MODEL FORM OF SUBSCRIPTION AND PURCHASE AGREEMENT

(Section 234, National Housing Act)

(To be executed in duplicate, one copy with indicated attachments to be retained by the Subscriber.)

Application No. 

Family Unit No. 

Project 

Date 

WHEREAS, Seller (hereinafter called Seller) is the owner of the premises known as 

located at 

and WHEREAS, the said premises is proposed to be converted to a Condominium. And

WHEREAS, 20 percent of the total cost of the family units in the project (as such costs present as may be approved by the Federal Housing Administration (hereinafter referred to as the FHA)) must be paid in purchase money approved by the FHA before the issuance of individual mortgages under Section 234(c) of the National Housing Act, and

WHEREAS, it will be necessary to establish an association of owners for the operation and regulation of the "common areas and facilities" of the Condominium,

BE IT AGreed AS FOLLOWS:

1. Subscription and Purchase Amount:

I/We , in consideration of the mutual promises of the subscriber and other good and valuable considerations, and having a bona fide intention to reside in a unit in the Condominium (hereinafter called Association) and hereby agree to purchase the above-numbered family unit and the percentage undivided interest in the common areas and facilities** for the price of $ , payable as follows: $ upon signing this agreement; $ within days after date hereof and the balance at time of conveyance as provided in paragraph 3 hereof.

Seller hereby agrees that all sums received on account of the purchase of the family unit shall be held in trust and shall be placed in an escrow account with 

, kept under an escrow agreement, the terms of which are acceptable to the FHA. The escrow agreement shall provide that Seller shall not be entitled to receive any sums in the escrow until conveyance of title.

I/We hereby subscribe to the Plans of Apartment Ownership, Association By-Laws and Regulatory Agreement, copies of which are attached hereto and receipt of which is hereby acknowledged. I/We hereby agree that, in addition to the purchase price above mentioned, I/We will be liable for our proportionate share of the Association's expenses as outlined in the By-Laws. I/We also agree that in addition to the above-mentioned purchase price we will pay to the Association at or before conveyance of title the sum of $ , representing our proportionate share of the Association's required working capital.

2. Plan and Purpose:

The Association will be established for the purpose of operating and maintaining the common areas and facilities of the Condominium. Each owner of a family unit in the Condominium will be a member of the Association and will be subject to the by-laws and regulations thereof. An act of the Board of Directors of the Association will be effective upon a vote of members present at a regular meeting of the Association.

* This form is required in cases where subscriber seeks an insured mortgage under Section 234.

** References hereinafter made to "family unit" shall include the undivided interest in the common areas and facilities.