to their individual Units and provides for the procedures to be followed to fix assessments and to collect assessments in the event that a Unit Owner fails to pay them. If a Unit Owner is in default for 60 days in payment of assessments, the Board can declare due immediately all assessments projected for the year.

Section 6.3 provides that a Unit Owner may lease or sublease his Unit, in writing, for an initial term of not less than 180 days, provided a copy of the written lease or sublease is furnished to the Executive Board within ten (10) days after execution. The rights of all lessees are subject to the provisions of the Governing Documents and a default thereunder constitutes a default under the lease.

Article 11 of the Declaration provides that the Executive Board shall obtain the following types of insurance with respect to the property:

(a) Hazard insurance with endorsement for extended coverage or similar insurance. Such insurance shall be in an amount equal to the full insurable replacement cost of the property without deduction for depreciation.

(b) Comprehensive Liability Insurance naming the Unit Owners and the Executive Board members as insureds for a minimum of \$1,000,000 for any single occurrence.

(c) Fidelity coverage against dishonest acts on the part of persons responsible to the Association.

(d) Workers' Compensations insurance as may be required by law.

(e) Other types of insurance that the Board may elect to obtain.

Each Unit Owner shall be liable for any expense occasioned by his actions or neglect, or the acts or neglect of his family, guests, employees, agent or lessees, to the extent such expense is not paid by proceeds of insurance carried by the Association.

Each Unit Owner, the Executive Board and the Association, waives and releases any and all claims which he, she or it may have against any other Unit Owner, the Board and the Association, or the Declarant and their respective employees and agents, to the extent that damage is covered by fire or other forms of hazard insurance but only if such waiver does not affect the right of the insured under applicable insurance policies to recover. The Unit Owners and Executive Board shall use reasonable efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

In the event of the destruction of all or part of the property, the Executive Board, with certain exceptions, has a duty to repair and restore the property, using the proceeds of insurance received by the Board.

Under certain circumstances, after destruction of the building, the Condominium may be terminated.

Article 10 of the Declaration provides for a limitation on the liability of members of the Executive Board against all the expenses and liabilities which they may incur, absent their willful misconduct or gross negligence, in the performance of their duties. Other sections of Article 10 provide for the defense of claims against the Association, the limited liability of Unit Owners and a disclaimer of bailee liability of the Association, the members of the Executive Board or any Unit Owner for personal property stored on the Common Elements.

Pursuant to Section 7.2 of the Declaration, when 25% of the Units have been conveyed, the Unit Owners will elect two independent members of the board. The first annual meeting of Unit Owners to elect an entirely independent Board shall be held on a date fixed by the Declarant which shall not be later than the earlier of:

(a) Sixty (60) days from the date when seventy five (75%) percent of Units have been conveyed by the Declarant; or

(b) Five years after the date of the Declaration.

B. By-laws

The By-laws are the rules for governance of the Condominium Association and serve the same purpose as the By-laws of a corporation.

Article II of the By-laws sets forth the membership rights of all Unit Owners in the Condominium Association and sets forth the time, location, purpose and business to be conducted at meetings of the Association. Article II also sets forth the

required notice, quorum and voting rights of the Unit Owners as members of the Association and the procedures to be followed in conducting meetings of the Association. The By-laws require the Association to conduct meetings at least annually. At such meeting various members of the Executive Board will be elected and the members present will conduct such other business as may be required by law or the Governing Documents. At the annual meeting, the Treasurer of the Association presents an annual financial report for the preceding fiscal year.

Each Unit Owner shall be a member of the Association which will be a non-profit corporation. Each Unit Owner automatically becomes a member of the Association when he acquires title to his Unit, and ceases to be a member when he sells his Unit.

Special meetings of Unit Owners may be called by the Executive Board or by Unit Owners entitled to cast not less than twenty percent (20%) of all votes of Unit Owners.

Revocable written proxies of not more than one year's duration are permitted. All joint Owners of a Unit must join together and cast the Unit vote together, either in person or by proxy.

Article III deals generally with the make-up and operation of the Executive Board and sets forth procedures to be followed in the event of the resignation or removal of Executive Board members and the filling of vacancies in the Executive Board.

The Condominium shall be managed by an Executive Board of five persons.

The By-laws permit the Association to employ a professional experienced managing agent. This managing agent will oversee the daily operation of the Condominium.

Article VIII of the By-laws sets forth requirements governing the validity of contracts with interested Executive Board members. Section 8.3 establishes requirements for the terms of any management contracts entered into by the Association and delineates the powers of the Executive Board which may be delegated to a managing agent.

Article IV of the By-laws contains provisions governing the election of officers of the Association by the Executive Board and the duties of such officers. The Executive Board annually elects a President, Secretary, Treasurer and such other officers as the Executive Board may determine.

Article VI deals with the determination, assessment and collection of Common Expenses (see also Article 14 of the Declaration). Unpaid Common Expense assessments shall be a lien

upon Units, and said lien ultimately may be enforced by a sale of said Units.

Article XII provides that failure to comply with the Governing Documents, or any Rules and Regulations pursuant thereto, shall subject a Unit Owner to liability for damages, injunctive relief, foreclosure of lien, and incidental court costs and attorney's fees, or any other relief that a court might grant.

Article X deals with amendments. See discussion of the Declaration above.

C. Agreement of Sale

The Agreement of Sale sets forth the various rights, duties and obligations of the Unit Purchaser and Declarant with reference to the individual Unit to be purchased.

The Agreement refers to the Identifying Number of the Unit to be purchased by the Purchaser and provides that in addition to obtaining title to an individual Unit, all Purchasers automatically receive an appurtenant undivided proportionate ownership interest in the Common Elements, and title to the personal property.

The Agreement provides that the Purchaser acknowledges receipt of copies of the Declaration, By-laws, and the Public Offering Statement; agrees to be bound by the terms of the Governing Documents and grants to the Declarant the right to amend the Governing Documents prior to the Settlement Date without, in most cases, obtaining the Purchaser's written consent thereto.

The Agreement sets forth the price and terms of the Unit the Purchaser is buying. The purchase price for the Unit Ownership reflects the current sales price for the Unit. At the time the Agreement is executed, Purchasers will be required to pay a deposit against the purchase price. The balance of the purchase (after deduction of the deposit previously paid) is due on the date on which title to the Unit is conveyed to the Purchaser (the "Settlement or Closing Date").

The Agreement describes the deed to be conveyed to the Purchaser on the Settlement Date and provides that the acceptance by the Purchaser of the deed at Settlement shall constitute a complete release by Purchaser of certain warranties, obligations and liabilities of the Declarant.

The Agreement refers to the various title exceptions to which each Unit will be subject. It describes when the Settlement Date will occur and the responsibilities of each of the parties to the Agreement for various costs and charges to be paid on the Settlement Date.

The Agreement sets forth the various events of default and the rights of the Declarant and the Purchaser in the event of a default by either party. Generally, this Section provides that upon a default by the Purchaser, the Declarant is entitled to retain the deposit paid by the Purchaser as the Declarant's sole remedy. In the event of a default by the Declarant under the Agreement, the Purchaser is entitled to a return of any deposit paid pursuant to the Agreement as the Purchaser's sole remedy.

The Agreement provides that the named Purchaser under the Agreement may not assign the Purchaser's right to purchase the Unit without the consent of the Declarant.

The Agreement sets forth the various warranties given to purchasers by the Declarant. These warranties are summarized below in this Statement.

The Agreement sets forth the rights of the Declarant and the Purchaser in the event that all or a portion of the Condominium is destroyed, damaged or condemned prior to the Settlement Date. It provides that the Declarant assumes the risk of loss or damage to the Unit until Settlement.

The Declarant retains the right, at any time and from time to time, to increase the selling prices for the Units in the Condominium and any increases in these prices belong to the Declarant; provided, however, that no changes in prices may effect Agreements executed by the Declarant prior to the time such changes are made, nor will any such price changes alter a Purchaser's Percentage Interest in the Common Elements.

D. Condominium Management Agreement.

The Declarant intends to enter into a Management Agreement with a professional management agent (the "Manager"), which will be responsible for overseeing the day-to-day operations of the Condominium pursuant to the instructions of the Executive Board. The Managing Agent may be an affiliate of the Declarant. The Management Agreement will be for an initial term on one (1) year beginning on the date of recording of the Declaration. The Agreement will be automatically renewed for additional one year terms unless cancelled by either party no later than sixty (60) days prior to the expiration of any term. After the entire Executive Board has been elected by the Unit Owners, the Executive Board has the right to terminate the Management Agreement upon ninety (90) days notice to the Manager.

The Manager will manage the Condominium on behalf of the Executive Board and will have the authority and power to perform the duties contained in the Management Agreement, as limited by the provisions of the By-laws.

Such Manager will also manage any leasing and the management of such leased units which it is requested to do by

any Unit Owner, at a fee of six (6%) percent of the incomes generated by the lease.

The Executive Board will pay the Manager a management fee which is reasonably competitive with regard to such services in the area.

E. Other Contracts and Leases.

This statement sets forth all relevant contracts and leases with respect to the Condominium. The Declarant is unaware of any such contracts or leases which may be subject to cancellation by the Association under applicable law except, perhaps, the Management Agreement.

The Executive Board elects the officers of the Unit Owners Association. The officers are a President, Vice-President, Secretary, Treasurer and any other officers the Board may deem necessary. The President and Vice-President must be members of the Board.

The operation of the Unit Owners Association is governed by the Declaration, the By-laws and the Act. In addition to provisions for an Executive Board, Managing Agent and officers as discussed above, these documents provide for annual and special meetings, common expense assessments, insurance, restrictions on the use of Units and Common Elements, and numerous other matters affecting the occupancy and operation of the Condominium. A copy of the By-laws is attached as Exhibit C to this Public Offering Statement.

The By-laws may be amended by agreement of a majority (by Percentage Interest) of the Unit Owners, except that during the period when the Declarant controls the Board, no amendment which affects the Declarant's right to control the Board may be made without the Declarant's approval.

SALES PRICES OF UNITS

The initial price for any Unit is set forth in Exhibit "H". All prices may be changed without notice. Such changes shall be made at the sole discretion of the Declarant, without notice; of course, the prices in previously executed Agreements of Sale will not be affected, except as therein provided.

EASEMENTS AND ENCUMBRANCES

The Condominium will be subject to the normal utility easements for water, sewer, gas, electric and telephone lines. In addition, the Condominium will be subject to certain easements created by the Declaration and by the Pennsylvania Uniform Condominium Act. These easements include:

1. Easement for encroachments. By virtue of this easement, Unit Owners and the Unit Owners Association are protected in the event that a Unit or Common Element encroaches upon another Unit or Common Element.

2. Easement to facilitate sales. The Declarant may use any unsold Units in the Condominium as models or sales or management offices and may place advertising signs anywhere within the Condominium.

3. Easement for ingress and egress. Each Unit Owner has a right of access to the Common Elements, subject to rules, regulations and restrictions established by the Unit Owners Association.

4. Easement for access to units. Authorized representative of the Unit Owners Association, including the Declarant and the managing agent, if any, may enter any Unit to the extent necessary to correct conditions threatening other Units or the Common Elements, to make repairs to Common Elements which are accessible only from the Unit, or to correct conditions which constitute violations of the Declaration, By-laws or Regulations. Notice must be given to the Unit Owner prior to entry except in emergencies when a Unit may be entered without notice. In the event of violation of the Declaration, By-laws or Regulations, the violation may be corrected without the consent of the Unit Owner, and the Unit Owner may be charged with the resulting expense.

5. Easement for support. Each Unit Owner has the benefit of a restriction upon any action of a neighboring Unit Owner, or of the Unit Owners Association with respect to the Common Elements, which would endanger the stability or safety of his Unit.

6. The facade easement hereinafter described.

The Condominium property is presently subject to the lien of one mortgage securing a loan by which the Declarant improved the property. The Declarant is required by law to release the lien of the mortgage on any Condominium Unit sold. The Condominium Units will be conveyed free of any liens other than those placed on the Condominium Unit by the Purchaser.

All Buyers acting through the Unit Owners Association, will grant a recordable conveyance of easements of the facades facing both New and Third Streets to the Philadelphia Historic Preservation Corporation ("PHPC"), which easements will become a perpetual encumbrance on the Real Property. If required by PHPC, all Buyers are obligated to join in the granting of these facade easements. Such easements will require the Unit Owners acting through the Unit Owners Association to maintain the facade in accordance with standards set by the Philadelphia Historic Preservation Corporation at time of creation of these easements.

Existing title objections are set forth in the title report attached as "Exhibit G".

RESTRICTIONS ON TRANSFER, ETC.

There are no restrictions on resale of a Condominium Unit by the Unit Owner. Leasing of Units is subject, however, to the following restrictions: no Unit may be leased initially for less than a six-month term other than Units owned by the Declarant; no portion of a Unit (meaning less than the entire Unit) may be leased for any period; and all leases must be written and must provide that failure to comply with the Condominium Documents and Rules and Regulations constitutes a default under the lease. See Article 6 of the Declaration regarding use restrictions.

UNIT OWNERS ASSOCIATION

The Unit Owners Association is the organization responsible for governing the Condominium. Each Unit Owner has a vote in the Association proportionate to the Percentage Interest in the Common Elements appurtenant to his Unit. Since a bigger Unit has a greater Percentage Interest, the owner of a bigger Unit will have a greater vote in the Association. The vote for each Unit is equal to the Percentage Interest listed for the Unit in Exhibit B to the Declaration.

All of the normal operations of the Unit Owners Association will be accomplished under the direction of the five-member Executive Board. The Unit Owners will participate directly in the important policy decisions of the Association.

The Executive Board may employ a Managing Agent to act in its behalf in the performance of all duties other than policy-making duties, acquiring property, opening bank accounts and borrowing money. The Managing Agent will be a professional organization having experience in the operation of condominium associations and may be an affiliate of the Declarant. The Managing Agent would bring to the task of managing the Unit Owners Association two qualifications which the Executive Board does not possess: (i) expertise in handling the complex functions of the Unit Owners Association and (ii) the ability to devote itself to running the Association on a full-time basis.

Initially, members of the Executive Board will be appointed by the Declarant. The purpose of the Declarant's retaining control of the Executive Board in the early stages of the Condominium's existence is to ensure the stability of the Association and to administer the Condominium's affairs until the new Unit Owners become familiar with the project. The Declarant may retain control of the Executive Board until the Second Election Meeting of the Association as defined in §2.2 of the Declaration. After termination of the Declarant's control of the Executive Board, members will be elected by the Unit Owners.

The Executive Board elects the officers of the Unit Owners Association. The officers are a President, Secretary, Treasurer, and any other officers the members of the Executive Board may deem necessary. The President and Vice-President must be members of the Board.

The operation of the Unit Owners Association is governed by the Declaration, the By-laws and the Act. The By-laws are not recorded on the public records of Philadelphia. In addition to provisions for an Executive Board, Managing Agent and officers as discussed above, the By-laws provide for annual and special meetings, common expense assessments, and numerous other matters affecting the occupancy and operation of the Condominium. A copy of the By-laws is attached as Exhibit B to this Public Offering Statement.

The Unit Owners Association (as is authorized by the By-Laws), acting on behalf of all Unit Owners, intends to donate an easement of the facade of the Condominium structure to the Philadelphia Historic Preservation Corporation.

SURROUNDING AREA

The Commons At New Street Condominium is located in the heart of Center City Philadelphia. This location makes the Condominium easily accessible from most places in the Philadelphia Metropolitan Area.

PARKING

Included as a part of The Commons at New Street Condominium is a 24 space improved and lighted parking lot, located at 217-225 New Street. Said parking lot is a common element of the condominium. The owners of the 22 units of the Condominium shall each be entitled to use one assigned parking space for the parking of an automobile or light truck (under 10,000 lbs. gross vehicle weight). A unit owner not wishing to so use the assigned parking space may lease the space for a consideration payable to such unit's owner for use in accordance with the rules and regulations promulgated by the Executive Board. The Executive Board shall lease the two remaining parking spaces for consideration payable to the Unit Owners Association. The Executive Board shall assign the parking spaces to the Units and may from time to time change the assignments based on size of vehicle and other factors so as to best utilize the space for the convenience of the unit owners.

FINANCIAL MATTERS

As indicated above in the Unit Owners Association section, Unit Owners will be assessed to obtain the funds necessary to meet the budget of the Unit Owners Association. The budget will be adopted on an annual basis, but assessments will

be on a monthly basis. On the first day of each month each Unit Owner will pay an assessment of one-twelfth of the amount of the aggregated annual assessments.

The amount assessed against each Condominium Unit will be based on the Percentage Interest appertaining to the Unit. Each Unit Owner will be responsible for payment of that percentage of the total annual budget which is equal to the Percentage Interest appertaining to his Unit. For example, if a Unit has a 3.5% Percentage Interest, the Unit Owner will be assessed monthly an amount equal to 1/12 of 3.5% of the total annual budget. The Declarant will pay full common expense assessments on all unsold Units.

The budget will cover all anticipated common expenses for the upcoming fiscal year. The budget will also include whatever amount the Executive Board considers necessary as an adequate reserve to provide for unforeseen contingencies, working capital and repair or replacement of Common Elements. There are no services not reflected in the budget that Declarant currently provides, or expenses that Declarant currently pays and expects may become at any subsequent time a Common Expense of the Association.

There is no current balance sheet for the Association. The Declarant has prepared a budget for the first year of the Condominium's operation. A copy of the budget is attached to this Public Offering Statement as "Exhibit C". The budget figures are, of course, estimates and the Declarant cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. The figures were obtained, however, on the basis of the Declarant's experience and consultation with other experienced real estate brokers and developers and the Declarant believes that the figures represent the best estimates obtainable. In the event that insufficient funds are budgeted for any given fiscal year, the Executive Board may levy one or more monthly special or additional assessments to make up the budget deficit.

Although normal Common Expenses are apportioned among all Unit Owners, certain Common Expenses will be payable in their entirety by individual Unit Owners. If any Unit Owner has a Limited Common Element such as a roof deck or garden appurtenant to his Unit, that Unit Owner shall be charged, on an individual basis, with the share of common expenses attributable thereto by levy of an appropriate assessment. Also, if any additions, alterations or improvements to the Common Elements are requested by certain Unit Owners and result in benefit to only those Unit Owners, the cost of the addition, alteration or improvement may be charged on an individual basis to the benefited Unit Owners.

A Unit Owner must pay directly all of the costs of maintenance and repair for his own Unit. The charges for some

utilities, such as electricity for the lobby area, are Common Expenses which will be apportioned among all Unit Owners. Electricity charges for the Units are to be separately metered.

All of the amounts assessed against a Unit give rise to a lien on that Unit. The Unit Owner cannot dispose of his Unit free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Unit Owners Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Unit) or by suing the Unit Owner. If any assessments are past due for more than two months, the Executive Board may accelerate the payments (i.e., declare immediately due and payable the total amount to be assessed against the Unit Owner for that fiscal year but not yet paid).

This Public Offering Statement does not contain information regarding actual expenditures for the last three years because the Declarant does not deem the Condominium to be a conversion by reason of the fact that there are no existing residential tenants in the buildings and renovations to the existing structures will be so extensive that they render useless any data regarding the past history of the property. The prior operation was that of a warehouse and factory.

A majority of Unit Owners may reject any budget or any capital expenditure within 30 days after the same is adopted or approved by the Executive Board.

INSURANCE

The Executive Board will obtain master insurance policies to protect the Unit Owners Association and, to a certain limited extent, the Unit Owners as individuals.

The Building, including the Units as they exist on the date the Condominium is erected, will be covered by fire and property damage insurance. The coverage will be in an amount equal to the full replacement cost of the Building. This coverage will not insure physical improvements within each Unit, nor the appliances or personal property belonging to a Unit Owner.

The Unit Owners Association and Unit Owners will be insured against liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring within a Unit or liability arising from the act or negligence of a Unit Owner.

The Executive Board will also maintain appropriate worker's compensation insurance and fidelity coverage to protect against dishonest acts on the part of officers, Board members,

trustees and employees of the Unit Owners Association and all others who handle funds of the Unit Owners Association, including the Managing Agent.

The Declarant strongly recommends that each Unit Owner obtain insurance coverage on his personal property and liability exposure not covered by the Unit Owners Association policy. The Unit Owner may also wish to insure any improvements to his Unit to the extent that the improvements increase the value of his Unit beyond the limit of coverage provided by the policy maintained by the Unit Owners Association. The Unit Owner should be aware, however, that there are certain restrictions on this type of additional insurance in Article IX, Section 9.2 of the Declaration. The Unit Owner should consult the Executive Board or the managing Agent before purchasing such additional insurance.

Generally speaking, insurance proceeds under the fire and property damage insurance policy carried by the Association will be payable to an insurance trustee, which will be a Philadelphia-area banking institution (the "Insurance Trustee"). An Insurance Trust Agreement will be entered into between the Insurance Trustee and the Association which will authorize the Insurance Trustee to receive the insurance proceeds (when the proceeds exceed \$50,000.00) and to apply the proceeds to the restoration of the Building in accordance with the terms of the Declaration.

TAXES

Real property taxes are levied separately against individual Condominium Units and each Unit Owner will be responsible for the payment of the taxes on his own Unit. The assessed value of Condominium Units is presently unknown since the county tax assessor cannot assess Units until the Declaration is recorded.

As of the effective date of this Public Offering Statement, real property in Philadelphia County is assessed at approximately 35% of its fair market value and taxed at a rate of \$7.475 per \$100 of assessed value.

The most recent ascertainable real estate taxes affecting the Property are for the year 1984 and were levied against the Property as a whole, as follows:

<u>Property</u>	<u>Gross Due (without discount)</u>
224-248 North 3rd Street	(1984 Assessment) \$45,728.00
Covering part of the premises in question	(City & School Tax) \$ 3,418.17

217-225 New Street (Covering (1984 Assessment) \$11,622.00
the remaining part of premises in (City & School Tax)\$ 868.06
question)

Total Assessment	<u>\$56,350</u>	Total Taxes	<u>\$4,286.23</u>
------------------	-----------------	-------------	-------------------

Exhibit E includes an estimate of a year's real estate taxes applicable to each Unit. The figures in this schedule were determined on the basis of the Declarant's pro rata price for each Unit multiplied by an assessment rate of 35% to which the current combined City and School tax rate of \$7.475 per \$100 of assessed value have been applied. The Seller can make no guaranty, however, with respect to the tax estimates contained in Exhibit E, as various governmental departments over which the Seller has no control have the responsibility for determining the manner of assessment for and computation of real estate taxes. Investors acquiring Units for rental may be eligible for a 5 year abatement of taxes attributable to the recent improvements made by the Declarant, but there is no assurance of eligibility. At present, indications are that investors owning five or more Units will be eligible for this abatement while investors owning less than five Units will not be so eligible.

ZONING, HOUSING AND BUILDING CODES

The Condominium Real Property is zoned L-4. Zoning variances have been granted by the City of Philadelphia permitting the building to be used for residential and office purposes. The variances bring the Condominium into compliance with all applicable regulations.

WARRANTIES

The following are the terms and significant limits of any warranties provided by the Declarant.

1. Declarant warrants against structural defects in components of the Buildings. For the purpose of this paragraph "structural defects" means those defects in components constituting any Unit or Common Element which require repair, renovation, restoration or replacement and

(A) which reduce the stability or safety of the Buildings below accepted standards; or

(B) which restrict the normal intended use of all or part of the Buildings.

This warranty shall not be construed to make Declarant responsible for any items of maintenance relating to the Units or Common Elements.

2. The warranties described above commence and expire as follows:

(A) As to the Units, the warranties begin on the date the Unit is conveyed to the Purchaser and continues for a period of two (2) years thereafter.

(B) As to each Common Element as to which Declarant makes a warranty, the warranty begins on the later of (i) the date of completion of Declarant's work with respect to the particular Common Element, or (ii) the date the first Unit is conveyed to a bona fide Purchaser, and continues for a period of two (2) years thereafter.

(C) EXCEPT AS SET FORTH ABOVE, THE UNITS, THE COMMON ELEMENTS, AND ALL PERSONAL PROPERTY TO BE SOLD ARE SOLD "AS IS", WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY.

INSPECTION OF UNITS

Not less than forty-eight (48) hours prior to settlement on a Unit, the Declarant will notify the Unit Purchaser that his Unit is ready for inspection. The Purchaser will then be permitted to inspect his Unit and note any defects. The Declarant will correct any defects resulting in the Unit not being substantially complete prior to settlement. If the Purchaser fails to inspect his Unit, he must accept his Unit in an "as is" condition, except for the warranties described above.

PENDING LITIGATION

As of the effective date of this Public Offering Statement, there are no judgments against the Association nor is the Association a party to any pending litigation. Declarant knows of no litigation, pending or threatened, which could materially adversely affect the Condominium or the Declarant's ability to convey clear title to the Units.

Prior to any Unit settlement, a certificate of an architect or engineer will be recorded certifying that the Unit is substantially completed. In addition, prior to the first Unit settlement a certificate of an architect or engineer must be recorded certifying that all structural components and mechanical systems of all Buildings containing or comprising any Units are substantially completed in accordance with the plans.

GENERAL INFORMATION

Any information or data regarding The Commons at New Street Condominium not presented in this Public Offering Statement or contained in the Exhibits must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein. This presentation may not be changed or modified orally.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential Purchasers not then under contract; provided, however, that any such change shall not affect the substance of the Public Offering Statement with respect to prior Purchasers or Purchasers under contract.



DECLARATION OF CONDOMINIUM
OF
THE COMMONS AT NEW STREET, A CONDOMINIUM

Pursuant to the Provisions of
the Pennsylvania Uniform Condominium
Act, 68 Pa. C.S. §3101, et seq.

EXHIBIT "A"
"To Public Offering Statement"

DECLARATION OF CONDOMINIUM
OF
THE COMMONS AT NEW STREET, A CONDOMINIUM

TABLE OF CONTENTS:

<u>Article</u>	<u>Section</u>	<u>Title</u>	<u>Page</u>
I		SUBMISSION OF PROPERTY TO UNIFORM CONDOMINIUM ACT	
	1.1	Declaration of Condominium.....	1
	1.2	Easements and Licenses.....	1
II		DEFINITIONS	
	2.1	Terms Defined in the Act.....	1
	2.2	Terms Specifically Defined in this Declaration of Condominium.....	2
	2.3	Provisions of the Act.....	4
III		UNIT BOUNDARIES	
	3.1	Plats and Plans.....	4
	3.2	Unit Title Lines.....	4
	3.3	Relocation of Unit Boundaries; Subdivision and Conversion of Units.....	4
IV		DESCRIPTION AND ALLOCATION OF LIMITED COMMON ELEMENTS	
	4.1	Description of Limited Common Elements.....	5
V		IDENTIFICATION OF UNITS; ALLOCATION OF COMMON ELEMENT INTERESTS; COMMON EXPENSES; VOTING RIGHTS	
	5.1	Allocation of Common Element Interests and Common Expense Liability.....	5
	5.2	Allocation of Unit Owner's Voting Rights....	5
	5.3	Reserve Fund.....	5
	5.4	Working Capital Fund.....	5
	5.5	Real Estate Taxes.....	6
VI		RESTRICTIONS ON USE; LEASES OF UNITS	
	6.1	Residential Uses.....	6
	6.2	Commercial Uses.....	10
	6.3	Lease of Units.....	10

<u>Article</u>	<u>Section</u>	<u>Title</u>	<u>Page</u>
VII		EASEMENTS; RIGHTS RESERVED TO THE DECLARANT	
	7.1	Easements.....	11
	7.2	Declarant Control of the Association.....	12
	7.3	Declarant's Offices and Models.....	12
VIII		MORTGAGES	
	8.1	Restrictions on Encumbrances and Liens.....	12
	8.2	Permitted Mortgages.....	14
	8.3	Notices To Mortgagees.....	14
	8.4	Liability for Use and Charges.....	15
	8.5	Condemnation Rights.....	15
	8.6	Approval of Mortgagees.....	15
	8.7	Books and Records.....	16
IX		INSURANCE	
	9.1	Types and Amounts.....	16
	9.2	Required Provisions.....	19
X		LIMITATION OF LIABILITY	
	10.1	Limited Liability of the Executive Board...	22
	10.2	Indemnification.....	23
	10.3	Joint and Several Liability of Unit Owners and Lessees.....	24
	10.4	Defense of Claims.....	24
XI		UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN	
	11.1	Applicability of Condominium Documents.....	24
	11.2	Eminent Domain.....	25
XII		EXECUTIVE BOARD OF THE ASSOCIATION	
	12.1	Powers of the Executive Board.....	25
	12.2	Disputes.....	26
	12.3	Amendments to the Condominium Documents....	26
XIII		MANAGEMENT.....	27

<u>Article</u>	<u>Section</u>	<u>Title</u>	<u>Page</u>
XIV		ASSESSMENTS; LIABILITY OF UNIT OWNERS	
	14.1	Additional Assessments.....	27
	14.2	Monthly Assessments.....	27
	14.3	Subordination of Certain Charges.....	28
	14.4	Reserve.....	28
	14.5	Accounting.....	28
	14.6	Acceleration.....	28
	14.7	Collection Charges.....	28
XV		INTERPRETATION.....	29
XVI		SEVERABILITY.....	29
XVII		EFFECTIVE DATE.....	29

DECLARATION OF CONDOMINIUM

The Commons at New Street, A Condominium
244-248 North Third Street and 217-225 New Street
City and County of Philadelphia
Commonwealth of Pennsylvania

THIS DECLARATION is made this ^{26th} day of December, 1984, by HISTORIC VENTURE ASSOCIATES, INC., a Pennsylvania Corporation ("Declarant") as the owner in fee simple of the Property herein described.

W I T N E S S E T H

ARTICLE I

SUBMISSION OF PROPERTY TO UNIFORM CONDOMINIUM ACT:

Section 1.1 Declaration of Condominium.
Declarant, owner in fee simple of the premises described in Exhibit "A" attached hereto located at 217-225 New Street and 244-248 North Third Street, City and County of Philadelphia ("Premises"), hereby submits the Premises, together with the buildings and improvements thereon erected and the easements, rights and appurtenances thereunto belonging (collectively, the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. §3101 et seq. ("Act") thereby creating a condominium, to be known as "The Commons At New Street, a Condominium" ("Condominium").

Section 1.2 Easements and Licenses:
Included among the easements, rights and appurtenances referred to in Section 1.1 above is a recorded easement for a three foot wide alley for the benefit of the owners of buildings which formerly existed on the premises 217-225 New Street which buildings have been torn down and said alley is now an indistinguishable portion of the parking lot which is hereinafter referred to as a common element of the Condominium.

ARTICLE II

DEFINITIONS:

Section 2.1 Terms Defined in the Act. Terms defined in Section 3103 of the Act and used herein and in the By-laws or the Plats and Plans shall have the meanings as specified in Section 3103 of the Act, or if not defined in Section 3103 but used in the Act such terms shall be defined as used in the Act, unless otherwise defined herein.

Section 2.2 Terms Specifically Defined in this Declaration of Condominium. The following terms have the following specific meanings in this Declaration, the By-laws, and Plats and Plans:

(a) "Additional Assessment" means a supplemental assessment made by the Executive Board to pay for Common Expenses not provided for in the Budget of the Association for that fiscal year.

(b) "Alterations" shall mean any combination or separation of Units which is permitted by this Declaration and the Act and which entails one or more of: (i) the construction of all or a portion of one or more intervening partitions, walls floors or ceilings (each of which will then become part of the Common Elements) to form separate Units; (ii) the removal or alteration of all or a portion of one or more partitions, walls, floors or ceilings (each of which is part of the Common Elements) between Units in order to form a larger Unit; or (iii) the creation, alteration or removal of one or more apertures in one or more intervening partitions, walls, floors or ceilings (each of which is part of the Common Elements) between Units.

(c) "Alternative Mortgage" shall mean any mortgage lien to a person or entity not listed in Sections 8.1(a)(1), (2) or (3) hereof.

(d) "Annual Assessment" means the aggregate individual share of the estimated Common Expense Liability for the forthcoming fiscal year assessed against each Unit by the Executive Board on a monthly basis.

(e) "Building" means that certain six-story plus basement structure erected on the Premises and containing the Units.

(f) "By-laws" means the document having that name and providing for the governance of the Association, pursuant to Section 3306 of the Act, as such document may be amended from time to time.

(g) "Commercial Unit" means each of two four Units which are shown on the Plats and Plans which are not intended for residential use at the present time, but may be converted to such residential use in the future.

(h) "Condominium Documents" includes the Declaration, Plats and Plans, By-laws and Rules and Regulations.

(i) The "First Executive Board" means the Executive Board as initially constituted on the date this Declaration is recorded.

(j) The "First Election Meeting" means that special meeting of the Association, held for the purpose of electing additional members to the First Executive Board, to be held not later than sixty (60) days after the conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant.

(k) "Insurance Trust Agreement" means that certain agreement between the Association and the Insurance Trustee providing for the management and disbursement of insurance proceeds in accordance with Section 9.1 hereof.

(l) "Insurance Trustee" means that certain entity responsible for the management of insurance proceeds pursuant to the Insurance Trust Agreement, which entity's deposits are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation or another federally constituted body serving an equivalent function.

(m) "Limited Common Elements" means those parts of the Property either described in the Act as being limited common elements or described herein or in the Plats and Plans as being limited common elements.

(n) "Mortgagee" means a lender of a type described in Section 8.1(a) hereof who holds a Permitted Mortgage.

(o) The "Percentage Interest" appurtenant to a Unit shall mean the percentage number assigned to each Unit as determined by the formula listed on Exhibit "B" attached hereto, as the same may be amended from time to time, which shall determine each Unit Owner's undivided ownership interest in the Common Elements.

(p) "Permitted Mortgage" shall mean any mortgage, and any obligation secured thereby, for which the forms thereof and the proposed Mortgagee thereof have been submitted to and approved by the Association as complying with the provisions of Section 8.2 hereof.

(q) "Plats and Plans" means the visual depiction of all structures, other improvements and land included in the Condominium, which document complies with the requirements of Section 3210 of the Act (including, without limitation, a depiction of the Units, Commercial Units and certain of the Common Elements and Limited Common Elements) attached hereto as Exhibit "C", as such may be amended from time to time.

(r) The "Second Election Meeting" means that special meeting of the Association, held for the purpose of electing additional members to replace the members of the First Executive Board, and which is required to be held not later than

the earlier to occur of: (i) one hundred eighty (180) days after the conveyance of seventy five percent (75%) of the Units to Unit Owners other than the Declarant or (ii) five (5) years after the date of the first conveyance of a Unit to a Person other than the Declarant.

(s) "Residential Units" means those certain Units as shown on the Plats and Plans which are now created for residential use only.

(t) "Rules and Regulations" means such rules and regulations, either supplementing or elaborating upon the provisions in the Declaration or the By-laws, as are promulgated by the Executive Board from time to time with respect to various details of the use of all or any portion of the Property.

Section 2.3 Provisions of the Act. The provisions of the Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of this Declaration, the Plats and Plans or the By-laws.

ARTICLE III

UNIT BOUNDARIES:

Section 3.1 Plats and Plans. The Plats and Plans show the location and dimensions of the structures and improvements comprising the Property and the location of the Units, and certain Common Elements and Limited Common Elements therein.

Section 3.2 Unit Title Lines.

The title lines of each Unit are situated as shown on the Plans and described as follows: all walls, floors, ceilings, doors and windows within or comprising part of each Unit. Each Unit shall include the items within the or part of the title lines described in paragraphs (1) and (3) of §3202 of the Act which are appurtenant to the Unit. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of §3307 of the Act, except as expressly set forth to the contrary herein.

Section 3.3 Relocation of the Unit

Boundaries; Subdivision and Conversion of Units: Relocation of boundaries between Units and subdivision or conversion of Units will be permitted subject to compliance with the provisions therefor in §§3214 and 3215 of the Act and elsewhere herein.

ARTICLE IV

DESCRIPTION AND ALLOCATION OF LIMITED COMMON ELEMENTS:

Section 4.1 Description of Limited Common Elements. Limited Common Elements shall mean those portions of the Building defined as such pursuant to Sections 3202(2) and (4) of the Act or as identified and designated as Limited Common Elements in either the Plats and Plans or in this Section, or both. Those portions of the Limited Common Elements serving only the Unit above, below or adjacent to such Limited Common Element, as the case may be, are Limited Common Elements allocated only to the Unit which they serve. Those Limited Common Elements (if any) shown and identified as such on the Plats and Plans shall be allocated to the Unit indicated therein.

ARTICLES V

IDENTIFICATION OF UNITS; ALLOCATION OF COMMON ELEMENT INTERESTS; COMMON EXPENSES; AND VOTING RIGHTS:

Section 5.1 Allocation of Common Element Interests and Common Expenses Liability. Attached as Exhibit "B" hereto is a list of all Units by their Identifying Numbers, and the Percentage Interest appurtenant to each Unit. The Common Expense Liability of each Unit shall be assessed in accordance with each Unit's Percentage Interest. Any surplus funds to be credited to Unit Owners to reduce their future Common Expense Liability shall also be allocated in accordance with each Unit's Percentage Interest.

The Percentage Interest appurtenant to each Unit has been determined on the basis of relative size, by dividing the approximate "size" of the Unit by the aggregate of the approximate "sizes" of all Units. The "size" of each Unit is the total number of square feet of floor space contained therein determined by reference to the dimensions shown on the Plats and Plans (exclusive of interior partitions).

Section 5.2 Allocation of Unit Owners' Voting Rights. The number of votes in the Association to which each Unit Owner is entitled shall be equal to the Percentage Interest of such Unit.

Section 5.3 Reserve Fund. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements which are anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund shall be funded by monthly payments as a part of Common Expenses.

Section 5.4 Working Capital Fund. Upon the initial transfer of title from the Declarant to the purchaser of each Unit, the Association shall collect from such purchaser an

amount equal to Seventeen Thousand Four Hundred (\$17,400) Dollars times the Unit's Percentage Interest. Such money is to defray the initial common expenses and shall be deposited into a working capital fund under control of the Association. This working capital fund is not refundable to such Unit purchaser and is not to be considered an advance payment of Common Expenses. The Declarant may make deposits attributable to any unit and later seek reimbursement from the unit purchaser.

Section 5.5 Real Estate Taxes. It is understood that real estate taxes are to be separately assessed and taxed to each Unit Owner for his Unit and its corresponding Percentage Interest in the Common Elements, as provided in the Act. For the year in which this Declaration is first recorded, real estate taxes shall be apportioned between Declarant and each Unit Owner on a calendar year basis. In the event that real estate taxes for any year are not separately assessed against each Unit Owner, but rather are assessed against the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective Percentage Interest in the Common Elements, and, in said event, such taxes shall be a Common Expense. The Executive Board shall have authority to advance Association funds in payment of all or a portion of such taxes pending receipt from the respective Unit Owners of their proportionate share thereof.

ARTICLE VI

RESTRICTIONS ON USE; LEASES OF UNITS:

Section 6.1 Residential Units. The following restrictions shall apply to the use of the Condominium, in addition to any restrictions that may be set forth in the By-laws or Rules and Regulations:

(a) The Residential Units and the Commercial Units, when and if converted to residential use, (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model or sales office) are restricted to residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner. Notwithstanding the foregoing, Units may also be used for accessory uses which are customarily incidental to the foregoing use; provided that any such use conforms with the applicable zoning regulations of the City of Philadelphia, as the same may be amended from time to time. If zoning regulations permit professional activities to be conducted within the Units, application may be made by a Unit Owner to the Executive Board for approval to commence such newly permitted use of his Unit. Each such application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke such approval so long as the nature and scope of the approved use remains unchanged. Except as set forth above, no industry, business, trade, occupation or profession of

any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in any Residential Unit. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

(b) No Unit Owner may obstruct the Common Elements in any way. No Unit Owner may store anything in or on the Common Elements without the prior written consent of the Executive Board.

(c) The Common Elements (other than the Limited Common Elements and such other portions of the Premises as to which the Executive Board may, from time to time, limit or control access by the Unit Owners or other occupants of Units, or both), shall be used only for the benefit or enjoyment of the Unit Owners and the occupants of all Units. No Unit Owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment by the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition, and no Unit Owner may place any garbage, trash or rubbish anywhere in the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board.

(d) No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums for the Property without the prior written permission of the Executive Board, which permission may be conditioned upon the Unit Owner of such Unit being required to bear the full cost of such increase. No Unit or any part of the Common Elements shall be used, occupied or kept in a manner which violates any law, statute, ordinance or regulation of any governmental body or which leads to the cancellation of any hazard insurance policy or policies on the Property.

(e) Except for a single, small, non-illuminated name sign on the outside door to his Unit, no Residential Unit Owner (other than the Declarant in connection with its marketing and sale of the Units) may erect any sign on or in his Unit or any Common Element and visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board. This provision is not intended to prevent the Executive Board from maintaining on the Common Elements a register of Unit occupants, or Owners, or both. The right is reserved by the Declarant or its agent or agents, to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and on any part of the Common Elements, and the right is hereby given to any Permitted Mortgagee, who may become the Owner of any Unit, to place such signs on any Unit owned by such Permitted Mortgagee.

(f) No Residential Unit may be divided or subdivided by any Unit Owner, including the Declarant, into a smaller Unit nor may

any portion thereof less than the entire Unit be sold or otherwise transferred, unless the holders of all Permitted Mortgage affecting such Unit(s) give their prior written consent thereto.

(g) Any Unit Owner who wishes to perform any Alteration to his Residential or Commercial Unit or Units shall:

(a) Refrain from making any Alteration that will (i) adversely affect either the fire retardant or sound absorbent quality of the Building; or (ii) violate any applicable law, ordinance or governmental rule, regulation or order;

(2) Obtain the approval of the Executive Board (which approval shall not be unreasonably withheld or delayed) for any Alteration to the Building prior to the commencement of any such Alteration;

(3) Expeditiously complete all Alterations: (i) in accordance with the plans and specifications therefor which have been prepared at such Unit Owner's expense and which have been approved by the Executive Board prior to the commencement of such Alterations; and (ii) without incurring any obligations subject to any possible mechanics' or materialmen's liens;

(4) Pay the full cost of performing all such Alterations; and

(5) Pay all costs and expenses incurred in connection with the preparation, review, execution and recording of any amendment to the Declaration (including the Plats and Plans) needed in order to reflect the condition of the Building after completion of such Alterations, which amendment shall be recorded by the Executive Board if such amendment is approved in writing by all Owner(s) of all Units the appearance of which on such amendment differ from their respective appearance on the Plats and Plans prior to such amendment, and such amendment shall not require any additional authorization or approval, notwithstanding anything contained elsewhere in the Declaration to the contrary.

(h) Nothing shall be done or be permitted to be done which would jeopardize the Facade Easement which is to be donated by Declarant to the Philadelphia Historic Preservation Corporation ("PHPC") under the PHPC's Facade Easement Program.

(i) Installation, removal, reconstruction or repair of any electrical lighting, signal transmission and/or power circuit or electric outlet box or terminal device included in such outlet box, or any item of heating or air conditioning equipment, or any ventilation or exhaust duct or related equipment, any of which is located within an interior partition of a Unit or within the ceiling above a Unit, may be undertaken by the Unit Owner of such Unit only after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or

superior quality to that then prevailing in the Building and shall be performed by qualified personnel. The cost of such installation, removal, reconstruction or repair, whether undertaken by a Unit Owner or by the Association (under procedures to be established by the Executive Board) shall be paid by the Unit Owner of the Unit benefited thereby.

(j) Neither dogs nor any non-domestic mammals shall be raised, bred or kept in any Unit or in the Common Elements or Limited Common Elements. Domestic mammals other than dogs (including by way of illustration and not limitation, cats and hamsters), birds, small reptiles, amphibians and fish may be kept by a Unit Owner as household pets in his Unit; provided that such permitted species (i) are not kept for any commercial purposes; (ii) are kept in strict accordance with any Rules and Regulations relating to household pets from time to time adopted or approved by the Executive Board; and (iii) do not, in the judgment of the Executive Board, constitute a nuisance to others. Any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Executive Board. All pets shall be registered with the Executive Board.

(k) Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property may be promulgated from time to time by the Executive Board, subject to the right of a majority of Unit Owners to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(l) The owner of a Unit shall be responsible for maintaining such Unit in good order and repair, at the expense of such owner, including (but not limited to) cleaning and replacing glass panes in any window serving such Unit. The Executive Board may contract to have the exteriors of all windows cleaned at least quarterly.

(m) Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building or on the Property and no sign, awning, canopy, shutter, radio or television antenna (except as permitted by subparagraph "e" hereof) shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Executive Board. Unit Owners may not install window air-conditioners, exhaust fans or any other item which protrudes through any window serving the Unit without the prior written approval of the Executive Board.

(n) No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the

Executive Board, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory or equipment to the heating system or plumbing system without the prior written consent of the Executive Board. Installation, removal, reconstruction or repair of any electrical lighting and power circuit or electrical outlet box or terminal device included in such outlet box, or any item of heating or air conditioning equipment, any of which is located within an interior partition of a Unit, may be undertaken by the Unit Owner of such Unit only after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or superior quality to that present throughout the Building and shall be performed by qualified personnel. The cost of such installation, removal, reconstruction or repair whether undertaken by a Unit Owner or by the Executive Board (under the same procedures utilized for Common Elements) shall be borne by the Unit Owner of the Unit benefited thereby.

Section 6.2 Commercial Uses. The following restrictions shall apply to the use of the Commercial Units in the Condominium in addition to any restrictions applicable to Commercial Units that may be set forth in Section 6.1 and the Rules and Regulations referred to in Section 6.1.

(a) The Commercial Units are intended to be used as offices only and may not be used for retail, wholesale or manufacturing uses or any other commercial activity that would disturb the peaceful use and occupancy of the Residential Unit Owners nor be contrary to the zoning regulations of the City of Philadelphia.

(b) All signs and advertising of the Commercial Units shall require the prior approval of the Executive Board, which shall assure the Residential Unit Owners that such signs will not in any way disturb the appearance of the Property or the peaceful use of such Residential Unit Owners.

(c) The Commercial Unit or Units, as the case may be, may only be converted into a Residential Unit in conformance with the provisions of Article VI hereof, and the resulting Residential Unit shall have the same total Percentage Interest in the Common Elements as did the former Commercial Unit.

Section 6.3 Lease of Units. A Residential or Commercial Unit Owner may lease or sublease his Residential or Commercial Unit (but not less than the entire Unit) at any time and from time to time provided that (except for a lease or sublease made by (i) a Declarant or (ii) a Permitted Mortgagee which is either in possession or is a purchaser at judicial sale):

(a) no Unit may be leased or subleased for an initial term of less than one hundred eighty (180) days or without a written lease or sublease, or both;

(b) a copy of such lease or sublease shall be furnished to the Executive Board within ten (10) days after execution thereof;

(c) the rights of any lessee or sublessee of any Unit (under a lease or sublease whose current term or current renewal or extension thereof commences on or after the date of recordation of this Declaration) shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions contained in the Condominium Documents and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any assessments on behalf of the Owner of that Unit.

ARTICLE VII

EASEMENTS; RIGHTS RESERVED TO THE DECLARANT:

Section 7.1 Easements. In addition to and in supplementation of the easements specifically granted in §§3216, 3217, 3218 and the other provisions of the Act, the Condominium shall be subject to the following easements and restrictions:

(a) An easement to the Declarant to maintain a sales office, management office, and models and to maintain one or more advertising signs in or on the Units owned by Declarant and the Common Elements while the Declarant is selling Units in the Condominium, if desired, pursuant to Section 3217 of the Act.

(b) An easement in favor of the Declarant, the Unit Owners Association, appropriate utility and service companies and governmental agencies or authorities for such services as are desirable or necessary to serve adequately the Property and all appurtenances thereto; including (by way of illustration and not limitation) the right to install, lay, maintain, repair, relocate and replace water mains and pipes, steam lines, gas mains and pipes, sewer and drain lines, telephone intercom, television (cable or otherwise) and other communication wires, cables and equipment, electrical wires and conduits, and associated equipment, over, under, through, in, along and on the Property (including, without limitation, one or more Units therein). Notwithstanding the foregoing provisions of this Section 7.1(b) unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

(c) The Common Elements (other than the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Unit Owners and their invitees, employees, tenants

and servants, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe; provided that nothing contained herein shall create any access easement in favor of Unit Owners with respect to such portions of the Common Elements which are not needed in order to gain access to one or more Units and as to which the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Unit Owners or the occupants of Units, or both (including, by way of illustration and not limitation, machinery and equipment rooms, any management agent's office and any portions of the Premises occupied by agents or employees of the Association as a residence).

(d) All Unit Owners will and shall be obligated, when called upon to do so by the Declarant, to join in a recordable conveyance of easements of the Building's facades facing both New and Third Streets to the Philadelphia Historic Preservation Corporation which easements will become a perpetual encumbrance on the Building. Such easements will require the Association to maintain the facades in accordance with standards set by the Philadelphia Historic Preservation Corporation at time of dedication.

(e) The Declarant shall have an easement with regard to all portions of the Property for the purpose of completing its obligations and performing its warranty obligations to Unit purchasers and the Association.

Section 7.2 Declarant Control of the Association.
The Declarant may, at its option, control the Association throughout the period of Declarant Control permitted by the provisions of Sections 3303(c), (d) and (e) of the Act and during such period, the Declarant or persons designated by the Declarant may appoint and remove the officers and members of the Executive Board, except as is otherwise provided in one or more of such Sections or Sections 2.2(j) and 2.2(r) hereof.

Section 7.3 Declarant's Offices and Models. The Declarant may maintain advertising signs, sales offices, a management office and models in the Condominium pursuant to Section 3217 of the Act until such time as Declarant has conveyed title to all of the Condominium Units.

ARTICLE VIII

MORTGAGES:

Section 8.1 Restrictions on Encumbrances and Liens.

(a) A Unit Owner may not voluntarily encumber or subject his Unit to any lien, other than the lien of:

(1) A first Mortgage to a bank, trust company, bank and trust company, savings bank, savings and loan association, mortgage service company, insurance company, pension fund, real estate investment trust or similar lending institutions; or

(2) Any mortgage lien provided that the Executive Board has granted its written approval of such encumbrance; or

(3) A purchase money Mortgage to the Declarant or the Unit Owner from whom such mortgagor received its title to the Unit so encumbered; or

(4) An Alternative Mortgage; provided, however, that, notwithstanding anything contained in this Declaration pertaining to Mortgagees or Permitted Mortgagees to the contrary, (i) the consent or approval of the holder of an Alternative Mortgage shall not be required for any actions to be taken by the Executive Board or the Association hereunder and (ii) the provisions of Sections 8.3 and 8.5 hereof shall not apply with respect to Alternative Mortgages and, wherever this Declaration or the Act requires the vote or approval of any Mortgagee or Permitted Mortgagee, then Units encumbered only by one or more Alternative Mortgages shall be treated as if they were unencumbered by any Mortgage.

(b) In any of the above noted instances, such Mortgage and the obligation secured thereby shall provide generally, that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plats and Plans and any Rules and Regulations, and specifically but without limitation, that the obligation secured by such Mortgage shall be prepayable, without premium or penalty, upon the happening of a termination of the condominium form of ownership of the Property or determination not to restore or replace the affected Unit, and that the Mortgagee shall have no right to:

(1) Participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property; and

(2) Receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceeds to Unit Owners pursuant to Section 3312(g) of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the owner of the Unit encumbered by such Mortgage; or

(3) Accelerate the mortgage debt or to be entitled to exercise any other remedies by virtue of waste or

alleged waste or other conditions occurring anywhere in the Property other than within the Unit encumbered by such Mortgage.

Section 8.2 Permitted Mortgages. No Unit Owner or prospective purchaser of a Unit shall deliver any Mortgage, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed mortgagee, and unless the forms thereof and the proposed mortgagee have been then or theretofore submitted to and approved by the Executive Board as complying with the provisions of Section 8.1 hereof, which approval shall be promptly given or denied and shall not be unreasonably withheld. When a Permitted Mortgage is delivered to the Mortgagee, the Unit Owner shall simultaneously provide an executed or conformed copy thereof to the Association. Upon receipt of such copy of a Permitted Mortgage, the Secretary of the Association shall instruct the insurer of the Premises to add the name of the holder of such Permitted Mortgage to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Mortgagee with a certificate of insurance showing that such Mortgagee's name has been so added. The Secretary shall maintain a register of Permitted Mortgages, showing the name and address of the holder thereof and the amount secured thereby.

Section 8.3 Notices To Mortgagees. The Executive Board shall:

(a) Give prompt notice to a Unit Mortgagee of any default in the Unit mortgagor's obligations under the Condominium Documents which are not cured within thirty (30) days after the occurrence of such default;

(b) Promptly after the Association has received written notice of any pending acquisition of any portion of the Property by means of eminent domain, give to all Mortgagees written notice of any such proceedings; and

(c) Promptly notify in writing the appropriate Mortgagee whenever (i) damage to a Unit covered by a Mortgage held by such Mortgagee exceeds \$1,000.00, and (ii) damage to Common Elements exceeds \$10,000.00.

Upon the specific written request of a Permitted Mortgagee or its servicer to the Executive Board, the Permitted Mortgagee shall be entitled to receive some or all of the following as designated in the request:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the Permitted Mortgage;

(b) Copies of notices of meetings of the Association and the right to designate a representative to attend such meetings;

(c) Notice of the decision of the Unit Owners to make any material amendment to this Declaration;

(d) Notice of any decision by the Executive Board or the Association to terminate professional management and assume self-management of the Property.

(e) Notice of lapse, cancellation or material modification of Association insurance policies.

The request of a Permitted Mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made by a Permitted Mortgagee hereunder.

Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

Section 8.4 Liability for Use and Charges. Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in a Permitted Mortgage for foreclosure of such Mortgage shall not be liable for such Unit Owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee, except to the extent otherwise provided for in the Act, and except to the extent that such Mortgagee is liable as a Unit Owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Unit Owners being reassessed for the aggregate amount of such deficiency.

Section 8.5 Condemnation Rights. No provision of this Declaration shall give a Unit Owner, or any other party, priority over any rights of the Mortgagee of a Unit pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

Section 8.6 Approval of Mortgagees. Subject to the limitations imposed by §3221 of the Act, the prior written approval of all holders of Permitted Mortgages must be obtained for the following:

(a) The abandonment of the condominium status of the Property, except for abandonment permitted by the Act in case of substantial loss to the Units and Common Elements.

(b) The abandonment, encumbrance, sale, transfer or partition or subdivision of any Unit or of the Common Elements (except by Declarant); the granting of easements for purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer.

(c) A change in the schedule of Percentage Interests set forth in Exhibit "B" allocated to each Unit.

Section 8.7 Books and Records. Any Mortgagee shall have the right (exercisable by written notice to the Executive Board) to examine the books and records of the Association, current copies of the Condominium Documents and to require that they be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee. An audited report will be supplied upon request at the sole cost and expense of the requesting Mortgagee, provided such request is made by 51% of the Mortgagees.

ARTICLE IX

INSURANCE

Section 9.1 Types and Amounts. The Association shall obtain and maintain the following types and amounts of insurance:

(a) Hazard Insurance, with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Unit Owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 9.2 hereof. Such hazard insurance shall, if and to the extent reasonably available, provide coverage for all portions of the Property other than personalty within any Unit and improvements made by Unit Owners within any Unit. Such hazard insurance shall insure against all risks of direct physical loss commonly insured against. If such hazard insurance no longer becomes available in the future, the Association shall obtain such comparable insurance as is then available. The amount of any such hazard insurance obtained pursuant to this paragraph shall be equal to the full insurable replacement value of the insured property, without deduction for depreciation, (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage, but including all Building service equipment and the like and any fixtures or equipment within the Condominium unit which is financed using the proceeds of a Permitted Mortgage) with an "agreed amount endorsement" or its equivalent, if available, or an "inflation guard endorsement", if available. Notwithstanding the foregoing, in no event shall the amount of the insurance obtained be less than the aggregate amount of the initial principal sum of all Permitted Mortgages in effect from time to time. Such hazard insurance shall afford protection against at least the following:

(1) Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement, and caused by vandalism, malicious mischief, windstorm, and water and shall pay the costs of debris removal and the cost of demolition, in the event same is necessary following such loss or damage; and

(2) Such other risks as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation may require by reason of their holding of one or more Permitted Mortgages; and

(3) Such other risks as are customarily covered in similar projects.

Such hazard insurance policy may at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board but not to exceed Twenty-Five Thousand (\$25,000.00) Dollars. The net proceeds of such policy shall include a separate "loss payable endorsement" in favor of the holders of Permitted Mortgages, if any, modified to make the loss payable provisions in favor of such holders of Permitted Mortgages subject and subordinate to the loss payable provisions in favor of the Insurance Trustee under an Insurance Trust Agreement which shall provide, inter alia, that:

(i) If the money paid to the Insurance Trustee in any one instance exceeds Fifty Thousand (\$50,000.00) Dollars such monies shall be held by the Insurance Trustee in escrow and shall be disbursed by the Insurance Trustee in accordance with the terms and conditions of the Insurance Trust Agreement, which terms and conditions shall be consistent with Section 3312 of the Act;

(ii) If the money paid to the Insurance Trustee in any one instance exceeds Twenty Thousand (\$20,000.00) Dollars but does not exceed Fifty Thousand (\$50,000.00) Dollars, the Insurance Trustee shall have the option of holding and disbursing such monies as are provided in the immediately preceding paragraph (i) or disbursing such monies to the Association for further disbursement by the Executive Board as provided in the immediately following paragraph (iii); and

(iii) If the money paid to the Insurance Trustee in any one instance does not exceed Twenty Thousand (\$20,000.00) Dollars, the Insurance Trustee upon receipt thereof shall disburse such monies to the Association for further disbursement by the Executive Board as provided in Section 3312 of the Act.

If the Executive Board fails within sixty (60) days after the date of an insured loss to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this sub-paragraph, the holder of any Permitted Mortgage may initiate such a claim on behalf of the Association. At least

once every three (3) years, but more frequently if necessary in the Executive Board's judgment, the Executive Board shall cause an appraisal of the Condominium to be made for the purpose of determining the current full insurable replacement value of the insured property, without deduction for depreciation, and the Association shall change the amount of hazard insurance on the Condominium to the amount of such insurance required to be carried pursuant to the provisions Section 9.1(a).

(b) Comprehensive Liability Insurance policies, complying with the requirements of Section 9.2 hereof, insuring the Unit Owners, in their capacity as Unit Owners and Association members, and any managing or rental agent retained by the Association or the Unit Owners, against any liability to the public or to other Unit Owners, their tenants or invitees, relating in any way to the ownership and/or the use of the Common Elements and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner.

Limits of liability shall be at least One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence. Such insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and if applicable: elevator, collision, garage-keeper's liability, host liquor liability and such other risks as are customarily covered in similar projects. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion provided that such policies shall continue to comply with the requirements of this Section and Section 9.2 hereof.

(c) A fidelity bond or insurance coverage against dishonest acts on the part of such Persons (including, by way of illustration and not limitation, Association members, officers, directors, trustees, agents, employees and volunteers) responsible for handling funds belonging to or administered by the Association. Such fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than the Association's estimated annual operating expenses including reserves. In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any Persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. Such fidelity bond or insurance shall also:

- (1) name the Association as an obligee;
- (2) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any

definition of "employee" or similar terminology; and

(3) provide that same may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to all Permitted Mortgagees.

(d) Such worker's compensation insurance as applicable laws may require.

(e) Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in Section 10.2 hereof, if and to the extent available.

(f) The Executive Board shall have the power to require all Unit Owners to carry such types of insurance on their Units as the Executive Board may reasonably require. All insurance carried by Unit Owners shall comply with the provisions of Section 9.2(c) and 9.2(d) hereof and shall be carried with insurance companies satisfying the requirements of Section 9.2(a) hereof.

Section 9.2 Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

(a) All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and, for the Hazard Insurance Policy described in Section 9.1(a) hereof, such company must hold a rating of Class VI or better by Best's Insurance Reports (or a rating of Class V, provided it has a general policy holder's rating of at least "A"), or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

(b) Exclusive authority to adjust losses under policies hereafter in force on the Premises shall be vested in the Executive Board or its authorized representative. Prior to the adjustment of any such loss the Executive Board shall decide whether, if the Association uses a public adjuster in connection therewith, the proceeds of any applicable insurance policy on the Premises are likely to be sufficiently increased through the efforts of such adjuster to warrant the additional expense of retaining such adjuster. If such decision shall be in favor of using a public adjuster, the Executive Board shall cause the Association to retain a public adjuster, licensed as such by the Commonwealth of Pennsylvania and whose principal office is located in the City of Philadelphia, which adjuster shall, at the Executive Board's option, either act solely in the capacity of advisor to the Association with respect to such adjustment or also act as the Association's authorized representative with respect thereto.

(c) Each Unit Owner may obtain additional insurance at his own expense, provided, however, that: (i) such policies shall

not be invalidated by the waivers of subrogation contained in this Declaration; and (ii) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Premises at any particular time.

(d) Any Unit Owner who obtains individual insurance policies covering any portion of the Property, other than (i) personal property belonging to such Owner or (ii) the individual Unit of such Owner, shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

(e) With respect to the insurance policies issued to the Association and covering all or any part of the Property, the Association shall endeavor to cause such policies to provide that:

(1) the enforceability of such policies is not affected by any release and waiver of subrogation as to any and all claims against the Association, any managing agent, the Unit Owners and their respective tenants, employees, agents, customers and guests, such subrogation being hereby waived;

(2) such policies cannot be cancelled, invalidated or suspended by reason of the conduct of any one or more Unit Owners, all defenses based upon co-insurance or acts of the insured being waived by the insurer, and in no event can cancellation, material modification, invalidation or suspension for any reason be effected without at least twenty (20) days' prior written notice to each Unit Owner and all holders of Permitted Mortgages whose names and addresses are on file with the insurer;

(3) such policies cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Association or any managing agent employed by the Association without a prior demand in writing that the Association or such managing agent, as the case may be, cure the defect and without providing a reasonable period of time thereafter in which to cure same; and

(4) any "no other insurance" clause in such policies shall not prohibit Unit Owners from obtaining insurance on their individual Unit provided such insurance policy conforms with the requirements of this Article IX.

(f) The insurance reviews which the Executive Board is required to conduct by the provisions of the last paragraph of Section 9.1(a) hereof shall include an appraisal of the improvements in the Premises by a real estate appraiser acceptable to the insurance carrier or carriers writing the Association's hazard insurance policy or policies.

(g) The name of the insured under each policy required pursuant to this Article IX shall be stated in form and substance similar to the following:

The Commons At New Street Condominium Owners' Association
for the use and benefit of the individual owners, or their
authorized representatives, of the Condominium Units
contained in The Commons At New Street Condominium.

(h) Each insurance policy required to be carried by the Association pursuant to this Article 9 shall be endorsed to provide that any proceeds shall be payable to the Association of Owners of The Commons At New Street Condominium for the use and benefit of Mortgagees and their successors and assigns as their interest may appear, or shall otherwise be endorsed to fully protect all Mortgagee's interests, and their successors and assigns.

(i) Coverage may not be prejudiced by: (1) any act or negligence of one or more Owners of Units when such act or neglect is not within the control of the Association; or (2) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

(j) All policies of property insurance shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such options shall not be exercisable (i) without the prior written approval of the Executive Board (or any Insurance Trustee), or (ii) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party or with any requirement of law.

(k) Insurance coverage obtained and maintained pursuant to the requirements of this Article IX may not be brought into contribution with insurance purchased by Unit Owners or their Mortgagees.

(l) Insurance coverage obtained and maintained pursuant to the requirements of this Article IX shall not provide that contributions may be required from Permitted Mortgagees or that assessments may be made against Permitted Mortgagees or may become a lien on the Premises superior to the lien of any Permitted Mortgages.

(m) Each Unit Owner and the Executive Board hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Executive Board and members thereof, the Declarant and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission of any such

party to the extent that such damage is covered by fire or other form of hazard insurance.

(n) If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Executive Board, to the extent such payment is not waived or released under the provisions of subparagraph ("m") above.

(o) Each Unit Owner, other than the Declarant, shall notify the Board in writing of any additions, alterations or improvements to his Unit and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure so to notify the Association. The Board shall use its reasonable efforts to obtain insurance on any such additions, alterations or improvements if such Unit Owner requests it to do so and if such Unit Owner shall make arrangements satisfactory to the Board to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on such additions, alterations or improvements, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

(p) Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and insurance for his personal liability to the extent not covered by insurance maintained by the Board shall be the responsibility of each such Unit Owner.

ARTICLE X

LIMITATION OF LIABILITY

Section 10.1 Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to Persons or property caused by the elements or by another Unit Owner or Person on the Property, or resulting from electricity, gas, water, rain, dust, or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members own willful misconduct or gross negligence;

(c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board of the Association in the performance of the Executive Board members' duties;

(d) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers, or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

Section 10.2 Indemnification. Each member of the Executive Board in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 10.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of

indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 10.3 Joint and Several Liability of Unit Owners and Lessees. Each Unit Owner shall be jointly and severally liable with any lessees or sublessees of the Unit owned by such Unit Owner for all liabilities arising out of the ownership, occupancy, use, misuse, or condition of such Unit or any portion of the Common Elements or Limited Common Elements.

Section 10.4 Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any Permitted Mortgages and such complaints shall be defended by the Association. The Unit Owners and the holders of Permitted Mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 10.3 hereof against one or more but less than all Unit Owners or Units shall be defended by such Unit Owners who are defendants themselves and such Unit Owners shall promptly give written notice of the institution of any such suit to the Association and to the holders of any Permitted Mortgages encumbering such Units.

ARTICLE XI

UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN

Section 11.1 Applicability of Condominium Documents. Each present and future owner, lessee, occupant and Mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, this Declaration, the Plats and Plans, the By-laws and the Rules and Regulations and with the covenants, conditions and restrictions as set forth in this Declaration, the Plats and Plans, the By-laws, the Rules and Regulations and the deed to such Unit; provided that nothing contained herein shall impose upon any lessee or Mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Act, this Declaration, the Plats and Plans, the By-laws, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, Mortgagee or lessee. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such

provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 11.2 Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

ARTICLE XII

EXECUTIVE BOARD OF THE ASSOCIATION

Section 12.1 Powers of Executive Board. The Executive Board shall consist of five (5) members who shall be elected at the annual meetings of Association members except that there shall be only three (3) members of the First Executive Board, which members and any successors thereto shall be appointed by the Declarant until their successors are elected at the Second Election Meeting of the Association. The members of the First Executive Board shall be William P. Fusselbaugh, Jr., Theophile P. Mignatti, Jr., and Daniel B. Brandschain, Esquire. At the First Election Meeting of the Association, an additional two (2) Executive Board members shall be elected. Each Executive Board member shall hold office pursuant to the provisions relating thereto in the By-laws.

In addition to the powers set forth in the Act, the Executive Board shall have the following additional powers:

(a) To appoint committees of the Board (which need consist of only one (1) Board Member) and to delegate to such committees the Executive Board's authority to carry out certain duties of the Board, subject to the approval and control of the Board.

(b) To engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Executive Board deems fit, and to remove such manager or managing agent at any time, provided any agreement with such managing agent shall extend for not more than one (1) year and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days or less prior written notice.

(c) To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Executive Board at such compensation as is deemed reasonable by the Executive Board, in the operation, repair, maintenance and management of the Property, or in connection with any duty, responsibility or right of the Executive Board and to remove, at any time, any such personnel.

(d) To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Executive Board constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Executive Board by reason of said lien or liens shall be specially assessed to said Unit Owners.

(e) To expend funds for the maintenance and repair of any Unit or any other portion of the Property which a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Executive Board, to protect the Common Elements, or any other portion of the Property, and the owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Executive Board to said Unit Owner; provided that the Executive Board shall levy a special assessment against such Unit for the cost of said maintenance or repair.

(f) To establish user charges with respect to the use of the amenities, if any. Such charges shall be billed to the Unit Owner who, or whose guest, makes use of such facilities. Nothing herein contained shall require the establishment of user charges with respect to all or any one or more of such amenities. Use of all such amenities shall be subject to the Rules and Regulations of the Executive Board.

(g) To assign and reassign parking spaces so as to best utilize the available space for the convenience of the Unit Owners and to establish user charges with respect to the two (2) parking spaces not assigned to a unit and to allocate use of the same on a reasonable basis.

Section 12.2 Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Premises, or any questions of interpretation or application of the provisions of this Declaration, the Plats and Plans, the By-laws or the Rules and Regulations, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section 12.2. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 12.3 Amendments to the Condominium Documents. The Condominium Documents shall be amended in accordance with the Act and the Condominium Documents. The consent of Owners to which at least 67% of the votes are allocated and the approval of

Permitted Mortgagees holding mortgages on Units which have at least 51% of the votes of Units subject to Permitted Mortgages, shall be required for any material amendment regarding the following: (a) voting; (b) assessments, assessment liens or subordination thereof; (c) reserves; (d) insurance or fidelity bonds; (e) use of Common Elements; (f) maintenance and repair responsibilities; (g) Unit title lines; (h) leasing, sale or transfer of Units; and (i) rights of Mortgagees. Notwithstanding any other provision of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that is defective, missing or inconsistent with any other provisions hereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time, the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Premises, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 12.3 shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adopting, which instrument has been executed and acknowledged by one or more officers of the Executive Board. No change, modification or amendment which affects the rights, privileges or obligations of the Declarant shall be effective without the prior written consent of the Declarant.

ARTICLE XIII

MANAGEMENT

The Association may employ a professional, experienced, managing agent who shall oversee the daily operation of the Condominium, in accordance with the provisions of the Act, the Declaration, By-laws and the Rules and Regulations.

ARTICLE XIV

ASSESSMENTS; LIABILITY OF UNIT OWNERS

Section 14.1 Additional Assessments. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including, by way of illustration and not limitation, any Unit Owner's non-payment of his assessment), the Executive Board shall have the power, at any time (and from time to time) it deems necessary and proper, to levy one or more Additional Assessments against each Unit Owner.

Section 14.2 Monthly Assessments: All Common Expense assessments made in order to meet the requirements of the

Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance on the first day of each month. Additional assessments shall be due and payable in one or more monthly assessments, in advance, on the first day of each month, as determined by the Executive Board.

Section 14.3 Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive board pursuant to §§3302(a) (10), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Unit.

Section 14.4 Reserve: Each annual budget for Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for replacements and contingencies. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserve. In addition, the Executive Board shall have the right to segregate all or any portion of the reserve for any specific replacement or contingency upon such conditions as the Executive Board deems appropriate.

Section 14.5 Accounting: On or before the first (1st) day of April of each calendar year commencing 1986, the Executive Board shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or assessments and leases and sales of property owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves.

Section 14.6 Acceleration: If a Unit Owner is in default in the payment of the aforesaid charges or monthly assessments for sixty (60) days, the Executive Board may, in addition to all other remedies in the Act or Declaration contained, accelerate all other charges and monthly assessments to become due for the calendar year in which such default occurs in accordance with the then current budget; provided, however, a foreclosing Permitted Mortgagee shall be entitled to automatic subordination of such sums in excess of the amounts given priority in lien or payment over mortgage liens in the Act.

Section 14.7 Collection Charges: Any delinquent Owner shall also be obligated to pay (i) all expenses of the Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise, and (ii) any amounts paid by the Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to

constitute part of the delinquent assessments and shall be collectible as such, subject to §14.2 above.

ARTICLE XV

INTERPRETATION

The provisions of this Declaration shall be liberally construed in order to accomplish Declarant's intentions to create a uniform plan for development and operation of a condominium project. The headings preceding the various paragraphs of this Declaration and the table of contents are intended solely for the convenience of readers of this Declaration.

ARTICLE XVI

SEVERABILITY

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereon unless such deletion shall destroy the uniform plan for development and operation of the condominium project which this Declaration is intended to create.

ARTICLE XVII

EFFECTIVE DATE

This Declaration shall become effective when it and the Plats and Plans have been recorded.

IN WITNESS WHEREOF, Declarant, intending to be legally bound hereby has duly executed this Declaration, the day and year first above written.

HISTORIC VENTURE ASSOCIATES, INC.

By: _____
Theophile P. Mignatti, President

Attest: _____
William P. Fusselbaugh, Jr., Secretary

AMENDMENT TO DECLARATION OF CONDOMINIUM FOR THE COMMONS AT
NEW STREET, A CONDOMINIUM

2 N 5 - 369 THRU 390 ✓

WHEREAS, The Commons at New Street Condominium Association, Inc. is a valid corporation which governs the functions and affairs of The Commons at New Street, a Condominium; and

WHEREAS, said Commons at New Street, a Condominium is located at 244-248 North Third Street, Philadelphia, Pennsylvania; and

WHEREAS, the Declaration of Condominium has been duly adopted and filed in Philadelphia County Department of Records in Deed Book FHS 039, page 418 on December 26, 1984; and

WHEREAS, said Declaration contains certain provisions for the identification and description of Common Elements and Limited Common Elements; and

WHEREAS, said references to said Common Elements and Limited Common Elements are vague and ambiguous regarding the maintenance, repair, liability and the rights and obligation of the individual Unit Owners whose units are contiguous to the decks as shown in the Plans and Plats of said Declaration; AND

WHEREAS, the Unit owners at a duly noticed and advertised special meeting of said Condominium Association have consented by at least 67% of the votes to effect a corrective amendment to said Declaration for the purpose of curing said ambiguity and to supplement the provisions of The Declaration that are defective and inconsistent with any other provisions thereof.

NOW THEREFORE, be it resolved by The Commons at New Street Condominium Association as follows:

- DM
1. RECITALS INCORPORATED: The above recitals are incorporated into this portion of the Amendment as if fully set forth at length herein.
 2. IDENTIFICATION OF LIMITED COMMON ELEMENTS: The area shown in the Penthouse Floor Plans and listed as Exhibit C to said Declaration as "WOODDECK" which is contiguous to Unit 6A and Unit 6B shall be hereafter designated as Limited Common Elements and treated as such. Said Limited Common Elements shown and identified as "WOODDECK" on the Plats and Plans shall be allocated to the contiguous Unit indicated therein.
 3. REPAIR AND MAINTENANCE OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS: The now current record owners of Unit 6A and Unit 6B their heirs, executors, and assigns shall be solely responsible for all regular maintenance, and repair of said roof decks. However if the underlying roof and/or surrounding Common Elements are in need of maintenance or repair then The Condominium Association will be solely responsible for said maintenance and repairs. If any of the said Limited Common Elements are damaged in the course of the maintenance and/or repair of the Common Elements, the person

0 1131 164
000048
99 AUG 18 AM 9:16
DEPARTMENT OF RECORDS

- 0.1131.165
- responsible for the damage shall cause the wood deck to be replaced or rebuilt to the extent necessary to restore the exterior to its condition prior to the damage.
4. ACCESS TO COMMON ELEMENTS: the owners of Unit 6A and 6B, their heirs, executors, and assigns shall not unreasonably deny The Condominium Association or its designated Agents access to said Limited Common Elements for the purpose of maintenance, repair, or routine inspection of The Common Elements that require access through or over The Limited Common Elements. The said Unit owners, their heirs, executors, and assigns shall be given twenty-four (24) hours notice of required access unless an emergency situation exists, whereby The Association or its designated Agents may gain access by any reasonable means available to them.
 5. INSURANCE: The Condominium Association will maintain insurance for property and liability coverage and include the premium for such additional coverage as an added monthly common expense assessment for Unit 6A and Unit 6B.
 6. DAMAGE: If the owners of Unit 6A and/or 6B, their tenants, occupiers, or permitted guests cause damage to the underlying and/or surrounding Common Elements then the unit owner of said unit will be solely responsible for repairing any damage to said Common Elements. If said damage is not repaired within thirty (30) days then The Condominium Association in its sole discretion will cause such repair and include the costs of said repair in the next monthly common expense assessment of that unit.
 7. NO WAIVER: Nothing contained herein shall be deemed a waiver of the right of The Condominium Association, of the Unit Owners to implement and enforce any of the rights and provisions of the Declaration.
 8. SEVERABILITY: If any section, paragraph, part or term of this Amendment is found to be illegal or otherwise void or enforceable by a Court of competent jurisdiction then said section, paragraph or part of this Amendment shall be severed from the entire Amendment and the remaining portions shall survive in full force and effect.
 9. EFFECTIVE DATE: This Amendment shall become effective when it has been recorded in the Philadelphia County Department of Records.

IN WITNESS WHEREOF, the undersigned intending to be legally bound hereby has duly executed this Amendment, the 29th day of July 1999.

The Commons at New Street Condominium Association

By: Matthew Sabatine
Matthew Sabatine, President

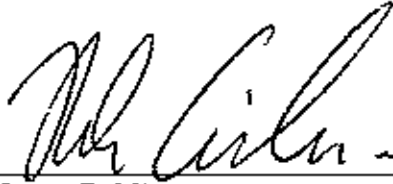
Attest: Jamie Chadwick
Jamie Chadwick, Vice President

Commonwealth of Pennsylvania
County of PHILA

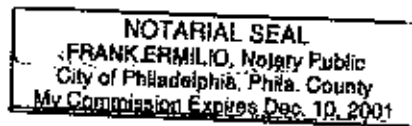
SS:

On this, the 29TH day of JULY, 1999, before me, a Notary Public for the Commonwealth of Pennsylvania, personally appeared Matthew Sabatine who acknowledged himself/herself to be the President of The Commons at New Street Condominium Association, a corporation, and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself/herself as

I hereunto set my hand and official seal.



Notary Public



08/18/99 9:25AM 002H1699

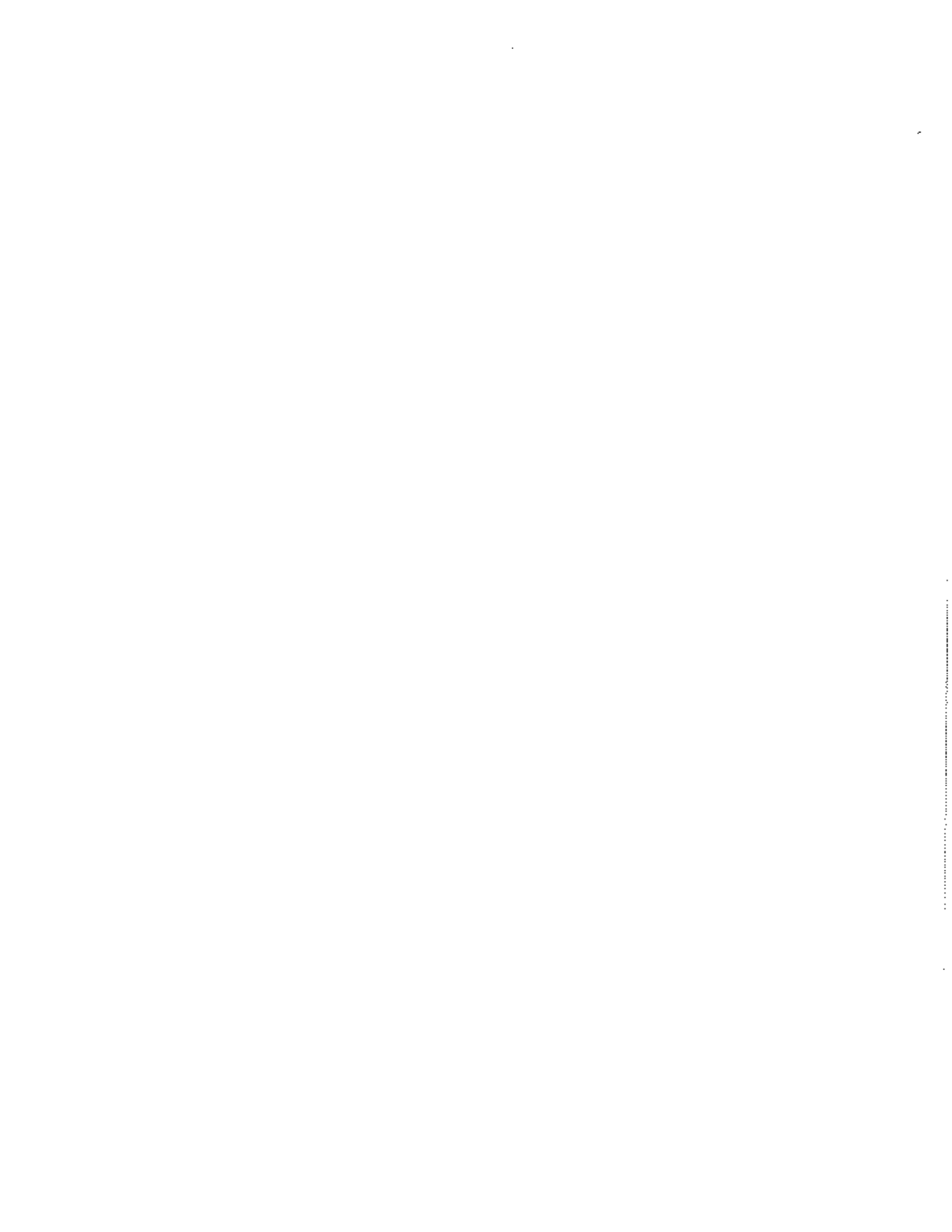
XXX

#48	
#56	
	3@ 19.50
DEED	\$58.50
	2@ 19.50
MORTGE	\$39.00
	1@ 19.50
ASSN	\$19.50
	2@ 14.50
PWR AT	\$29.00
	9@ 2.00
COUNTY	\$18.00
	9@ 5.00
REGIST	\$45.00
	12@ 5.00
N.R.	\$60.00
	9@ 0.50
RG TAX	\$4.50
***TOTAL	\$273.50
CHECK	\$273.50
CHANGE	\$0.00

THE COMMONS AT NEW STREETPERCENTAGE INTEREST

<u>UNIT</u>	<u>SQUARE FEET</u>	<u>TYPE</u>	<u>PERCENTAGE OWNERSHIP BASED ON SQUARE FEET</u>
1A - 369.	1080	Office - Bi-Level	6.36604
1B - 386.	980	1 Br - Bi-Level	5.77659
1C - 370.	995	1 Br - Bi-Level	5.86501
1D - 371.	1030 4	1 Br - Bi-Level	6.07132
2A - 372.	630	1 Br	3.71352
2B - 373.	680	1 Br	4.00825
2C - 387.	580	Studio	3.41880
2D - 374.	850 4	1 Br	5.01031
3A - 388.	630	1 Br	3.71352
3B - 375.	680	1 Br	4.00825
3C - 376.	580	Studio	3.41880
3D - 377.	850 12	1 Br	5.01031
4A - 378.	630	1 Br	3.71352
4B - 379.	680	1 Br	4.00825
4C - 380.	580	Studio	3.41880
4D - 389.	850	1 Br	5.01031
5A - 390.	630	1 Br	3.71352
5B - 381.	680	1 Br	4.00825
5C - 382.	580	Studio	3.41880
5D - 383.	850	1 Br	5.01031
Penthouse A - 384.	810	1 Br	4.77453
Penthouse B - 385.	1110	2 Br	6.54299
22 units	16965		100.00000

* Rounded up to 100% on Penthouse B



LEGAL DESCRIPTION OF REAL PROPERTY
EXHIBIT "A" TO DECLARATION

PREMISES "A, B & C"

ALL THOSE THREE CERTAIN lots or pieces of ground with the buildings and improvements thereon erected, Situate in the Fifth (Formerly the Sixth) Ward of the City of Philadelphia; ONE THEREOF, on the corner formed by the intersection of the West side of Third Street with the North side of New Street (formerly Story) Street, between Race and Vine Streets, CONTAINING in front or breadth on the said Third Street Seventeen feet and extending of that width in length or depth Westward, the South line thereof along the said North side of New Street, Sixty-one feet; BOUNDED Northward by ground granted by Eleanor Hockley to John Ulrick, Eastward by the said Third Street, Southward by the said New Street and Westward by ground granted by Thomas Hockley to Joseph Miller; BEING known as No. 244 North Third Street; ONE OTHER THEREOF, described according to a Survey and Plan thereof, made by W. C. Cranmer, Surveyor and Regulator of the Third Survey District on the Twenty-first day of January, 1890, as follows, to wit: BEGINNING at a point on the West side of Third Street at the distance of Sixteen feet Nine inches Northward from the North side of New Street; thence Westward Sixty-one feet to a point at the distance of Sixteen feet, Northward from the North side of New Street; thence extending Northward Seventeen feet Two and One-half inches to a point; thence extending Eastward Sixty-one feet to the said West side of Third Street; thence extending Southward, along the said West side of Third Street Seventeen feet to the first mentioned point and place of beginning; BOUNDED Northward by ground now or late of William H. Smith, Westward and Southward by ground now or late of Eleanor Hockley and Eastward by Third Street aforesaid, BEING Known as No. 246 North Third Street; AND THE REMAINING OTHER THEREOF, described according to a Survey and Plan thereof made by W. C. Cranmer, Surveyor and Regulator of the Third Survey District, on the Twenty-first day of January, 1890, as follows, to wit: BEGINNING at a point on the West side of Third Street at the distance of Thirty-three feet Nine inches Northward from the North side of New Street; thence extending Westward Sixty-one feet to a point at the distance of Thirty-three feet Two and One-half inches Northward from the North side of New Street; thence extending Northward Seventeen feet, Two and One-half inches to a point; thence extending Eastward Sixty-one feet to the said West side of Third Street; thence extending Southward, along the said West side of Third Street, Seventeen feet to the first mentioned point and place of beginning; BOUNDED Northward by ground now or late of John Morris, Westward, by ground now or late of Eleanor Hockley, Southward by ground now or late of William H. Smith, deceased, and Eastward by Third Street aforesaid; BEING Known As No. 248 North Third Street.

PREMISES "D"

ALL THOSE TWO CERTAIN lots or pieces of ground with the buildings and improvements thereon erected, as follows:-

BEGINNING at a point on the North side of New Street at the distance of 191 feet 11 inches West from the West side of 2nd Street in the 5th Ward of the City of Philadelphia; thence extending North 12 degrees, 4 minutes, 30 seconds East partly passing through the party wall between these premises and the premises adjoining on the East 75 feet; thence North 78 degrees, 55 minutes, 30 seconds West partly passing through the rear party wall of the building erected on the premises herein described 38 feet 10-7/8 inches

to a point; thence extending South 11 degrees West (Partly passing through party wall between these premises and the premises adjoining to the West and partly passing through an alley 3 feet wide extending from the North side of New Street Northwardly for the distance of 24 feet therefrom) 75 feet to the North side of New Street; thence extending East along the said North side of New Street South 78 degrees, 55 minutes 30 seconds East 37 feet 6 inches to the point and place of beginning.

TOGETHER with the use, privilege and enjoyment of the said 3 feet wide alley as and for a passageway and watercourse at all times hereafter forever.

BEING Nos. 217 and 219 New Street.

PREMISES "E"

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected described according to a Survey and Plan thereof, made by W.C. Cramer, Esq., Surveyor and Regulator of the 3rd Survey District of the City of Philadelphia on the 25th day of June A.D., 1907, as follows, to wit:-

SITUATE on the North side of New Street, at the distance of 211 feet Eastward from the East side of 3rd Street, in the 5th Ward of the City of Philadelphia.

CONTAINING in front or breadth on the said New Street 55 feet 11 inches to the middle line of a certain 3 feet wide alley and extending of that width in length or depth Northward between lines parallel with the said 3rd Street 75 feet said 3 feet wide alley extending Northward 24 feet according to a Survey and Plan thereof, made by William H. H. Ogen, Jr., Esq., Surveyor and Regulator of the 3rd Survey District of the City of Philadelphia on the 31st day of December A.D., 1938.

BEING Nos. 221, 223 and 225 New Street.

TOGETHER with the use, right, privilege and enjoyment of the said 3 feet wide alley as and for a passageway and watercourses at all times hereafter, forever.

SCHEDULE OF PERCENTAGE INTEREST

EXHIBIT "B" TO DECLARATION

THE COMMONS AT NEW STREET

PERCENTAGE INTEREST

<u>UNIT #</u>	<u>SQUARE FEET</u>	<u>TYPE</u>	<u>PERCENTAGE OWNERSHIP BASED ON SQUARE FEET</u>
1A	1080	Office - Bi-Level	6.36604
1B	980	1 Br - Bi-Level	5.77659
1C	995	1 Br - Bi-Level	5.86501
1D✓	1030	1 Br - Bi-Level	6.07132
2A	630	1 Br	3.71352
2B✓	680	1 Br	4.00825
2C	580	Studio	3.41880
2D	850	1 Br	5.01031
3A	630	1 Br	3.71352
3B	680	1 Br	4.00825
3C	580	Studio	3.41880
3D	850	1 Br	5.01031
4A	630	1 Br	3.71352
4B✓	680	1 Br	4.00825
4C	580	Studio	3.41880
4D	850	1 Br	5.01031
5A	630	1 Br	3.71352
5B	680	1 Br	4.00825
5C	580	Studio	3.41880
5D	850	1 Br	5.01031
Penthouse A	810	1 Br	4.77453
Penthouse B	1110	2 Br	6.54299
<hr/>			
22 units	16965		100.00000

* Rounded up to 100% on Penthouse B

PLATS AND PLANS
EXHIBIT "C" TO DECLARATION



1 New Street Elevation



PENDING FINAL REVIEW BY:
STATE HISTORIC PRESERVATION OFFICER
PHILADELPHIA HISTORIC PRESERVATION CORPORATION
NATIONAL PARK SERVICE

The COMMONS at NEW STREET

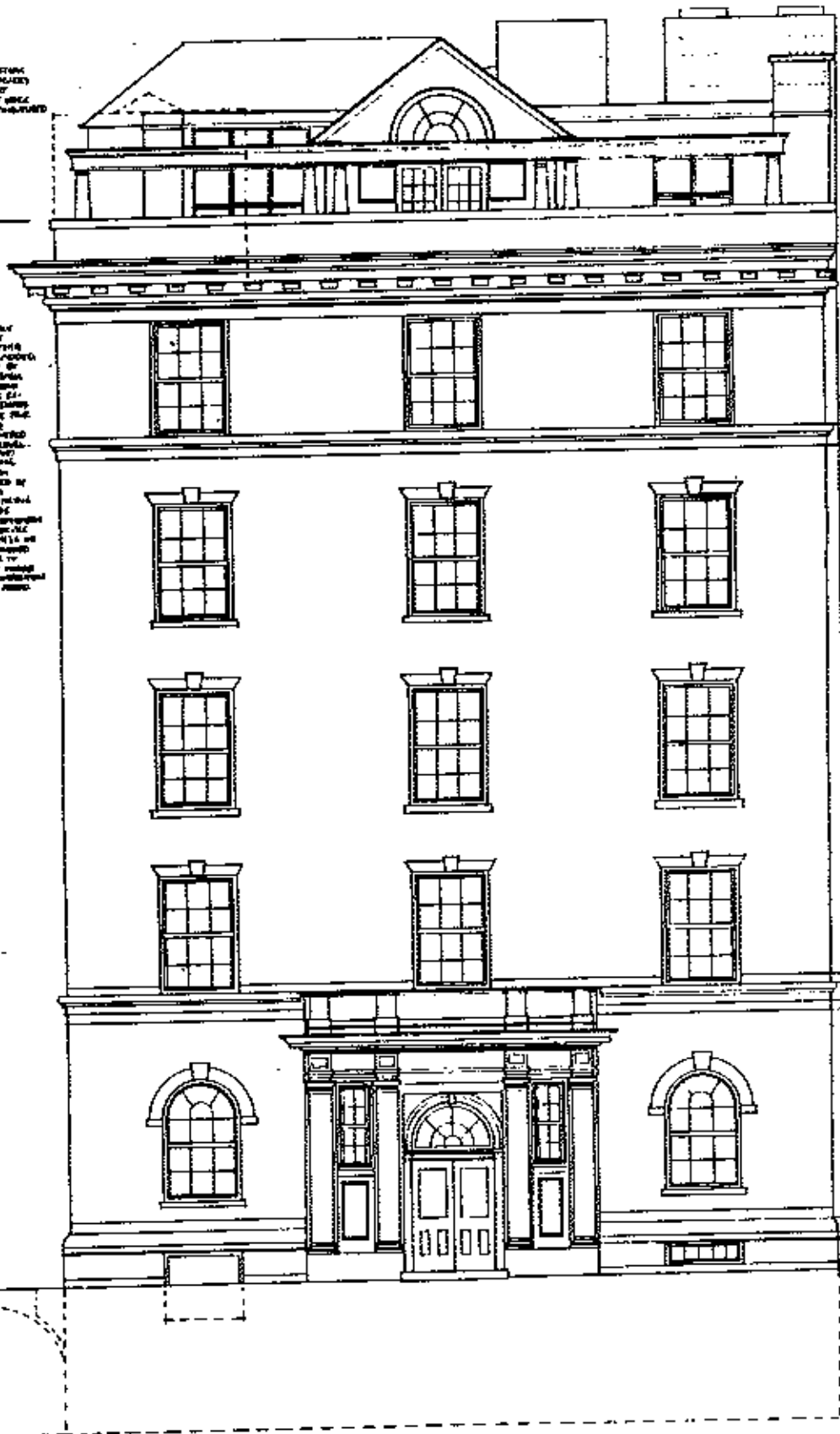
A RENOVATION OF
246 No Third Street
PHILADELPHIA



PROSECUTOR ADVISES THAT SHE
KNOWS THAT THE SUBJECTS WERE THE
SAME PERSONS, BUT FROM CONSIDERATIONS
WAS IN THE AREA FROM WHICH SUBJECTS
AND WAS IN CONTACT WITH SUBJECTS
ADVISED (RECALL) THAT THEY WERE
IN THE AREA AND SUBJECTS WERE
IN CONTACT WITH SUBJECTS.

How Complicated?
What's the Deal?

1. BLACK
 2. RECEIVED
 3. FROM THE OFFICE OF THE ATTORNEY GENERAL
 4. OF THE UNITED STATES
 5. ON THE DATE OF THE 15TH DAY OF THE MONTH OF THE YEAR 1964
 6. THE OFFICE OF THE ATTORNEY GENERAL
 7. OF THE UNITED STATES
 8. OF THE UNITED STATES
 9. OF THE UNITED STATES
 10. OF THE UNITED STATES
 11. OF THE UNITED STATES
 12. OF THE UNITED STATES
 13. OF THE UNITED STATES
 14. OF THE UNITED STATES
 15. OF THE UNITED STATES
 16. OF THE UNITED STATES
 17. OF THE UNITED STATES
 18. OF THE UNITED STATES
 19. OF THE UNITED STATES
 20. OF THE UNITED STATES
 21. OF THE UNITED STATES
 22. OF THE UNITED STATES
 23. OF THE UNITED STATES
 24. OF THE UNITED STATES
 25. OF THE UNITED STATES
 26. OF THE UNITED STATES
 27. OF THE UNITED STATES
 28. OF THE UNITED STATES
 29. OF THE UNITED STATES
 30. OF THE UNITED STATES
 31. OF THE UNITED STATES
 32. OF THE UNITED STATES
 33. OF THE UNITED STATES
 34. OF THE UNITED STATES
 35. OF THE UNITED STATES
 36. OF THE UNITED STATES
 37. OF THE UNITED STATES
 38. OF THE UNITED STATES
 39. OF THE UNITED STATES
 40. OF THE UNITED STATES
 41. OF THE UNITED STATES
 42. OF THE UNITED STATES
 43. OF THE UNITED STATES
 44. OF THE UNITED STATES
 45. OF THE UNITED STATES
 46. OF THE UNITED STATES
 47. OF THE UNITED STATES
 48. OF THE UNITED STATES
 49. OF THE UNITED STATES
 50. OF THE UNITED STATES
 51. OF THE UNITED STATES
 52. OF THE UNITED STATES
 53. OF THE UNITED STATES
 54. OF THE UNITED STATES
 55. OF THE UNITED STATES
 56. OF THE UNITED STATES
 57. OF THE UNITED STATES
 58. OF THE UNITED STATES
 59. OF THE UNITED STATES
 60. OF THE UNITED STATES
 61. OF THE UNITED STATES
 62. OF THE UNITED STATES
 63. OF THE UNITED STATES
 64. OF THE UNITED STATES
 65. OF THE UNITED STATES
 66. OF THE UNITED STATES
 67. OF THE UNITED STATES
 68. OF THE UNITED STATES
 69. OF THE UNITED STATES
 70. OF THE UNITED STATES
 71. OF THE UNITED STATES
 72. OF THE UNITED STATES
 73. OF THE UNITED STATES
 74. OF THE UNITED STATES
 75. OF THE UNITED STATES
 76. OF THE UNITED STATES
 77. OF THE UNITED STATES
 78. OF THE UNITED STATES
 79. OF THE UNITED STATES
 80. OF THE UNITED STATES
 81. OF THE UNITED STATES
 82. OF THE UNITED STATES
 83. OF THE UNITED STATES
 84. OF THE UNITED STATES
 85. OF THE UNITED STATES
 86. OF THE UNITED STATES
 87. OF THE UNITED STATES
 88. OF THE UNITED STATES
 89. OF THE UNITED STATES
 90. OF THE UNITED STATES
 91. OF THE UNITED STATES
 92. OF THE UNITED STATES
 93. OF THE UNITED STATES
 94. OF THE UNITED STATES
 95. OF THE UNITED STATES
 96. OF THE UNITED STATES
 97. OF THE UNITED STATES
 98. OF THE UNITED STATES
 99. OF THE UNITED STATES
 100. OF THE UNITED STATES



Third Street Elevation

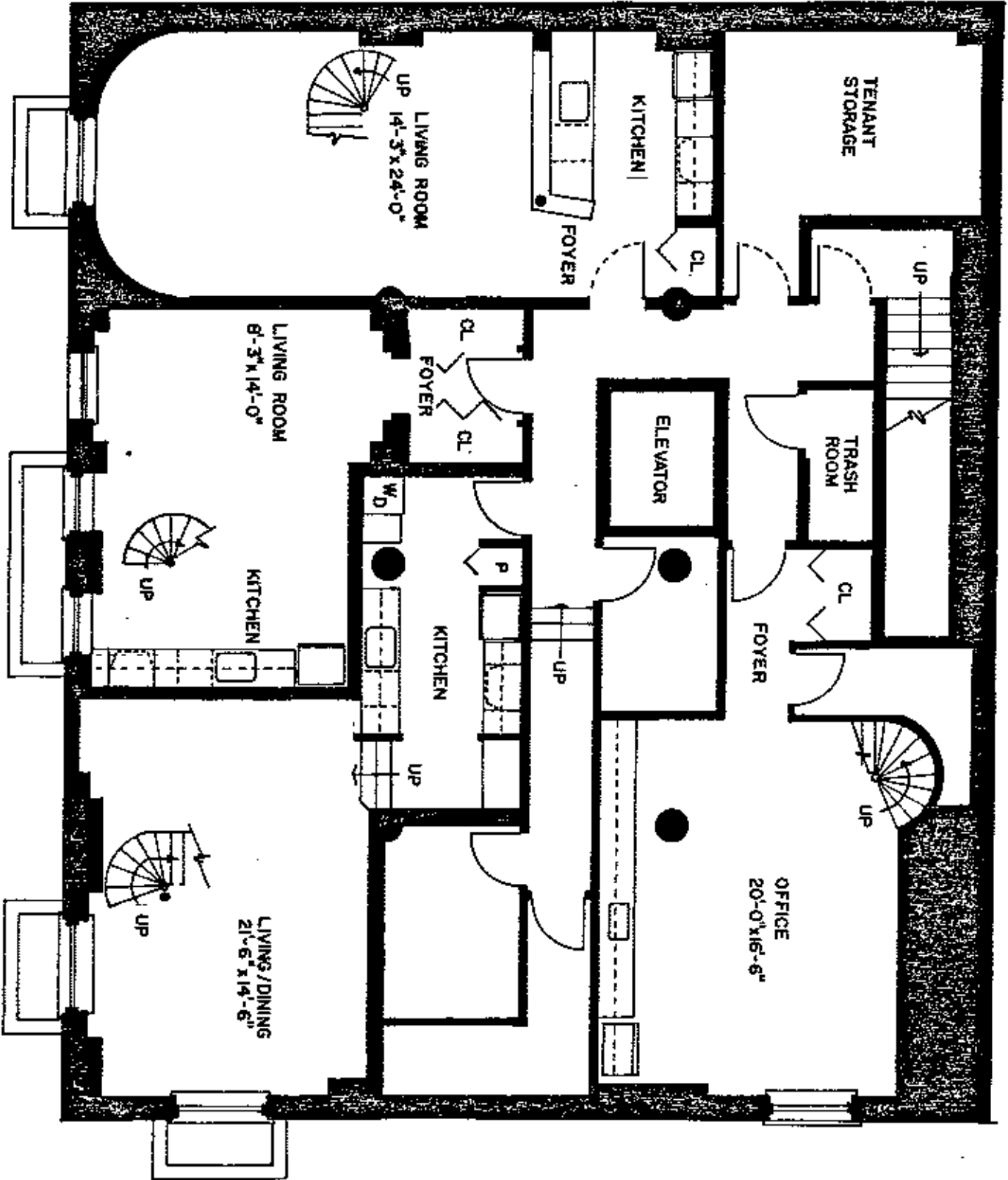


PENDING FINAL REVIEW BY:
STATE HISTORIC PRESERVATION OFFICER
PHILADELPHIA HISTORIC PRESERVATION CORPORATION
NATIONAL PARK SERVICE

The COMMONS at NEW STREET 1

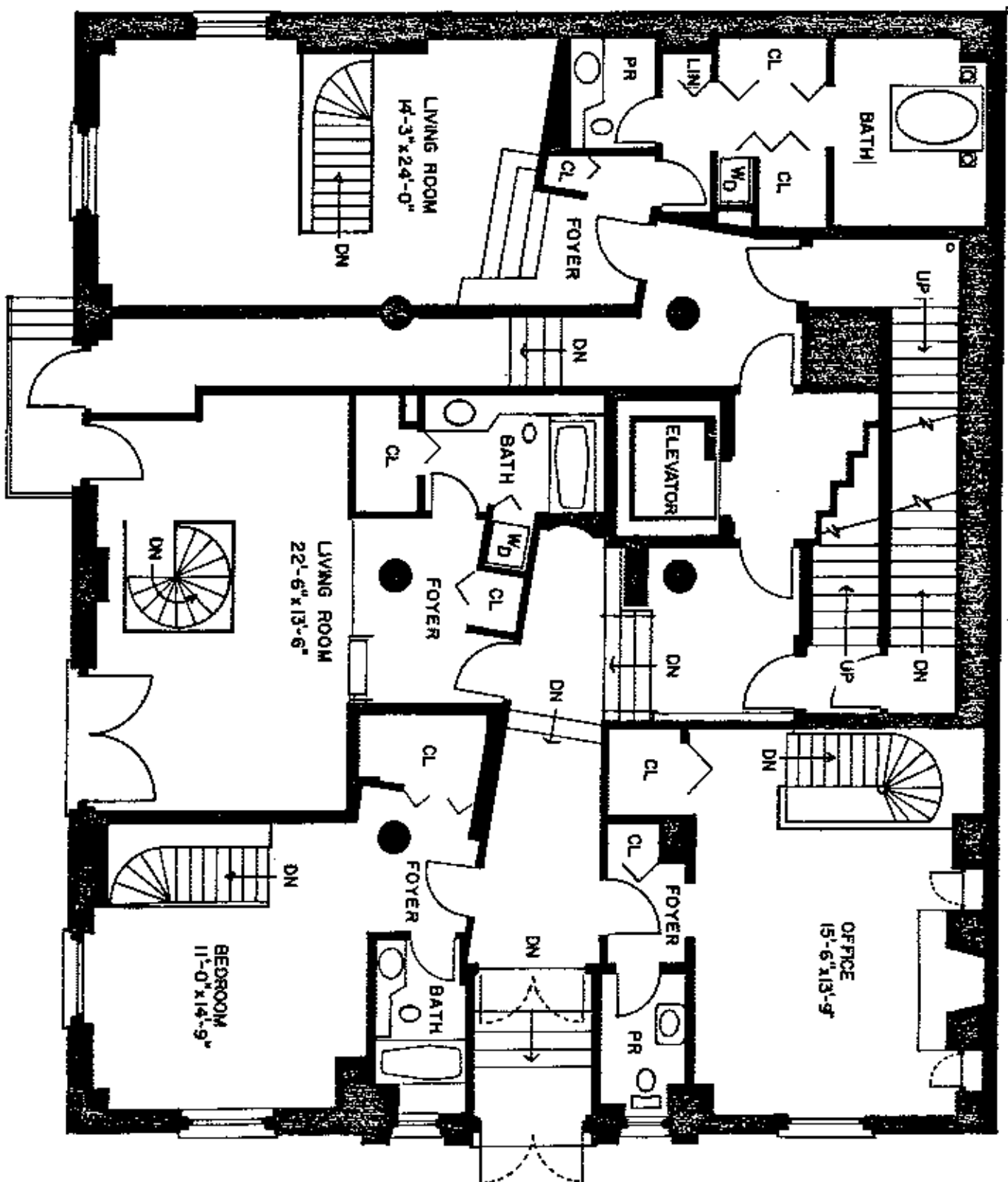
A Reception to
246 No Third Street
PHILADELPHIA





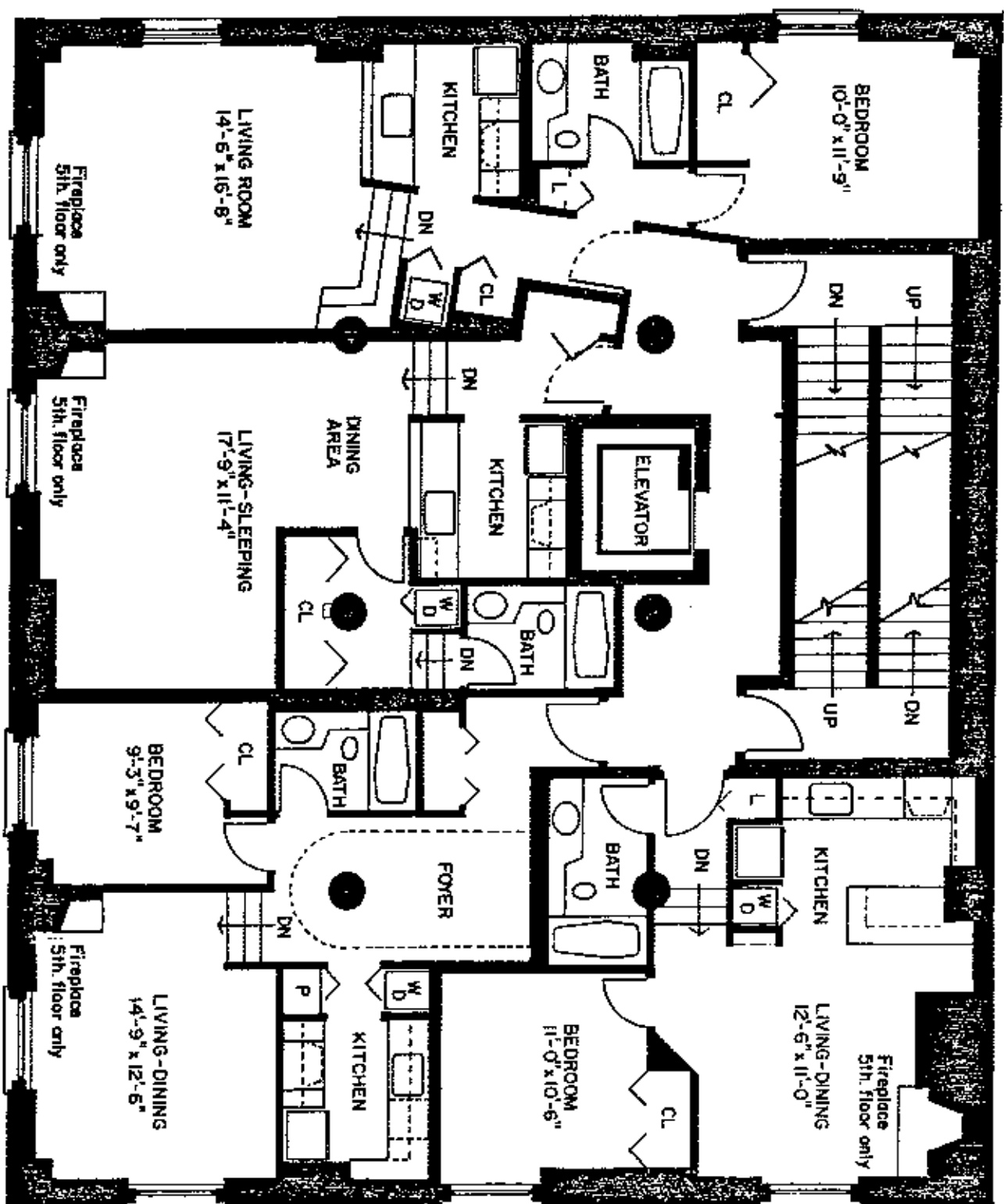
THE COMMONS at NEW STREET
(GROUND FLOOR PLAN)

ALL MUST BE BUILT



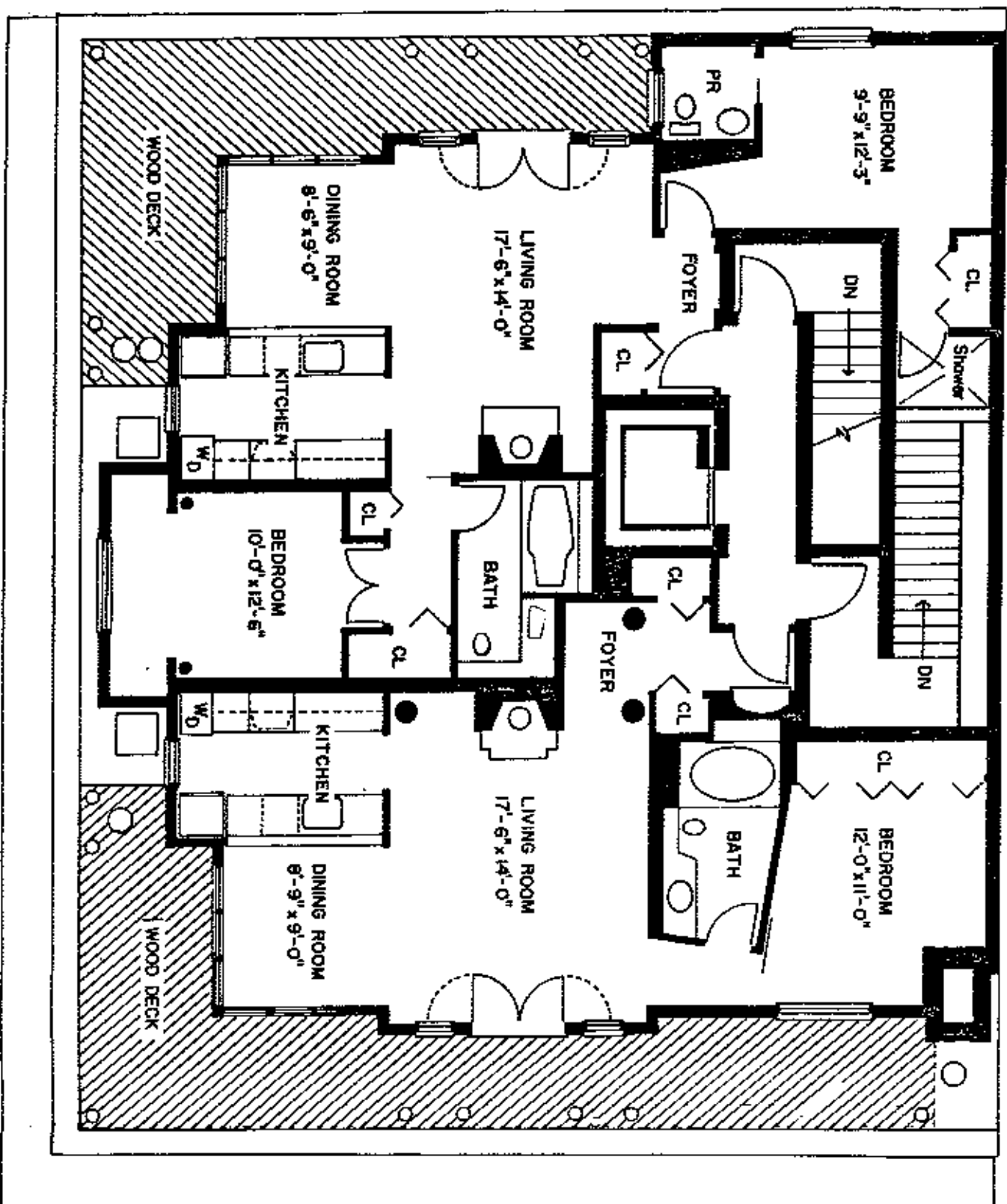
THE COMMONS at NEW STREET
(FIRST FLOOR PLAN)

"ALL MUST BE BUILT"



THE COMMONS at NEW STREET
(SECOND, THIRD, FOURTH, AND FIFTH FLOOR PLANS)

ALL MUST BE BUILT



THE COMMONS at NEW STREET
(PENTHOUSE FLOOR PLANS)

"ALL MUST BE BUILT"

BY-LAWS
OF
THE COMMONS AT NEW STREET

Pursuant to the Provisions
of the Pennsylvania Uniform
Condominium Act. 68 Pa. C.S.
Section 3101, et seq.

EXHIBIT B
TO PUBLIC OFFERING STATEMENT

BY-LAWS
OF
THE COMMONS AT NEW STREET CONDOMINIUM OWNERS ASSOCIATION

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
I		SCOPE OF REGULATIONS	
	1.1	Identification of the Property.....	1
	1.2	Definitions.....	1
	1.3	Office.....	1
II		OWNERS' ASSOCIATION	
	2.1	Membership.....	1
	2.2	Meetings.....	2
		(a) Time and Location	2
		(1) Election Meetings	2
		(2) Annual and Special Meetings	2
		(b) Purpose and Business	3
		(c) Notice	3
		(d) Quorum and Adjournment	4
		(e) Voting	4
		(1) Proxies	5
		(2) Voting List	5
		(3) Election of Executive Board Members	5
		(f) Actions of Association Without a Meeting	5
		(g) Conduct of Meetings	5
	2.3	Notices.....	5
	2.4	Fiscal Year.....	6
III		EXECUTIVE BOARD	
	3.1	Composition.....	6
	3.2	Meetings.....	7
		(a) Time and Location	7
		(b) Notice	7
		(c) Voting and Quorum	8
		(d) Organization	8
	3.3	Resignation and Removal.....	8
	3.4	Vacancies.....	9
	3.5	Compensation.....	9
	3.6	Action Without Meeting.....	9

IV	OFFICERS	
4.1	Election.....	10
4.2	Duties.....	10
	(a) President	10
	(b) Secretary	10
	(c) Treasurer	11
	(d) Vice Presidents and Assistant Officers	11
4.3	Compensation.....	12
4.4	Resignation and Removal.....	12
4.5	Vacancies.....	12
V	POWERS AND DUTIES OF THE EXECUTIVE BOARD	
5.1	Enumeration.....	12
5.2	Limitation.....	12
VI	BUDGET	
6.1	Annual Budget.....	12
6.2	Collection of Assessments.....	13
VII	REPAIR OR RECONSTRUCTION	
7.1	Restoration of Property Out of Common Expense Fund.....	13
VIII	CONTRACTUAL POWERS	
8.1	Validity of Contracts with Interested Executive Board Members.....	14
8.2	Inclusion of Interest Executive Board Members in a Quorum.....	14
8.3	Terms of Management Contract.....	14
IX	SEPARATE REAL ESTATE TAXES	
9.1	Assessments Against Individual Units.....	16

X		AMENDMENTS	
	10.1	General Requirements; Consent of Declarant or Holders of Permitted Mortgages; Curative Amendments to By-laws.....	17
	10.2	Amendments to the Declaration.....	17
XI		FACADE EASEMENT	
XII		COMPLIANCE AND DEFAULT	
	12.1	Relief.....	18
XIII		MISCELLANEOUS	
	13.1	Notices.....	19
	13.2	Captions.....	19
	13.3	Gender.....	20

BY-LAWS

The Commons At New Street, A Condominium
244-248 North Third Street and 217-225 New Street
City and County of Philadelphia
Commonwealth of Pennsylvania

These By-laws have been adopted this *28th* day of *December 1984*, ~~1983~~, by the persons constituting all of the members of the First Executive Board of The Commons At New Street Condominium Owners' Association, a non-profit organization.

W I T N E S S E T H:

ARTICLE I

SCOPE OF REGULATIONS

Section 1.1 Identification of the Property. These By-laws ("By-laws") shall relate solely to the Property called The Commons At New Street Condominium, located at 217-225 New Street and 244-248 North Third Street, City and County of Philadelphia, Commonwealth of Pennsylvania (hereinafter called the "Property"), more fully described in the Declaration of Condominium for The Commons at New Street Condominium dated *December 26, 1984*, and the Plats and Plans attached thereto (collectively called the "Declaration") recorded in the Office of the Philadelphia Department of Records in Deed Book *#539*, Page *418*, as the same may be amended from time to time.

Section 1.2 Definitions. The capitalized terms used herein shall have the same definitions as such terms have in the Declaration and the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. Section 3101 et seq. ("Act"), unless otherwise defined herein. In the event of inconsistencies between the Act and the Declaration, the Act shall control.

Section 1.3 Office. The office of the Condominium, the Association and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE II

OWNER'S ASSOCIATION

Section 2.1 Membership. The Commons at New Street Condominium Owners' Association (hereinafter called the "Association") is hereby organized on the date hereof as a non-

profit corporation, all of the members of which are the Residential Unit Owners and the Commercial Unit Owners of the Condominium. The Declarant, being the initial owner of all Units, shall initially constitute all of the members of the Association. A Person shall automatically become a member of the Association at the time he acquires legal title to a Unit and he shall continue to be a member as long as he continues to hold title to such Unit. A Person shall automatically cease being a member at such time as he no longer holds legal title to his Unit. A Unit Owner shall not be permitted to resign from membership in the Association prior to the time at which he transfers title to his Unit to another. No membership may be transferred in any way except as an appurtenance to the transfer of title to the Unit to which the membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary. The date of recordation of an instrument of conveyance in the Office of the Philadelphia Department of Records shall be determinative of all disputes concerning the date of transfer of title to any Unit or Units.

Section 2.2 Meetings. Meetings of the Association shall be held in the following time, place and manner:

(a) Time and Location.

(1) Election Meetings. Unit Owners shall hold the First Election Meeting and the Second Election Meeting at the times specified in Sections 2.2(j) and 2.2(r) of the Declaration for the purpose of electing members of the Executive Board pursuant to Section 3.1 hereof. Following the Second Election Meeting members of the Executive Board shall be elected at the Annual Meeting (defined in Section 2.2(a)(2) hereof) of the Association pursuant to Sections 2.2(a)(2) and 3.1 hereof. Notwithstanding the foregoing, if the First Election Meeting or the Second Election Meeting could be held on the date an Annual Meeting of the Association is scheduled, then such meeting(s) shall be held concurrently with such Annual Meeting.

(2) Annual and Special Meetings. Unit Owners shall hold annual meetings for the purposes stated in Section 2.2(b) hereof ("Annual Meetings"). The first Annual Meeting of Unit Owners shall be held on the first Wednesday of March occurring after the date of recordation of the Declaration, unless such date is a legal or religious holiday, in which event such meeting shall be held on the next following day. Thereafter, the Association shall hold an Annual Meeting on the first Wednesday of March of each year at 8:00 P.M. or at such other time and date as the Executive Board may determine but not more than one hundred twenty (120) nor less than sixty (60) days after the end of the Association's fiscal year. Special meetings may be called at any reasonable time and from time to time if requested by at

least three (3) members of the Executive Board (or after conveyance of 75% of the Units to Unit Owners other than a Declarant) if Unit Owners who are entitled to cast at least ten per cent (10%) of the votes of all members of the Association shall send a written request to the Executive Board to call such a meeting ("Special Meetings"). The Executive Board shall hold such meetings not less than fifteen (15) days nor more than twenty-five (25) days after receipt of such request; provided, however, if the purpose includes consideration of the rejection of a budget or capital expenditure, such meeting shall be held within 15 days after such request. Both Annual and Special Meetings of the Association may be held at whatever location the Executive Board may deem convenient.

(b) Purpose and Business. Annual Meetings of the Association shall be called to elect the members of the Executive Board unless such action is being taken pursuant to the provisions of Section 2.2(f) hereof or Section 3.4 hereof, and to conduct such other business as may be required or permitted by law, the Declaration or these By-laws or done by a vote of Unit Owners. The Treasurer of the Executive Board shall present at each Annual Meeting a financial report (prepared by an independent certified public accountant) of the receipts and the Common Expenses, for the Association's immediately preceding fiscal year, itemizing receipts and expenditures, the allocation thereof to each Unit Owner, and any changes expected for the present fiscal year. A copy of such financial report shall be sent to each Unit Owner not less than five (5) days prior to the Annual Meeting. Special Meetings of the Association shall be called for (i) the purpose of considering matters which shall be required or permitted by law, the Declaration or these By-laws, and (ii) by a vote of the Unit Owners. No business shall be transacted at a Special Meeting other than as specified in the notice thereof.

(c) Notice. Notices to Unit Owners of meetings of the Association or meetings of the Executive Board, which Unit Owners who are not Executive Board members are entitled or invited to attend pursuant to Section 3.2(d) hereof, shall be delivered either by hand or by prepaid mail to the Unit owned by each Unit Owner or to another mailing address designated in writing by the Unit Owner to the Executive Board. All such notices shall be delivered to all Unit Owners not less than ten (10) nor more than sixty (60) days in advance of the date of the meeting to which the notice relates and shall state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-laws. The Secretary of the Executive Board shall cause all such notices to be delivered as aforesaid. Notices sent by mail shall be deemed to have been delivered on the second day after the date of mailing, in the case of mailed notices or the date of deposit in the Unit Owner's mailbox in the case of hand delivery.

(d) Quorum and Adjournment. No official business may be transacted nor may any binding vote be taken at any meeting of the Association, either Annual or Special, unless a quorum of Unit Owners is present in person or by proxy. Except as set forth below, the presence in person or by proxy of Unit Owners entitled to cast 25% of the votes in the Association at the commencement of a meeting shall constitute a quorum. If a quorum is not present at any meeting, the Unit Owners present may reschedule the meeting for a later date and so give all Unit Owners notice thereof in accordance with provisions of Section 2.2(c) hereof. If no quorum is present at such second meeting, the notice procedure shall be repeated if the Unit Owners present decide to call a third meeting. The quorum at such third meeting shall be deemed present throughout any meeting of the Association if Persons entitled to cast 10% of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

(e) Voting. At any meeting of the Association, the votes of the Unit Owners shall be calculated in accordance with the Declaration and voted in accordance with the provisions of Sections 3309 and 3310 of the Act. Except as otherwise provided by law, the Declaration or these By-laws, acts of the Association which require the approval of the Unit Owners shall require the approval of the Unit Owners together entitled to cast in excess of 50% of the votes of all Unit Owners present in person or by proxy at a meeting of the Association at which a quorum of Unit Owners is present in person or by proxy ("Majority"). Where the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these By-laws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Subject to the Act, if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting. Votes shall be cast in the following manner:

(1) Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, Permitted Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked or void, in addition to situations set forth in the Act and in Section 2.1 above, only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy, or when the presiding officer receives written notice of the death or judicially declared incompetence of a grantor of such proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

(2) Voting List. The voting list shall be kept at the office of the Association and may be inspected during normal business hours by any Unit Owner or by any Unit Owner's authorized representative and the voting list shall be produced and kept open for inspection during all meetings of the Association.

(3) Election of Executive Board Members. In all elections for Executive Board members, each Unit Owner shall be entitled to cast the number of votes equal to the product of the number of Executive Board members to be elected multiplied by the number of votes allocated to each Unit pursuant to the Declaration. Those candidates for election receiving the greater number of votes cast in such elections shall be elected and if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms.

(f) Actions of Association without a Meeting. Any action required or permitted to be taken by a vote of the Association may be taken without a meeting by the written consent, stating the action so taken, of at least that number of Unit Owners whose votes would otherwise have been sufficient to take the action if a meeting had been held at which all Unit Owners were present, provided, however, that all the Unit Owners be given notice of the proposed action.

(g) Conduct of Meetings. Meetings of the Association shall be conducted under such reasonable rules consistent with these By-laws as the Executive Board may adopt. The Executive Board is hereby authorized to promulgate such rules.

Section 2.3 Notices. All notices and other communications to either the Association or the Executive Board shall

be addressed to such body at such address as the Executive Board may have designated by written notice to all of the Unit Owners.

Section 2.4 Fiscal Year. The fiscal year of the Association shall be January 1 to December 31, unless changed by resolution of the Executive Board.

ARTICLE III

EXECUTIVE BOARD

Section 3.1 Composition. The Executive Board shall consist of five (5) natural individuals except for the first Executive Board (hereinafter called the "First Executive Board"), which shall consist of three (3) natural individuals. Each member shall be at least 18 years of age and following the Second Election Meeting, a majority of the Executive Board Members must be Unit Owners. The members of the First Executive Board shall be Persons designated as such in the Declaration, and shall serve until the Second Election Meeting of the Association. Notwithstanding the foregoing, the members of the First Executive Board reserve the right to resign at any time and the Declarant shall have the right to remove and replace any or all such members appointed by the Declarant at any time and from time to time. At the First Election Meeting of the Association, two (2) additional Persons shall be elected to the Executive Board. At the Second Election Meeting of the Association, three (3) Persons shall be elected to the Executive Board to replace the members of the First Executive Board. Except for the filling of vacancies as set forth in Section 3.4 hereof, each member of the Executive Board shall thereafter be elected by the Association, at the Annual Meetings of the Association, for staggered two (2) year terms. The two (2) Persons elected to the Executive Board at the First Election Meeting of the Association shall serve until the second Annual Meeting of the Association following the First Election Meeting, at which time the term of those individuals shall end and the two (2) Persons elected to succeed them shall each serve a two (2) year term. The three (3) Persons elected to the Executive Board at the Second Election Meeting shall serve until the next Annual Meeting of the Association at which an election to fill the other two (2) positions on the Executive Board is not scheduled to occur. At such meeting, the terms of those three (3) members shall end and the Persons elected to succeed them shall each serve a two (2) year term. Executive Board members shall serve until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(a) Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by at least three Unit Owners, a statement that the Person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and

(b) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one Person has been nominated by petition.

Section 3.2 Meetings. Meetings of the Executive Board shall be held at the following time, place and manner:

(a) Time and Location. The Executive Board shall hold an annual meeting within ten (10) days following the Annual Meeting of the Association for the purpose of electing officers, as more fully set forth in Article IV hereof, and for any other purpose which may be required or permitted by law, the Declaration or these By-laws to be done by a vote of the Executive Board. The Executive Board shall hold meetings at the call of the President or upon request to the President by at least two of the members of the Executive Board; provided, however, that:

(1) In any event, the Executive Board shall meet at least three (3) times each fiscal year (in addition to the annual meeting of the Executive Board), unless all members of the Executive Board shall waive such requirements as to a particular meeting or meetings;

(2) The first such Executive Board meeting shall be held promptly after the date on which the Declaration is recorded; and

(3) There shall be a meeting of the Executive Board during the second full calendar week of the last month of each fiscal year for the purpose of adopting the budget of the Association for the next following fiscal year of the Association.

The President shall call any Executive Board meeting requested by two of the members of the Executive Board for a date occurring not less than five (5) nor more than twenty (20) days after receipt of such request. The President shall designate the time and location of Executive Board meetings. No business shall be transacted at Executive Board meetings other than as specified in the notice thereof.

(b) Notice. Not less than forty-eight (48) hours prior to the time of any Executive Board meeting, a written notice stating the date, time and place of such meeting shall be delivered, either by hand or by mail or telegram, to each Execu-

tive Board member at the address given to the Executive Board by such Executive Board member for such purpose. Any Executive Board member may waive notice of a meeting, or consent to any action of the Executive Board without a meeting. An Executive Board member's attendance at a meeting shall constitute his waiver of notice of such meeting.

(c) Voting and Quorum. Each Executive Board member shall be entitled to cast one vote. A vote in excess of 50% of the members of the Executive Board present at any meeting at which a quorum is present shall bind the Executive Board for all purposes unless otherwise provided in the Declaration or these By-laws. A majority of the members shall constitute a quorum. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment if all Persons participating in the meeting can hear each other.

(d) Organization. Executive Board meetings may be held under such reasonable rules consistent with these By-laws as the Executive Board may determine. The Executive Board is hereby entitled to promulgate such rules. Except for the meeting to approve the budget of the Association referred to in this Section 3.2(d), Unit Owners who are not Executive Board members shall have no right to attend Executive Board meetings, but the Executive Board may, in its sole discretion, elect to allow such Unit Owners to attend a particular meeting or meetings. If the Executive Board does elect to allow Unit Owners who are not Executive Board members to attend a particular meeting or meetings, the Secretary of the Executive Board shall give prior notice, in the manner provided in Section 2.2(b) hereof, to all Unit Owners of each meeting at which Unit Owners are entitled or invited to be present; provided however that the failure to give such notice shall neither invalidate any actions taken by the Executive Board at such meeting nor impose any liability on the Executive Board or its officers and/or members for the failure to give such notice. All Unit Owners shall have the right to attend and be heard, but not the right to vote, at the Executive Board meeting at which the fiscal year budget of the Association shall be presented to the Executive Board for adoption. The Secretary of the Executive Board shall give Unit Owners notice of such meeting, accompanied by a copy of the proposed budget, in the manner provided in Section 2.2(b) hereof.

Section 3.3 Resignation and Removal. Any member of the Executive Board may resign from the Executive Board at any time by written notice to the Executive Board. Except as hereinafter provided, any member (other than members designated by Declarant under Section 3.1 hereof, who may be removed and replaced only by the Declarant, which removal and replacement may occur at any time and from time to time) may be removed from the Executive Board with or without cause by a vote for such removal by Unit Owners entitled to cast at least fifty percent (50%) of the votes of all members of the Association, such votes having been cast at

any meeting of the Association the notice for which shall contain the name of each member of the Executive Board whose removal is being sought. Any member whose removal has been proposed shall be given notice of the meeting and an opportunity to be heard.

Section 3.4 Vacancies. Any vacancy or vacancies on the Executive Board, whether caused by death, adjudication of incompetency, resignation, removal, or an increase in size of the Executive Board (other than at the First Election Meeting), shall be filled by the Executive Board with an interim appointee who shall serve until the next Annual Meeting of the Association, at which time such vacancy may be filled by the vote of a Majority of the Unit Owners; provided, however, that until the Second Election Meeting of the Association, the Declarant shall have the exclusive right to fill any vacancy created by the resignation or removal of an Executive Board member who had not been elected to such position by the members of the Association at the First Election Meeting or at an Annual or Special Meeting called for such purpose; and further provided that if the Declarant does not exercise its right to fill such vacancy within ten (10) days after such vacancy occurs, such vacancy shall be filled by the Executive Board and the Unit Owners in the manner provided in this Section 3.4. If the vacancy results from removal by the Association, the election of a new member or members may be held at the same meeting where such removal takes place and notice of an election for removal shall be considered notice of an election to fill each vacancy so caused. The vote of more than fifty per cent (50%) of the Unit Owners present at such meeting in person or by proxy shall cause the postponement of the election to a later date, but if such vacancy is not filled within sixty (60) days after it occurs, the Executive Board shall promptly thereafter elect a replacement.

Section 3.5 Compensation. No member of the Executive Board shall receive compensation for performing his duties as a member of the Executive Board unless such compensation is expressly authorized or approved by a vote of more than fifty (50%) per cent of the votes of all Unit Owners, at any Annual or Special Meeting of the Association. Any member of the Executive Committee may be reimbursed for any expenses incurred in the performance of his duties.

Section 3.6 Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

ARTICLE IV

OFFICERS

Section 4.1 Election. At the first meeting of the Executive Board, and at every Annual Meeting of the Executive Board thereafter, the Executive Board members shall, if a quorum is present, elect officers of the Association for the following year, such officers to serve at the pleasure of the Executive Board for a one (1) year term and until their respective successors are elected. The officers to be elected are: President, Secretary, Treasurer and such other officers as the Executive Board may from time to time find necessary or desirable. The President and Vice-President shall be members of the Executive Board. Officers may serve an unlimited number of terms. Any member may hold two offices simultaneously, except that the President shall not hold any other office.

Section 4.2 Duties. The duties of the officers shall be as follows:

(a) President. The President shall be the chief executive officer of the Association and the chairman of the Executive Board. The President shall be responsible for implementing the decisions of the Executive Board and in that capacity shall direct, supervise, coordinate and have general control over the affairs of the Association and the Executive Board, subject to the limitations of the laws of the Commonwealth of Pennsylvania, the Condominium Documents and the actions of the Executive Board. The President shall have the power to sign checks jointly with the Treasurer and such other documents on behalf of the Association and the Executive Board, or both, with or without the signatures of any other officers, as may be determined by the Executive Board. The President shall preside at all meetings of either body at which he is in attendance and shall be a member of all committees. If the President is absent from such meeting the senior officer of the Association present at such meeting shall preside, and in the absence of any officer, the body holding the meeting shall elect a Person to preside. If the Executive Board so provides, the President shall also have any or all of the powers and duties ordinarily attributable to the chief executive officer of a corporation domiciled in Pennsylvania.

(b) Secretary. Unless otherwise determined by the Executive Board, the Secretary shall keep or cause to be kept all records (or copies thereof if the original documents are not available to the Association) of the Association and the Executive Board and shall have the authority to affix the seal of the Association to any documents requiring such seal. The Secretary shall give or cause to be given all notices as required by law, the Declaration or these By-laws, shall take and keep or cause to be taken and kept minutes of all meetings of the Association, the Executive Board and all committees, and shall take and keep or

cause to be taken and kept at the Association's office a record of the names and addresses of all Unit Owners and the voting lists referred to in Section 2.2(e)(3) hereof as well as copies of the Declaration, the Plats and Plans, these By-laws and the Rules and Regulations, all of which shall be available at the office of the Association for inspection by Unit Owners, prospective Unit Owners or Permitted Mortgagees during normal business hours and for distribution to them at such reasonable charges (if any) as may be set from time to time by the Executive Board. The Secretary shall keep or cause to be kept the register of holders of Permitted Mortgages. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the Secretary of a corporation domiciled in Pennsylvania.

(c) Treasurer. Unless otherwise determined by the Executive Board, the Treasurer shall have the charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in such depositories as the Executive Board may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Executive Board and shall submit or cause to be submitted to the Executive Board and the Association such reports thereof as the law, the Declaration, the Executive Board, or these By-laws may from time to time require. Such records shall include, without limitation, chronological listings of all receipts and Common Expense expenditures, the amount of each assessment for Common Expenses and expenses assessable to individual Units, if any, and the amount paid and the amounts due on such assessments. Such records shall specify and itemize the maintenance, repair and replacement expenses relating to the Common Elements and the Limited Common Elements and any other expenses incurred by the Association. The foregoing financial records shall be kept at the Association's office and shall be available there for inspection by Unit Owners, prospective Unit Owners or Permitted Mortgagees during normal business hours. The Treasurer shall, upon request, provide any Person who shall be entitled thereto with a written statement or certification of the information required to be provided by the Association pursuant to Sections 3315(g), 3407(a) and 3407(b) of the Act. The Treasurer shall have the power to sign checks jointly with the President and to also perform such duties and have such powers as are ordinarily attributable to the Treasurer of a corporation domiciled in Pennsylvania.

(d) Vice-Presidents and Assistant Officers. Unless otherwise determined by a resolution of the Executive Board, any Vice-President and any assistant officer shall have the powers and perform the duties of his respective superior officer, the President being any Vice-President's superior officer, the Secretary being any Assistant Secretary's superior officer, and the Treasurer being any Assistant Treasurer's superior officer.

Section 4.3 Compensation. The officers of the Executive Board shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by a vote of more than 50% of the votes of all Unit Owners, at any Annual or Special Meeting of the Association. Officers may be reimbursed for any out-of-pocket expenses incurred in performing the duties.

Section 4.4 Resignation and Removal. Any officer may resign at any time by written notice to the Executive Board, such resignation to become effective at the next Executive Board meeting. Any President who ceases to be a member of the Executive Board for any reason shall also be deemed to have resigned or been removed, ipso facto, from such office. Any officer may be removed from his office at any time by a majority vote of the Executive Board whenever in the judgment of the Executive Board members the interests of the Association will be best served thereby, or by the vote of the Association with or without cause, in the same manner as set forth for the removal of Executive Board members in Section 3.1 hereof.

Section 4.5 Vacancies. Vacancies caused by resignation or removal of officers or by creation of new offices may be filled by a majority vote of the Executive Board members.

ARTICLE V

POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 5.1 Enumeration. The Executive Board shall have all of the powers and duties granted by the Act, the Condominium Documents and the Corporation Law.

Section 5.2 Limitation. Nothing in this Article or elsewhere in these By-laws shall be considered to grant to the Executive Board or to the officers of the Association any powers or duties which, by law, are possessed by the Unit Owners. Unless otherwise provided herein or in the Declaration, the Executive Board shall comply with the instructions of more than fifty (50%) per cent of the Unit Owners present in person or by proxy, as expressed in a resolution duly adopted at any Annual or Special Meeting of Unit Owners.

ARTICLE VI

BUDGET

Section 6.1 Annual Budget. The Executive Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated Common Expenses and cash requirements for the forthcoming year (including, by way of illustration and not limitation, reserves, salaries, wages, payroll and other applicable taxes, legal and accounting fees, supplies, materials,

parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other Common Expenses) as deemed necessary by the Executive Board. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements, if any. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 6.2 Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment not paid within five days after due shall accrue interest at the rate of 15% per annum or such other rate as may be determined by the Executive Board.

ARTICLE VII

REPAIR OR RECONSTRUCTION

Section 7.1 Restoration of Property Out of Common Expense Fund. Damage to or destruction of the Buildings shall be promptly repaired and restored by the Association in accordance with the provisions of the Declaration and Section 3312(g) of the Act. The Executive Board shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund. The disbursements of funds for such repair or reconstruction shall, at the option of the Executive Board, be made only as the work progresses upon approval of a qualified architect who shall have furnished a description satisfactory to the Executive Board of the costs involved and the services and materials to be furnished by the contractors, subcontractors and materialmen. Unit Owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expenses as may be assessed to them. The Executive Board shall be responsible for restoring the Premises only to substantially the same condition as existed immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Unit if he desires to restore it beyond such conditions. If any physical changes are made to any restored Unit or the Common Elements, or any combination of them, which renders inaccurate the Plats and Plans which are then of record, the Executive Board shall record amended Plats and Plans showing such changes with such recording cost being assessed against the Unit Owner if his restoration caused such need.

ARTICLE VIII

CONTRACTUAL POWERS

Section 8.1 Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one or more of the Executive Board members of the Association are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board or a committee thereof which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that an Executive Board member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board or committee and is noted in the minutes thereof, and the Executive Board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 8.2 Inclusion of Interested Executive Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 8.1 hereof.

Section 8.3 Terms of Management Contracts.

(a) If and when required by any one or more of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or their respective successors, or any holder of a Permitted Mortgage, any agreement for professional management of the Premises on behalf of all Unit Owners:

(1) Shall be terminable by the Executive Board for cause upon not more than thirty (30) days' written notice thereof;

(2) Shall be terminable by either party without cause (and without payment of any termination fee) upon not more than ninety (90) days' written notice; and

(3) Shall have a term which does not exceed three (3) years.

Notwithstanding the foregoing, any management contracts entered into before the Second Election Meeting shall also be cancellable pursuant to the provisions of Section 3305 of the Act.

(b) The Executive Board and/or the officers of the Association may delegate one or more of the following duties to a managing agent employed by the Executive Board:

(1) Collection of assessments due from Unit Owners, rents due from users or lessees of the Common Elements or Units owned by the Association, and all sums due from concessionaires (if any) in consequence of the authorized operation of facilities in the Common Elements maintained primarily for the benefit of the members of the Association.

(2) Interviewing, hiring, paying, supervising and discharging of the personnel necessary to be employed in order to maintain and operate the Common Elements. The Executive Board may request a managing agent to negotiate, on behalf of the Association, collective bargaining agreements with unions representing any of the foregoing Persons.

(3) Maintenance of minute books of the Executive Board and the Association, transmittal of notices of meetings of the Association or the Executive Board, recordation of minutes of such meetings and maintenance of records required to be kept by the Executive Board pursuant to the Declaration.

(4) Preparation and filing with the appropriate body, in the name of the Association, of all forms, reports and returns required with respect to the Association's employees and perform all acts of an employer required by law with respect to the Association's employees.

(5) Collection of all charges, assessments or rents which may at any time become due to the Association, by way of legal process or as may be required for the collection of delinquent assessments from the Owners or otherwise.

(6) Maintenance of the Common Elements and Limited Common Elements in the Property.

(7) Contracting with respect to the Property for a period of less than one year and incurring liabilities of not more than \$10,000.00 and maturing less than one year from the creation thereof.

(8) Compliance with orders and requirements affecting the Premises from any Federal, State, County or municipal authority having jurisdiction thereover.

(9) Contracting for water, electricity, telephone, elevator maintenance service, HVAC system, maintenance, vermin extermination, trash, and snow removal and other necessary services, or such of them as the Executive Board may deem advisable.

(10) Placement of orders for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain the Common Elements.

(11) Placement of and maintaining in effect all forms of insurance authorized by the Executive Board.

(12) Disbursement of salaries or any other compensation due and payable to the employees of the Association, or to agents or independent contractors hired by or on behalf of the Association, and payment of any taxes, fire and other insurance premiums and amounts specified for allocation to any reserve fund for replacements or any general operating funds.

(13) Providing Unit Owners and Mortgagees with copies of condominium documents and such notices to Unit Owners or Mortgagees or both as may be promulgated by the Executive Board from time to time and enforcement of the rules and regulations relating to the operation and use of the Common Elements (including, but not limited to, the Limited Common Elements).

(14) Establishment and maintenance, in a manner which indicates the custodial nature thereof, of one or more separate accounts for the deposit of monies of the Association.

(15) Maintenance of all data, receipts and records necessary to allow the Association to comply with the requirements of Section 3315(g) and 3407 of the Act and to provide further information upon request.

(16) Complying with the Executive Board's responsibilities to Permitted Mortgagees under Sections 8.2 and 8.3 of the Declaration.

ARTICLE IX

SEPARATE REAL ESTATE TAXES

Section 9.1 Assessments Against Individual Units.

In the event that, during the taxable period during which occurs the first conveyance of a Unit to a Person other than the Declarant, real estate taxes are not separately assessed against each Unit Owner, but rather are assessed against the Property as a whole, then each Unit owner (including the Declarant, as to the Units then owned by it) shall pay his proportionate share thereof in accordance with his respective Percentage Interest in the Common Elements.

ARTICLE X

AMENDMENTS

Section 10.1 General Requirements; Consent of Declarant or Holders of Permitted Mortgages; Curative Amendments to By-laws. Except as otherwise provided in any one or more of these By-laws, the Declaration or the Act, the provisions of these By-laws may be amended by the vote of the Unit Owners holding at least sixty seven percent (67%) of the proportionate undivided interests in the Common Elements (i.e. the "Percentage Interests"), cast in person or by proxy at a meeting duly held in accordance with the provisions of these By-laws; provided, however, that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of the Declarant, then the consent of the Declarant shall be required; and further provided that no amendment seeking (i) to abandon, partition, subdivide, encumber, sell or transfer any portion of the Common Elements, (ii) to effectuate any decision by the Association to terminate professional management and assume self-management of the Premises or (iii) to abandon or terminate the condominium form of ownership of the Premises except as otherwise provided in the Declaration, shall be effective without the prior written approval of the holders of all Permitted Mortgages. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-laws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or, if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Premises, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of these By-laws shall be effective upon its due adoption as aforesaid. These By-laws contain provisions concerning various rights and interests of record holders of Permitted Mortgages on Units. Such provisions in these By-laws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by mortgages. Accordingly, no amendment or modification of these By-laws impairing or affecting such rights, priorities, remedies or interests of such a holder or any material provision hereby shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.

Section 10.2 Amendments to the Declaration. The Declaration may be amended pursuant to the provisions of the Act and the Declaration. The President or any Vice-President is empowered to prepare and execute any amendments to the Declara-

tion on behalf of the Association and the Secretary or any Assistant-Secretary is empowered to attest, affix the Association's corporate seal and record any such amendments on behalf of the Association.

ARTICLE XI

FACADE EASEMENT DONATION

Immediately upon the closing of no fewer than fifteen (15) Units, the President of the Association is empowered to donate an easement over the facade of the structure to the Philadelphia Historic Preservation Corporation. Each Unit Owner agrees to execute any and all documents and instruments necessary or desirable to effectuate the above.

ARTICLE XII

COMPLIANCE AND DEFAULT

Section 12.1 Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:

a. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any members of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance rates occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

b. Cost and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these By-laws, the Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce

such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these By-laws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these By-laws, the Rules and Regulations or the Act or at law or in equity.

d. Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Executive Board, the breach of any By-law contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Notices. All notices, demands, bills, statements or other communications under these By-laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 13.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws or the intent of any provision thereof.

Section 13.3 Gender. The use of the masculine gender in these By-laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

PROJECTED BUDGET OF THE COMMONS AT NEW STREET

EXHIBIT "C" TO PUBLIC OFFERING STATEMENT

Operating Expenses:

The base year 1984 and 1985 operating expenses, including \$7,000.00 for real estate taxes, have been assumed to be \$46,700.00 and have been allocated for one month in 1984. An annual increase of 6% per year over the prior year's expenses has been assumed for 1986 and thereafter. Those projected expenses are:

Real Estate Taxes	\$7,000
Comprehensive Insurance	8,000
Management Fee	8,800
Trash collection	1,800
Elevator Maintenance	1,200
Utilities (common area)	1,500
Water & Sewer	4,800
General repairs	5,000
Cleaning & Maintenance	3,600
Supplies	1,000
Legal & Accounting	3,000
Reserve	<u>1,000</u>
	\$46,700

ENGINEERING PROPERTY REPORT
EXHIBIT "D" TO PUBLIC OFFERING STATEMENT

STRUCTURAL REPORT

The Commons at New Street
240 North Third Street
Philadelphia, PA

Condominium Apartments

This is part of full disclosure report for conversion from tenements to condominiums.

1. GENERAL

Address: 244 North Third Street
246 North Third Street
248 North Third Street

Plot No: _____

Lot Nos: 244 North Third Street
246 North Third Street
248 North Third Street

Zoning: L-4
Use permit for 20 apartments and 2 offices
Zoning permit for penthouse addition

Completion Dates: 244-48 N. Third Street - 1911

Alteration and Renovations will be completed in 1985.

To the best of our knowledge, there are no known violations.

Alterations: Extensive alterations have occurred since August 1, 1984:

One (1) freight elevator was removed and floors inserted. All electric wiring, meters, etc. were removed. All plumbing was removed. All HVAC equipment was removed. Existing stairs were removed.

New construction includes, but is not limited to:

The creation of 20 condominium dwelling units and two (2) condominium commercial units. New plumbing, electric and HVAC equipment. A new passenger elevator. Two (2) new stair towers and a new penthouse on the roof incorporating two (2) units, and a new roof.

The twenty (20) condominium dwelling units are as follows:

Six (6) - studio/one (1) bath
Thirteen (13) - one (1) bedroom/one (1) bath
One (1) - two (2) bedroom/two (2) bath

Class of construction: Type 2-B

2. SITE

See Exhibit "A" - Deed Description.

The streets adjacent to the project are publicly owned and maintained. The public streets are paved with bituminous paving. The public curbs, gutters and sidewalks are concrete. All are in fair to good condition. Site drainage is to public streets and then to public storm sewer provided by the City of Philadelphia.

The street lighting is provided by the City of Philadelphia.

Off site parking is available at 217-25 New Street

3. UTILITIES

The utilities that serve the site are municipally owned.

Water is supplied by the City of Philadelphia Water Department.

The sanitary sewers are publicly owned by the City of Philadelphia.

The electricity is supplied by the Philadelphia Electric Company

The telephone source is by Bell Telephone Company of Pennsylvania.

Gas - Supplied by Philadelphia Gas Works.

Sub-Soil Condition: Clay and Sand.

Number of buildings in use: One (1) original five (5) story building with a one story penthouse addition.

4. Structural System

The building is a reinforced concrete frame structure with concrete mushroom columns, reinforced concrete floor slabs, and brick veneer curtain walls on the exterior. Foundation walls in the basement are of stone and granite.

5. EXTERIOR OF BUILDING

Basement: The stone foundation walls are approximately two (2) feet in thickness.

First Floor through Fifth Floor: Exterior walls are brick, curtain walls. The interior of all walls will have two inches (2") of styrofoam insulation, metal studs and drywall. R value at the walls = minimum of R-11 and roof has a minimum R value of R-30.

Windows are wood double hung with exterior storm windows, except for its first floor which have interior storm windows.

All existing windows have been removed, repaired, and reinstalled. All

exterior doors are existing except for secondary exit doors which are new.

Parapets and Copings: Parapets are brick. Copings are terra cotta.

Balconies and Terraces: There is a roof deck for the two (2) penthouse units.

Tenant Entrances: There is one (1) main entrance to the building, from Third street, which is the existing entrance. The doors, steps, and lobby walls will be repaired as required and finished. There is a secondary exit to New Street, which is a required fire exit. All individual tenant entrance doors are one and three quarter (1 3/4") inch solid core doors, 'c' minimum.

Service Entrances: There is no specific service entrance to the building.

6. ROOF AND ROOF STRUCTURE

The Roof is new four ply bituminous built-up roof layed on top of existing roofing where conditions allow. New roof drains and rain water conducters with new connections to the municipally owned street sewer line were installed. R value of roof construction is R-30.

Skylights: There are new skylights at the project. They are clear acrylic, double domed skylights located in the penthouse roof.

Bulkheads: There is one (1) new bulkhead at the project that provides access to the top of the stair tower.

Water Tank Enclosures: None

Metal Work at Roof: The condenser units for the air handlers are located on new wide flange steel beams that span from parapet wall to parapet wall of the fire tower. These beams rest on new steel bearing plates and are braced by steel bridging.

7. FIRE ESCAPES: None

8. YARDS AND COURTS

There are no yards or courts.

9. INTERIOR STAIRS

There are two (2) new interior stairs as part of the building's circulation and fire safety system. Both stairs are of steel pan and concrete construction and are in a two (2) hour fire rated concrete block enclosures.

In addition to these two (2) stairs there are four (4) bi-level units that contain new stairs.

10. ELEVATORS

The building has (1) hydraulic elevator that services all floors except

the basement. The elevator complies with Pennsylvania handicapped code requirements. (ANSI A17-1 PA). The elevator was manufactured by the Suburban Elevator Company

11. LAUNDRY

There is no central laundry room in the building. Each dwelling unit is provided with a compact washer/dryer unit manufactured by Westinghouse. All dryer units are vented to the exterior.

12. REFUSE DISPOSAL

All dwelling units are provided with a $\frac{1}{2}$ horsepower food waste disposal manufactured by Westinghouse. Trash will be removed by a private contractor three times weekly. The private contractor has not been selected.

13. PLUMBING AND DRAINAGE

The apartment complex is supplied domestic water by the Philadelphia Water Company and metered at one location with the cost charged to the entire structure.

The domestic water piping is completely new at the time of the current reconstruction and is in excellent condition. Piping to fixtures is copper.

An electric domestic water heater is installed in each apartment. Water heater is 40 gallons with 4.5 KW top and bottom heating elements non-simultaneous energizing. (Maximum electric load 4.5 KW)

Sanitary drainage is collect from each unit and connected to the Philadelphia City sanitary system main in the public street. Roof drainage is also collected and tied into the Philadelphia City System.

14. HEATING

Heating is by means of heat pump systems in each apartment. There is a thermostat to control each system. All heating elements are new at the time of reconstruction.

15. VENTILATION

A switch controlled exhaust fan is installed at the range and in the bathroom of each apartment, which is not on an exterior wall or without an operable window.

16. AIR CONDITIONING

A new ducted split system all electric heat pump with integral auxiliary heater has been installed in each unit as part of the current reconstruction.

17. GAS SUPPLY

Existing service and one meter as supplied by Philadelphia Gas Works to be restored.

18. PEST CONTROL

There appears to be no need for scheduled pest control. If it is required, it will be the responsibility of the condominium organization.

19. ELECTRICAL

Electric service is provided by the Philadelphia Electric Company. Each unit is individually metered with meters located in a common meter room. Electric service is 120/240 volts, single phase, 3-wire. Each apartment contains an electric panelboard containing sufficient circuit capacities, the water heater, the unit's heat pump, laundry facilities, kitchen appliances, lighting and receptacles.

Apartment electrical system includes wall receptacles and switches in each room. Permanent lighting includes a ceiling light fixture in the kitchen and dining area of the living room and a wall bracket over the sink in the bathroom. A voice and audio (two way) telephone type intercom in each unit with door release.

There is a separate 120/208V, 120/208 4-wire service to the house panel.

All electrical equipment and wiring was installed as part of the current reconstruction.

Telephone service is by Bell Telephone Company of Pennsylvania and is charged to each apartment. Telephone wiring was installed by the electrical contractor from a new telephone terminal installed and furnished by AT&T.

20. GARAGES AND PARKING AREAS

There is no garage or on site parking. There is an off street parking lot for 24 automobiles at 217-25 New Street that will be owned by the Condominium Association.

21. RECREATION FACILITIES - None

22. GOOD FAITH ESTIMATE OF REPLACEMENT COST

\$70.00 - \$85.00 per square foot (\$1,400,000 - \$1,700,000)

23. NATURAL FORCES

To the best of our knowledge, the only natural force that could affect the building would be a major earthquake. To our knowledge there has been no history of the proceeding presenting a problem.

24. MAN MADE FORCES

To the best of our knowledge there are no man made forces that would adversely affect the use of the property.

25. OVERALL CONDITION OF THE COMPLEX

The overall condition of the property is excellent.

26. The presentation of this Structural Report is not an admission that this project is a conversion condominium. On the contrary, it is specifically denied that this project is a conversion condominium within the meaning of the Pennsylvania Uniform Condominium Act.

CERTIFICATION:

The undersigned, Harlan . Crider, being a registered architect (Pennsylvania License EX6500), hereby certifies that the Plats and Plans to which this certification is affixed, consisting of sheets, accurately depicts all existing conditions affecting Condominium and contains all information required by Section 3210 of the Pennsylvania Uniform Condominium Act.

Harlan - Crider

ESTIMATED ASSESSMENT AND TAXES
EXHIBIT "E" TO PUBLIC OFFERING STATEMENT

THE COMMONS AT NEW STREET

CONDOMINIUM UNIT TAX ESTIMATES *

<u>UNIT #</u>	<u>SALE PRICE</u>	<u>ESTIMATED ASSESSMENT</u>	<u>ESTIMATED ANNUAL TAXES</u>
1A	\$157,000	\$4419	\$330
1B	142,000	3997	299
1C	144,000	4053	303
1D	149,000	4194	314
2A	126,000	3546	265
2B	129,000	3631	271
2C	120,000	3377	252
2D	138,000	3884	290
3A	128,000	3603	269
3B	131,000	3687	276
3C	122,000	3434	252
3D	140,000	3940	295
4A	130,000	3659	274
4B	133,000	3743	280
4C	124,000	3490	261
4D	142,000	3997	299
5A	133,000	3743	280
5B	136,000	3828	286
5C	126,000	3546	265
5D	144,000	4053	303
Penthouse A	115,000	3237	242
Penthouse B	135,000	3797	283

*Estimate based on assumption that at least five (5) units are owned by an entity therefore qualifying for exemption on improvements under Ordinance 1130 as amended by Ordinance 1744-A, July 1983.

THE COMMONS AT NEW STREET CONDOMINIUM

AGREEMENT OF SALE

THIS AGREEMENT, made this day of
1984 by HISTORIC VENTURE ASSOCIATES, INC., a Pennsylvania
Corporation, 2310 Terwood Drive, P.O. Box 249, Huntingdon
Valley, Pa. 19006 (hereinafter called "Seller"), and

(hereinafter called "Buyer"), whose present address is

W I T N E S S E T H:

1. Sale of Premises. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller certain real property situate in the City of Philadelphia, Commonwealth of Pennsylvania, which real property is designated as Unit No. _____ (the "Unit") in the building situate at 244-248 North 3rd Street in the City of Philadelphia, Commonwealth of Pennsylvania, which real property together with the real property improved as and utilized for a motor vehicle parking lot situate at 217-225 New Street in the city aforesaid is known as "The Commons at New Street Condominium" but referred to herein for the sake of brevity as "New Street Commons", all of which property has been or will be submitted to the Uniform Condominium Act of the Commonwealth of Pennsylvania (the "Act") by a Declaration of Condominium (the "Declaration") which has been or is to be recorded in the Department of Records for Philadelphia County, Pennsylvania, together with a certain proportionate undivided interest in the Common Elements of the property, which interest shall be assigned to the Unit hereunder by the terms of the Declaration as recorded (the Unit, together with the Unit's proportionate interest, are hereinafter collectively referred to as the "Premises"). The Unit will be more fully described in the Declaration and in the plats and plans relating to the property (the "Plans") which are or will be exhibits to the Declaration. The Declaration, the Plans and the By-Laws of the Condominium's Owners' Association (the "Owners' Association") are sometimes hereinafter referred to as the "Condominium Documents".

BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED A COPY OF THE PUBLIC OFFERING STATEMENT APPLICABLE TO THE CONDOMINIUM WITH THE CONDOMINIUM DOCUMENTS ATTACHED ON _____, 198 . IF SUCH DATE OF RECEIPT IS LESS THAN FIFTEEN (15) DAYS PRIOR TO THE DATE OF THIS AGREEMENT, BUYER SHALL HAVE THE RIGHT, BY DELIVERING A WRITTEN NOTICE OF TERMINATION TO SELLER AT THE PLACE HEREIN SPECIFIED,

1

TO TERMINATE THIS AGREEMENT WITHIN SUCH FIFTEEN (15) DAY PERIOD, WHEREUPON ALL DEPOSIT MONIES SHALL BE RETURNED AND THIS AGREEMENT RENDERED NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT.

Said Unit is to be constructed substantially in accordance with the Architectural Working Drawings and the specifications for The Commons at New Street (the "Plans") prepared by Harlan Crider & Associates, dated May 11, 1984, (as the same may be amended from time to time). The Plans are available for inspection at the office of Seller at 2310 Terwood Drive, Huntingdon Valley, Pennsylvania 19006 (947-2800).

Notwithstanding the foregoing, Seller reserves the right to make deviations from such Plans and specifications which are common in scope under similar circumstances and which may be occasioned by practicality, or such changes as Seller may find necessary in the course of construction, or which changes Seller may make because of current construction schedules and/or availability of labor and materials through Seller's ordinary sources of supply. Seller expressly reserves the right to make such substitutions of material or products provided such substitutions are substantially equal or superior to those shown or called for in the above referred to Plans.

2. Purchase Price. The total Purchase Price for the Premises shall be _____ Dollars (\$ _____), payable as follows:

- (a) Upon execution of this Agreement by check, deposited with Historic Venture Associates, Inc., pursuant to the further terms and conditions hereof, the receipt of which check, subject to collection, is hereby acknowledged by Seller ("Deposit Monies") in the amount of Five Thousand Dollars.....\$ 5,000.00
- (b) The balance at settlement hereunder, by certified, cashier's or title insurance company check, in the amount of\$ _____

3. Closing Costs. At the time of settlement, Buyer agrees to pay all customary closing costs, including, but not limited to, title insurance premiums, including premium for mechanics' lien insurance if requested by Buyer or Buyer's mortgagee, fees for recording the deed and mortgage (if any) and any other necessary documents (not including the Condominium Documents), all expenses and costs incident to the obtaining of a mortgage on the Premises, customary settlement fees, notary fees, one-half of all realty transfer taxes imposed by any governmental unit and any

other expenses of settlement hereunder properly chargeable to Buyer.

4. Apportionments. Real Estate Property Taxes, water and sewer rents and the assessment for common expenses applicable to the Premises, shall be apportioned between Seller and Buyer on a 360 day year basis (30 days per month) as of the date of settlement. If such expenses or water or sewer rents or assessments for common expenses applicable to the Premises have not, as of the date of settlement, been separately assessed as to the Premises, the amount of such expenses to be apportioned to the Premises shall be determined by multiplying the total of such expenses by the percentage that the purchase price of the Premises bears to the sum of the purchase prices of all of the units in the building.

5. At settlement hereunder, Buyer agrees to pay to "The Commons at New Street Condominium Owners Association", the association of unit owners, a sum calculated by multiplying Seventeen Thousand Four Hundred (\$17,400) Dollars by Buyer's percentage of the Condominium square footage ("Percentage Interest") as defined in the Public Offering Statement, to be used, together with other similar payments from other Buyers, to establish a working capital fund for the Condominium Association. This sum shall not constitute prepayment of any portion of the common expenses otherwise payable by Buyer pursuant to the Condominium Documents. Seller may pay such sum to the Association, in which event Buyer shall reimburse Seller at Settlement.

6. Possession. Possession shall be given by delivery of a special warranty deed to the premises (which shall be prepared by Seller at Buyer's expense) and by key to the Unit.

7. Waiver. Formal tender of deed and purchase money are waived.

8. Title. At settlement hereunder, Seller shall grant and convey good and marketable title to the Premises or such as will be insured at regular rates by Eastern Montgomery Abstract Company, free and clear of all liens, encumbrances and easements except those Condominium Documents in effect on the date of settlement hereunder and except for easements with utility companies and easements respecting the Condominium created by Seller, easements and any other agreements, restrictions, and matters of record that are disclosed in the Public Offering Statement. Nothing herein shall be construed as preventing Buyer from using any title company Buyer chooses to insure title to the premises.

9. (a) Settlement. Settlement shall be held on the fifth (5th) day following written notice from Seller that the Premises are or will be substantially complete, and that a Statement of Occupancy will be obtained by time of settlement. At least two (2) days prior to the settlement date, the parties shall agree to a time and place for settlement but, in the absence of such agreement, settlement will be held on the fifth (5th) day (or next business day) at 10:00 A.M. at an office designated by Eastern Montgomery Abstract Company.

(b) Completion Delays. Notwithstanding anything to the contrary contained herein, Seller shall have the right to extend the time for settlement in the event that Seller shall be delayed in completing construction of the Premises by reasons or events beyond Seller's reasonable control, such extension to be for a period of time equal to the time of such delays. Time is of the essence of this Agreement and of the performance of each and every term and condition hereof.

(c) Settlements in Escrow. At Seller's election, the settlement may be held in escrow, pursuant to the provisions of an escrow agreement (consistent with this Agreement) naming Buyer's title insurance company as escrow holder, in order to enable Seller to consummate the settlement hereunder contemporaneously with the settlement of various other units in the Condominium.

(d) Settlement Date. Notwithstanding anything contained herein, the failure of Seller to complete construction of the Unit as conclusively evidenced by the issuance of Statement of Occupancy from the City of Philadelphia, not later than the close of business on December 31, 1984, shall constitute default on the part of the Seller.

10. Risk of Loss. The risk of loss or damage to the Premises, and to any personal property and fixtures being sold hereunder, from the date hereof through the date of settlement hereunder, whether by fire, other casualty or any other cause whatsoever, shall be on the Seller, and in the event of damage to or destruction to the Unit or any part of the common elements by fire or other casualty, this Agreement may be terminated by Seller and the Monies theretofore paid on account of the Purchase Price shall be returned to the Buyer, or Seller may extend the date of settlement as set forth in Section 9 above to effectuate restoration.

11. Default by Seller. If Seller shall default hereunder other than Seller's failure to complete construction of the Unit within the time period specified by Section 9 (d) above, Buyer's sole remedy shall be to receive the Deposit Monies

theretofore paid by Buyer toward the Purchase Price as set forth in Section 2 hereof and to be reimbursed by Seller for any title insurance company's charges incurred, after which this Agreement shall terminate and neither of the parties shall have any further rights or obligations or remedies hereunder; provided, however, that if such Seller's default shall consist solely of Seller's being unable at settlement to convey title as required pursuant to Section 8 hereof, Buyer shall have the option of taking such title as the Seller can give without abatement of the price.

12. Default by Buyer. If Buyer shall default hereunder by either violating or failing to fulfill any of the terms and conditions of this Agreement for any reason, and Seller (at its sole discretion) shall not waive such default, Seller shall retain all Deposit Monies and all other amounts theretofore paid by Buyer as liquidated damages for such breach, and this Agreement shall terminate on written notice by Seller to Buyer to that effect, whereupon neither of the parties shall have any further rights or obligations hereunder. This shall be the sole remedy of the Seller.

13. Compliance with Notices and Ordinances. All notices and ordinances of any governmental or quasi-governmental authority or agency, dated, given or enacted prior to the date of settlement pursuant to this Agreement and relating to the Unit have been or will be complied with by Seller. Any such notice dated, given or enacted after the date of settlement pursuant to this Agreement shall be complied with by Buyer at Buyer's expense, provided settlement as contemplated hereby shall occur. All such notices relating to the Common Elements and dated, given or enacted prior to settlement for the first Unit in the Condominium have been or will be complied with by Seller and any such notices dated, given or enacted thereafter shall be complied with by the Condominium Association, subject to Seller's obligations pursuant to the warranties set forth in section 24 below.

14. Zoning Classification and Use. Seller hereby certifies the following:

- (a) The use of the Premises as contemplated by the Condominium Documents is in compliance with the zoning ordinances of Philadelphia applicable thereto.
- (b) There are, and at settlement will be, no outstanding notices of uncorrected violations of the housing, building, safety or fire ordinance codes or regulations of the City of Philadelphia which are the responsibility of Seller pursuant to section 13 above.

- (c) At Settlement, Seller shall deliver to Buyer a certificate from the Philadelphia Department of Licenses and Inspections confirming the above.

15. Notices. All notices, demands, requests or approvals which may or are required to be given by either party hereto to the other shall be in writing and shall be deemed to have been sufficiently given if deposited in the United States Mail, Registered or Certified; Return Receipt Requested, with all postal charges prepaid, and addressed to the address of the party stated below:

SELLER: Historic Venture Associates, Inc.
2310 Terwood Drive
P.O. Box 249
Huntingdon Valley, Pa. 19006

BUYER: At the address set forth at the beginning of this Agreement.

16. Assignment. Buyer may not transfer, assign or pledge its, his, her or their interest in the Agreement, and any attempt to do so shall be null and void. Subject to the foregoing, this Agreement shall be binding upon and extend to the respective heirs, executors, administrators and personal representatives, successors and assigns of the parties hereto.

17. Recording. This Agreement shall not be recorded.

18. BUYER'S ACKNOWLEDGEMENT OF NON-RELIANCE ON SELLER'S ESTIMATES. BUYER ACKNOWLEDGES AWARENESS THAT ANY INFORMATION RECEIVED FROM SELLER OR SELLER'S AGENTS OR EMPLOYEES RELATING TO CARRYING COSTS, TAX BENEFITS OF OWNERSHIP OR OTHERWISE, WAS OFFERED AS ESTIMATES ONLY AND BUYER DECLARES THAT BUYER DID NOT RELY THEREON IN ENTERING THIS AGREEMENT. NO REPRESENTATION, CLAIM, STATEMENT, ADVERTISING, PROMOTIONAL ACTIVITY, BROCHURE OR PLAN OF ANY KIND MADE BY SELLER OR SELLER'S AGENTS OR REPRESENTATIVES SHALL BE BINDING UPON SELLER UNLESS FULLY SET FORTH OR EXPRESSLY INCORPORATED IN THIS AGREEMENT.

19. Buyer's Acknowledgement of and to Facade Easement. Buyer acknowledges, agrees and does hereby authorize the Owners' Association, acting for and on behalf of all Unit Owners in the Condominium, to grant a facade easement in and to the New Street Commons building facades, both on New Street and 3rd Street, (being a portion of the common elements) to the Philadelphia Historic Preservation

4.1

Corporation (the "Facade Easement") and does hereby specifically give the officers of the Owners' Association Power of Attorney to execute on Buyer's behalf whatever documents may be required to effectuate the grant of the Facade Easement, which Power of Attorney shall be irrevocable, being a power coupled with an interest. Although the foregoing power shall be self-operative, if requested by Seller, Buyer agrees to execute, at settlement, a formal Power of Attorney for recording purposes consistent with the provisions of this Section 19. This Power of Attorney may be utilized by the Owners' Association in conjunction with the Powers of Attorney given by the other Buyer's of The New Street Commons Condominium Units. Buyer acknowledges that Buyer's undivided interest in the facade is a common element of New Street Commons and has been specifically reserved by this Section 19 with that of the other Buyers for the purpose of donating these facade easements. The provisions of this Section 19 shall not merge into the deed but shall survive settlement.

20. Seller's Right to Amend Condominium Documents. Seller reserves the right, without the need of the joinder of any other party, to amend the Condominium Documents to (i) ratify and/or confirm the modified Units, and proportionate interests resulting from the combination or division of any unit or units, or portions thereof, as presently described in said instruments, in accordance with the terms of outstanding agreements of sale; (ii) to change the size, layout, purchase price and proportionate interest of the units not yet under agreements of sale; and (iii) otherwise as permitted to Seller under the terms of the Condominium Documents or the Act, provided that such amendments to said instruments shall not increase the liability or responsibility or alter or change Buyer's Unit or proportionate interest in the common elements. At such time as such instruments as so revised shall be placed of record, they shall constitute the documents herein referred to the Condominium Documents and any amendments thereof shall be made in the manner provided therein and in the Act.

21. Captions. The captions contained herein are not a part of this Agreement. They are included solely for convenience and do not in any way modify, amplify or give full notice of any of the terms, covenants or conditions of this Agreement.

22. Construction. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, including the choice of law rules thereof.

23. Inspection. When the Unit is substantially completed, Seller shall notify Buyer of such and request that Buyer inspect the Unit at a date no later than five (5) days after the date of such notice. Buyer and Seller shall set an appointment and at the appointed time inspect the Unit and in writing agree to the items and/or work necessary to complete the Unit. In the event Buyer does not inspect the Unit as aforesaid, then it is agreed that the Unit has been satisfactorily completed. Agreements between Buyer and Seller as to items to be completed after Settlement shall survive Settlement, but as to other matters, Settlement shall be final and shall constitute acceptance by Buyer of the entire Unit and proper completion of the Unit and shall constitute a complete release and discharge of all of Seller's obligations and liabilities with respect to the construction and completion of the Unit, subject only to the provisions of Section 24 hereof.

24. Limited Warranties.

(a) Shrinkage, settlement, and items of a similar nature, and the results thereof, being a normal development in new construction or major renovation, are not an indication of poor workmanship or defective materials, and it is understood that the repair thereof is normal maintenance. The parties agree that the cost of such repair is not included in the selling price of the Unit and shall be the responsibility of the Buyer.

(b) Pursuant to the provisions of the Act, Seller warrants that there are no structural defects in any components of the Condominium installed by Seller, or in any work done or improvements made by Seller, and that the Unit and common elements have been inspected for structural and mechanical defects and that any such defects which were found have been corrected. The warranty applicable to the Unit shall commence on the date settlement takes place and shall expire two (2) years from such date. The warranty with respect to the common elements shall commence on the later of (a) the date of the first conveyance of any unit in New Street Commons or (b) the date of completion of the particular common element, and shall expire two years from such date.

THE FOREGOING WARRANTIES ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BY WAY OF ILLUSTRATION AND NOT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. SELLER NEITHER ASSUMES NOT AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OR USE OF THE UNIT SOLD HEREUNDER, AND THERE

ARE NO AGREEMENTS OR WARRANTIES, EITHER ORAL OR WRITTEN, COLLATERAL TO OR AFFECTING THIS AGREEMENT. EXCEPT AS SET FORTH ABOVE, THE UNIT IS SOLD "AS IS".

(c) SELLER SPECIFICALLY EXCLUDES ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NEITHER MAKES NOR ADOPTS ANY WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ITEMS OF PERSONAL PROPERTY BEING SOLD TO BUYER PURSUANT TO THIS AGREEMENT (OR AS TO ANY "CONSUMER PRODUCT", AS SUCH TERM IS DEFINED IN 15 U.S.C. SECTION 2301(1), WHICH MAY BE CONTAINED IN THE UNIT), EXCEPT THAT NO DISCLAIMER IS INTENDED AS TO ANY WARRANTY REQUIRED TO BE MADE BY SELLER UNDER APPLICABLE FEDERAL, STATE OR MUNICIPAL STATUTES, REGULATIONS OR ORDINANCES. WHERE NEW CONSUMER PRODUCTS ARE COVERED BY A MANUFACTURER'S WARRANTY, SELLER SHALL, SUBJECT TO THE PROVISIONS OF THIS SECTION 24, PROVIDE WARRANTIES OF NO GREATER SCOPE NOR DURATION THAN THAT GRANTED BY SUCH MANUFACTURER'S WARRANTY.

(d) The warranties set forth herein shall not apply if the defective part of the Unit or of the Common Elements has been subjected to misuse or damage by accident or has not been afforded reasonable care. The liability of Seller under these warranties or for negligence or other breach of this Agreement is limited to replacing or repairing any defective parts or materials which do not comply with these warranties and in no event shall such liability exceed the replacement cost of the Unit or the defective portion of the Common Elements as the case may be. In no event shall Seller be liable to Buyer for consequential damages arising from any breach of these warranties or for the negligence of Seller or other breach of this Agreement by Seller. Seller shall have the sole right to determine whether the defect shall be corrected by repair or replacement, and Buyer shall make every reasonable effort to make the Unit, together with reasonable access thereto, available to Seller and its agents and invitees during normal business hours in order to permit such repair or replacement to be made.

(e) No claim arising out of any of the foregoing warranties may be brought unless, prior to the expiration of the warranty periods set forth in Section 3411(b) of the Act, Buyer shall have delivered notice to Seller of all alleged breaches of these warranties that would give rise to such a claim.

25. Intervening Acts. In the event that after the date hereof any governmental or political body shall pass any act, rule, ordinance, or regulation or initiate any procedure which, in Seller's judgment, restricts, limits or

prevents the filing of the Condominium Documents, the conversion of the building to the condominium form of ownership, the sale of the Unit, or in any other way, whether similar or dissimilar to the foregoing, adversely affects the ability of Seller to convert the building to a condominium and sell the units, then at any time thereafter, Seller shall have the right to cancel this Agreement upon twenty (20) days written notice to Buyer, whereupon all Deposit Monies shall be promptly returned to Buyer and neither party shall have any further rights or obligations hereunder.

26. Whole Agreement. This Agreement contains the whole agreement between the Seller and Buyer on the subject matter hereof and there are no other terms, obligations, conditions, covenants, representations or statements, either oral or written, of any kind whatsoever with respect to such subject matter.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, the day and year first above written.

WITNESS:

SELLER: HISTORIC VENTURE ASSOCIATES, INC.

By: _____

WITNESS:

BUYER: _____

* THE COMMONS AT NEW STREET *

BUILDING AMENITIES

SPECIAL AMENITIES

- * Security System.
- * Telephone intercom system between lobby and apartments.
- * Smoke detectors.
- * Lock system with "peephole" security on all apartment entrance doors.
- * Individually controlled central air-conditioning and heating systems with thermostats in each apartment. (Energy efficient heat pumps are part of every heating system.)
- * All units insulated for sound and energy efficiency.
- * Fireplace in some apartments.
- * Master television antenna.
- * Wall to wall carpet.
- * Energy efficient storm and screen windows or thermal sash.
- * Space-Maker wire shelving systems in closets.
- * Elevator.

KITCHEN AMENITIES

- * Stainless steel sink.
- * Continuous cleaning electric range with range hood and fan to outside.
- * 14 cubic foot - 2 door frost free refrigerator and freezer.
- * Energy saver dishwasher.
- * Electric garbage disposal.
- * Individual electric washer and dryer.
- * Individual electric hot water heater.
- * Euro-style formica cabinets.
- * Plastic laminate counter tops.
- * Service pass-through in most units.
- * Quarry tile floors.

AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY FORM B-1970
(Amended 10-17-70)

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. Any defect in or lien or encumbrance on such title;
3. Lack of a right of access to and from the land;
4. Unmarketability of such title.

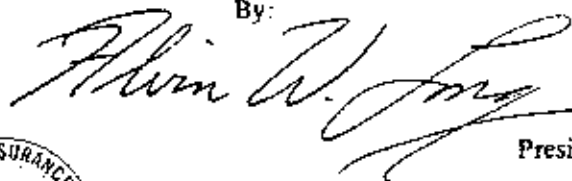
In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of the date of policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued by:
CHICAGO TITLE INSURANCE
COMPANY
Suite 1000 - 1500 Chestnut Street
Philadelphia, Pennsylvania 19102
(215) 665-1900

Through the Agent:
EASTERN MONTGOMERY ABSTRACT
COMPANY
140 East Butler Avenue
Ambler, Pennsylvania 19002
(215) 542-8311

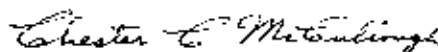
CHICAGO TITLE INSURANCE COMPANY

By:



President.

ATTEST:



Secretary.



IMPORTANT

This policy necessarily relates solely to the title as of the date of the policy. In order that a purchaser of the real estate described herein may be insured against defects, liens or encumbrances, this policy should be reissued in the name of such purchaser.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy:

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

OWNERS FORM

SCHEDULE A

	1	2	3	4
Owners	OFFICE FILE NUMBER EM-	POLICY NUMBER	DATE OF POLICY	AMOUNT OF INSURANCE
Loan	OFFICE FILE NUMBER EM-	POLICY NUMBER	DATE OF POLICY	AMOUNT OF INSURANCE

NOTE: A loan policy on the encumbrance described in this Schedule has been issued naming as the insured:

TO BE DETERMINED

1. Name of Insured:

TO BE DETERMINED

2. The estate or interest in the land described herein and which is covered by this policy is:

Fee simple created by Deed dated _____ recorded _____ in Deed
Book _____ page _____

3. The estate or interest referred to herein is at Date of Policy vested in the insured.

4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:

Mortgage created by _____ to _____ to secure
dated _____ recorded _____ in Mortgage Book
page _____

and the mortgages or trust deeds, if any, shown in Schedule B hereof.

5. The land referred to in this policy is described as follows:

(SEE ATTACHED SHEET)

This policy valid only if Schedule B is attached.

ALL THAT CERTAIN Unit, designated as Unit Number _____ being a Unit in The Commons At New Street Condominium Owners Association, SITUATE in the City of Philadelphia and Commonwealth of Pennsylvania, as designated in Declaration of Condominium of The Commons At New Street Condominium Owners Association, bearing date the _____ day of _____ A.D., 1984, and recorded in the Office for the Recording of Deeds in and for Philadelphia County, Commonwealth of Pennsylvania, on the _____ day of _____ A.D., 1984 in Deed Book _____ page _____ etc., and Plats and Plans for The Commons At New Street Condominium Owners Association bearing date the _____ day of _____ A.D., 1984 and recorded on the _____ day of _____ A.D., 1984 in Deed Book _____ page _____ and any and all amendments thereto.

TOGETHER with all right, title and interest, being a undivided interest of, in and to the Common Elements as set forth in the aforesaid Declaration of Condominium.

TOGETHER with all right, title and interest of, in and to the Limited Common Elements designated for this Unit in the Declaration of Condominium and/or Plats and Plans.

UNDER AND SUBJECT, nevertheless, to the rights and powers of the Executive Board of, in and to the Common Elements as defined in the Declaration of Condominium.

SCHEDULE B

Policy Number _____
OwnersPolicy Number _____
Loan

Order Number _____

This policy does not insure against loss or damage by reason of the following:

Special Exceptions: The mortgage, if any, referred to in Item 4 of Schedule A.

1. Encroachments, overlaps, boundary lines disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises. (Removed to Lender).
2. Easements, or claims of easements not shown by the public records. (Removed to Lender).
3. Easement of 3 feet wide alley on West Line.
4. Easement of 3 feet wide alley on East Line.
5. Covenants, restrictions, easements, terms, rights, powers, agreements, conditions, reservations and rules and regulations as in Declaration of Condominium of The Commons At New Street Condominium Owners Association dated 1984 and recorded on 1984 in Deed Book page and as in unrecorded By-Laws of The Commons At New Street Condominium Owners Association dated 1984 and as in Plats and Plan for The Commons At New Street Condominium Owners Association dated 1984 in Plan Book No. page
6. Limitations and Conditions imposed by the Uniform Condominium Act of Pennsylvania.

Countersigned

Authorized Signatory

Schedule B of this Policy consists of _____ pages.

CONDITIONS AND STIPULATIONS

1. Definition of Terms

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company may have had against the named insured, those who succeed to the interest of such insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage hereunder.

(c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.

(d) "land": the land described, specifically or by reference in Schedule A, and improvements affixed thereto which by law constitute real property; provided, however, the term "land" does not include any property beyond the lines of the area specifically described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": those records which by law impart constructive notice of matters relating to said land.

2. Continuation of Insurance after Conveyance of Title

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured so long as such insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from such insured, or so long as such insured shall have liability by reason of covenants of warranty made by such insured in any transfer or conveyance of such estate or interest; provided, however, this policy shall not continue in force in favor of any purchaser from such insured of either said estate or interest or the indebtedness secured by a purchase money mortgage given to such insured.

3. Defense and Prosecution of Actions—Notice of Claim to be given by an Insured Claimant

(a) The Company, at its own cost and without undue delay, shall provide for the defense of an insured in all litigation consisting of actions or proceedings commenced against such insured, or a defense interposed against an insured in an action to enforce a contract for a sale of the estate or interest in said land, to the extent that such litigation is founded upon an alleged defect, lien, encumbrance, or other matter insured against by this policy.

(b) The insured shall notify the Company promptly in writing (i) in case any action or proceeding is begun or defense is interposed as set forth in (a) above, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If such prompt notice shall not be given to the Company, then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which such prompt notice is required; provided, however, that failure to notify shall in no case prejudice the rights of any such insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and without undue delay prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as insured, and the Company may take any appropriate action under the terms of this policy, whether or not it shall be liable thereunder, and shall not thereby concede liability or waive any provision of this policy.

(d) Whenever the Company shall have brought any action or interposed a defense as required or permitted by the provisions of this

policy, the Company may pursue any such litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(e) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured hereunder shall secure to the Company the right to so prosecute or provide defense in such action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for such purpose. Whenever requested by the Company, such insured shall give the Company all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding, and the Company shall reimburse such insured for any expense so incurred.

4. Notice of Loss—Limitation of Action

In addition to the notices required under paragraph 3(b) of these Conditions and Stipulations, a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within 90 days after such loss or damage shall have been determined and no right of action shall accrue to an insured claimant until 30 days after such statement shall have been furnished. Failure to furnish such statement of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

5. Options to Pay or Otherwise Settle Claims

The Company shall have the option to pay or otherwise settle for or in the name of an insured claimant any claim insured against or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred up to the time of such payment or tender of payment, by the insured claimant and authorized by the Company.

6. Determination and Payment of Loss

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant; or
- (ii) the amount of insurance stated in Schedule A.

(b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon an insured in litigation carried on by the Company for such insured, and all costs, attorneys' fees and expenses in litigation carried on by such insured with the written authorization of the Company.

(c) When liability has been definitely fixed in accordance with the conditions of this policy, the loss or damage shall be payable within 30 days thereafter.

7. Limitation of Liability

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged defect, lien or encumbrance insured against hereunder, by litigation or otherwise, removes such defect, lien or encumbrance or establishes the title, as insured, within a reasonable time after receipt of such notice; (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as insured, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by an insured in settling any claim or suit without prior written consent of the Company.

8. Reduction of Liability

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

9. Liability Noncumulative

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under

CONDITIONS AND STIPULATIONS (Continued)

any policy insuring either (a) a mortgage shown or referred to in Schedule B hereof which is a lien on the estate or interest covered by this policy, or (b) a mortgage hereafter executed by an insured which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy. The Company shall have the option to apply to the payment of any such mortgages any amount that otherwise would be payable hereunder to the insured owner of the estate or interest covered by this policy and the amount so paid shall be deemed a payment under this policy to said insured owner.

10. Apportionment

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of said parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each such parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement herein or by an endorsement attached hereto.

11. Subrogation Upon Payment or Settlement

Whenever the Company shall have settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and if requested by the Company, such insured claimant shall transfer to the Company all rights

and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Company to use the name of such insured claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

12. Liability Limited to this Policy

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. Notices, Where Sent

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to its principal office at 111 West Washington Street, Chicago, Illinois 60602, or at any branch office of the Company.

American Land Title Association
Owner's Policy Form B-1970
(Amended 10-17-70)

POLICY OF TITLE INSURANCE



CHICAGO TITLE INSURANCE COMPANY
Suite 1000 - 1500 Chestnut Street
Philadelphia, Pennsylvania 19102

CHICAGO
TITLE INSURANCE
COMPANY
111 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60602

1.

EXHIBIT "H"

CURRENT PRICE LIST

THE COMMONS AT NEW STREET
CONDOMINIUM UNIT ANALYSIS

EXHIBIT 1

<u>UNIT #</u>	<u>SQ.FT.</u>	<u>TYPE</u>	<u>SALE PRICE</u>	<u>MONTHLY RENTAL</u>	<u>SQ.FT. PERCENTAGE OF OWNERSHIP</u>	<u>SALE PRICE PERCENTAGE OF OWNERSHIP</u>
1A	1080	Office - Bi-Level	\$157,000	\$ 790	6.36604	5.38778
B	980	1 Br - Bi-Level	142,000	850	5.77659	4.87302
C	995	1 Br - Bi-Level	144,000	850	5.86501	4.94166
D	1030	1 Br - Bi-Level	149,000	875	6.07132	5.11324
			\$592,000	\$3365		
2A	630	1 Br	126,000	630	3.71352	4.32395
B	680	1 Br	129,000	680	4.00825	4.42690
C	580	Studio	120,000	580	3.41880	4.11805
D	850	1 Br	138,000	850	5.01031	4.73575
			\$513,000	\$2740		
3A	630	1 Br	128,000	640	3.71352	4.39258
B	680	1 Br	131,000	690	4.00825	4.49553
C	580	Studio	122,000	590	3.41880	4.18668
D	850	1 Br	140,000	860	5.01031	4.80439
			\$521,000	\$2780		
4A	630	1 Br	130,000	650	3.71352	4.46122
B	680	1 Br	133,000	700	4.00825	4.56417
C	580	Studio	124,000	600	3.41880	4.25531
D	850	1 Br	142,000	870	5.01031	4.87302
			\$529,000	\$2820		
5A	630	1 Br	133,000	660	3.71352	4.56417
B	680	1 Br	136,000	710	4.00825	4.66712
C	580	Studio	126,000	610	3.41880	4.32395
D	850	1 Br	144,000	880	5.01031	4.94166
			\$539,000	\$2860		
Penthouse A	810	1 Br	115,000	925	4.77453	3.43170
Penthouse B	1110	2 Br	135,000	1250	6.54299	4.11815
			\$250,000	\$2175		
22 Units	16965		\$2,914,000	\$16,740	100.00000	100.00000

*Rounded up to 100% on Penthouse B

\$16,740 X 12 = \$200,880