

FHA FORM NO. 2379
Rev. January 1967

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

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, _____ (hereinafter called Seller) is the owner
of [or proposes to construct] a multifamily housing project known as

_____ located at _____

_____ and WHEREAS, the said project is proposed to be converted to a Con-
dominium; And

WHEREAS, 80 percent of the total value of the family units in the project (or such lesser percent as may be
approved by the Federal Housing Administration (hereinafter referred to as the FHA)) must be sold to purchasers
approved by the FHA before its insurance 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 other subscrib-
ers and other good and valuable considerations, and having a bona fide intention to reside in a unit in the above-
referred-to project, hereby subscribe for participation in _____
(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 para-
graph 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

_____ Bank 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 es-
crow until conveyance of title.

I/We hereby subscribe to the Plan 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 Associa-
tion assessments 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. As set forth in the Plan of Apartment Ownership, the
vote of each member will be based on the ratio of the value of the family unit(s) which he owns to the total value
of the entire project.

* 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.

The affairs of the Association will be conducted by a Board of Directors as provided for in the By-Laws.

3. Conveyance of Title

In consideration of this subscription the Seller agrees to convey to Subscriber good and marketable title to said family unit. Subscriber agrees to purchase said family unit from the Seller within thirty (30) days after Seller has notified Subscriber it is prepared to tender title and possession thereof to him for an amount equal to the purchase price. It is contemplated that the unpaid purchase price will be secured by an individual mortgage on the family unit insured by the FHA under Section 234. Subscriber may, however, pay this amount in cash or may elect to finance under a conventional uninsured mortgage. It is understood that Subscriber will, at the time title is conveyed to him, pay such closing costs as are customarily paid by the purchaser of comparable real estate in this jurisdiction and taxes, assessments and insurance will be adjusted to the date of closing. The FHA estimate of value of the above-described family unit is \$ _____.

4. Location of Project

The above-referred-to housing project will be located at _____ in the City of _____. Nearest public transportation in the form of (bus, streetcar, subway, train service)*** is available at the following points:

Churches, schools, shopping centers, playgrounds and other community facilities available to members of the project are located as follows:

5. Priority of Mortgage Lien

This Agreement and all rights hereunder are and at all times shall be subject and subordinate to the lien of the mortgage and accompanying documents to be executed by the Subscriber to a lending institution and to be insured under Section 234 of the National Housing Act; and to any and all modifications, extensions, and renewals thereof; and to any mortgage or deed of trust made in place thereof.

6. Cancellation Rights

In the event Subscriber shall have died prior to his acquisition of title to the family unit, the Seller reserves the right to return such amount or amounts to Subscriber's estate or legal representative, and thereupon all rights of Subscriber shall cease and terminate without further liability on the part of the Seller.

It is understood that Subscriber's credit is subject to approval by the Federal Housing Administration. In the event the FHA determines that Subscriber does not meet its credit requirements for participation in this project or Subscriber is unable to obtain an FHA-insured mortgage thereupon within _____ days from date hereof, seller shall have privilege of withdrawal from this contract and the Seller shall return to Subscriber all of the sums paid hereunder and this Agreement shall be deemed null and void and all of Subscriber's and Seller's rights shall cease and terminate without further liability on the part of either party.

If Subscriber within five (5) days after the execution of this Agreement notifies the Seller in writing that Subscriber wishes to withdraw from this Agreement, the amounts theretofore paid by him under this Agreement will be returned to him and thereupon all rights and liabilities of Subscriber hereunder shall cease and terminate. The right of the Subscriber to withdraw shall, however, expire unless exercised within such five- (5) day period, except that if title to the family unit is not conveyed to the Subscriber in accordance with FHA requirements on or before _____ the Subscriber and the Seller shall have the right to withdraw from this agreement, in which event Seller shall return to Subscriber all sums paid hereunder and Subscriber's and Seller's rights shall cease and terminate without further liability on the part of either party."

If the subscriber shall default in any of the payments or obligations called for in this Agreement, and such default shall continue for fifteen (15) days after notice sent by registered mail by the seller to the subscriber at the address given below, then, forthwith at the option of the seller, the subscriber shall lose any and all rights under this Agreement, and any amount paid toward the purchase price may be retained by the seller as liquidated damages, or may at the option of the seller be returned less the subscriber's proportionate share of expenses to be determined solely by the seller.

The Seller, may, at its option, release the obligations of Subscriber under this Agreement in the event Subscriber shall secure another subscriber who is satisfactory to the Seller and to the Federal Housing Administration. This agreement is not otherwise assignable.

*** Strike out inappropriate reference

