

SUBSCRIPTION AGREEMENT

U-LEX AT OTHELLO SQUARE

Application No. _____
Dwelling Unit No. _____
Garage Stall No. _____
Storage Unit No. _____
Date: _____

1. Subscription Amount

I/We _____, a legal resident of the State of _____ (the "Subscriber"), in consideration of the mutual promises of other subscribers and other good and valuable consideration, hereby subscribe for membership in U-LEX AT OTHELLO SQUARE, a Washington nonprofit cooperative membership corporation (the "Cooperative"), which membership interest shall have a Share Price of \$_____ (the "Share Price"). I/We hereby agree to pay the Share Price for my/our membership interest, as follows:

- 1.1 \$1,000.00 as an initial down payment (to be applied against the Share Price, the balance of which shall be payable pursuant to Paragraph 1.2 below) upon the signing of this Subscription Agreement (which amount includes the Subscriber's previously paid reservation fee, if any).
- 1.2 \$_____, representing the balance of the Share Price applicable to the membership share being purchased, which sum shall be due upon demand by the Cooperative, which demand I/we understand shall be made on or about the date that the above identified Dwelling Unit becomes available for occupancy.

2. Occupancy Agreement

The Subscriber, if approved for membership, will be entitled to occupancy of the above numbered Dwelling Unit under the terms of the Occupancy Agreement. It is estimated that the initial monthly carrying charges for said Dwelling Unit will not exceed \$_____, based upon the Share Price and the payments set forth in Section 1 above, and as further illustrated in Exhibit A hereto. It is emphasized that this amount is only an estimate, subject to fluctuations as provided for in the Occupancy Agreement. I/We agree to execute the Occupancy Agreement on demand and to comply with all terms thereof.

3. Income Restriction Notice

Eligibility for Membership in the Cooperative is restricted to First-Time Homebuyers, as that term is defined in the Cooperative's Bylaws, whose verified household income is, at the time of their approval for Membership in the Cooperative, not in excess of eighty percent (80%) of the Seattle-Bellevue Area Median Income. An individual's household income is a material condition with respect to his/her initial eligibility for Membership in the Cooperative but not his/her continuing Membership or right of occupancy after the Cooperative's Board of Directors has approved the Member for Membership.

4. Priority of Mortgage Lien

This Agreement and all rights hereunder are and at all times shall be subject to and subordinate to the lien of the mortgage and accompanying documents to be executed by the Cooperative to a lending institution and to be insured under Section 213 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 and to any mortgage or deed of trust which may at any time thereafter be placed on the property of the Cooperative or any part thereof.

5. Special Subscriber Situations

5.1 If there is more than one Subscriber and you wish to hold your membership as joint tenants with rights of survivorship, so indicate by initialing here: _____ and _____.

5.2 If the Subscriber is a Trust, please complete the following:

(a) Designate the person or persons to occupy the Dwelling Unit here:

(b) State the relationship of the occupant to the Trust here:

(c) Attach a copy of the Trust instrument, or a Certificate of Trust to this Subscription Agreement.

5.3 If any persons other than the Subscriber(s), who are eligible for occupancy, will be occupying the Dwelling Unit, please set forth the name or names of such persons below and the relationship of such person(s) to the Subscriber(s):

<u>Name</u>	<u>Relationship</u>	<u>Age</u>
_____	_____	_____
_____	_____	_____

6. Cancellation Provisions

6.1 By Cooperative

The Cooperative reserves the right at any time before it has notified the Subscriber of his/her acceptability for membership, for reasons deemed sufficient by the Cooperative, to cancel this Subscription Agreement and return the amount paid by the Subscriber under this Agreement. If the Subscriber dies prior to becoming a member, the Cooperative reserves the right to return the amount paid by the Subscriber to Subscriber's estate or legal representative. Upon return of the amount paid by the Subscriber, all rights of the Subscriber, his/her heirs and estate will cease and terminate without further liability on the part of the Cooperative.

If the Subscriber defaults in any obligation in this Agreement, and such default continues fifteen (15) days after notice sent by registered mail by the Cooperative to the Subscriber at the address given below, then, at the option of the Cooperative, the Subscriber will lose any and all rights under this Agreement, and any amount paid toward the subscription price may be retained by the Cooperative as liquidated damages, or may at the option of the Cooperative be returned less the Subscriber's proportionate share of expenses to be determined solely by the Cooperative. The Cooperative may, at its option, release the obligations of the Subscriber under this Agreement if the Subscriber secures an eligible assignee of this Agreement who has assumed its obligations and is satisfactory to the Cooperative and the Federal Housing Administration ("FHA"). This Agreement is not otherwise assignable.

In addition to the foregoing, this Agreement shall be canceled by the Cooperative if the FHA declines the issuance of a mortgage insurance commitment for the Project, upon which event the amount paid by the Subscriber hereunder shall be refunded.

6.2 By Federal Housing Administration

The Subscriber understands that the Subscriber's credit is subject to approval by the FHA. If the FHA determines that the Subscriber does not meet the FHA's credit requirements for membership in the Cooperative, the Cooperative will return all sums paid by the Subscriber under this Agreement. Upon such return this Agreement will be null and void and all of the Subscriber's rights will cease and terminate without further liability on the part of the Cooperative.

6.3 By Subscriber

The Subscriber may cancel and withdraw from this Agreement, terminating all rights and liabilities hereunder upon which event all amounts paid hereunder shall be refunded when exercising the cancellation rights set forth in paragraphs (a), (b) and (c) below, as follows:

- (a) You are entitled to cancel your Subscription Agreement for any reason within seven (7) days from and after the date you actually received an Information Bulletin and Public Offering Statement from the Cooperative. If the Information Bulletin and Public Offering Statement is first provided to you more than seven (7) days before you sign your Subscription Agreement for the purchase of your Membership interest, you shall have no right to cancel your Subscription Agreement under this provision. If the Information Bulletin and Public Offering Statement is first provided to you seven (7) days or less before you sign your Subscription Agreement for the purchase of your Membership interest, you shall have the right to cancel the executed Subscription Agreement by delivering, no later than the seventh (7) day after first receiving the Information Bulletin and Public Offering Statement, a notice of cancellation complying with the requirements below. If the Information Bulletin and Public Offering Statement is first provided to you less than seven (7) days before the date on which you are scheduled to meet with Community Opportunity Center One LLC and execute a Subscription Agreement (the "Subscription Execution Closing Date") for the purchase of a Membership interest in the Cooperative, you may extend the Subscription Agreement Closing date not more than seven (7) days after you first received the Information Bulletin and Public Offering Statement, so that you may have seven (7) days to cancel your Subscription Agreement for the purchase of your Membership Interest.

If you elect to cancel your Subscription Agreement pursuant to this provision, you may do so by hand-delivering notice of cancellation, or by mailing notice of cancellation by prepared United States mail, to the Cooperative or its Managing agent within the seven (7) day period, at the address listed below. The date of such notice is the date of receipt, if hand-delivered, or the date of deposit in the United States mail, if mailed. Cancellation is, under those circumstances, without penalty and all payments you have made to the Cooperative prior to cancellation shall be refunded promptly.

- (b) If, upon issuance of the FHA mortgage insurance commitment for the Cooperative's mortgage loan, or any amendment thereto, it is determined that either an equity contribution greater than that

projected in the Information Bulletin and Public Offering Statement of the Cooperative would be required in order to qualify for such mortgage loan financing, or the monthly carrying charges will be greater than those projected in the Information Bulletin and Public Offering Statement by any amount, the Subscriber shall have the right to withdraw from this Agreement within seven (7) days after written notice by the Cooperative of such occurrence (which notice the Cooperative hereby agrees to serve in a timely manner), provided the Subscriber delivers written notice of withdrawal to the Cooperative within such seven (7) day period in the manner set forth in paragraph (a) above. If the Subscriber elects not to so withdraw his/her subscription, the Subscriber shall, in such event, execute and deliver to the Cooperative an amended Subscription Agreement agreeing to pay the adjusted subscription price and/or monthly carrying charges.

- (c) If construction has not commenced by January 1, 2028, you shall have the right at any time within seven (7) days thereafter to withdraw from this Agreement by delivering written notice of withdrawal to the Cooperative.
- (d) After your cancellation rights set forth in paragraphs (a) through (c) above have expired, any payment made by you pursuant to Paragraph 1.1 and/or 1.2 above will be nonrefundable. However, if you thereafter decide not to become a Member of the Cooperative, the Cooperative will, upon receipt of written notice of that decision, use its best efforts, through its marketing agent, to obtain a substitute subscriber for your membership. At such time as a substitute subscriber has (a) executed a Subscription Agreement, (b) paid his/her total subscription price, and (c) been approved by the FHA as to credit, the membership for which you have subscribed shall be deemed sold to the substitute subscriber and you will then receive a refund of any payments you have made pursuant to Paragraphs 1.1 and/or 1.2 less the sum of the following deductions: (i) a transfer fee in the amount of \$500.00; plus (ii) the amount of any other costs incurred by the Cooperative associated with obtaining a substitute subscriber; plus (iii) if, at the time you tender written notice to the Cooperative of your decision not to become a Member, you have not yet issued payment of the amount set forth under Paragraph 1.2, simple interest at the rate of three percent (3.0%) per annum on the payment you would have been obligated to pay pursuant to Paragraph 1.2 above shall be deducted for the period of time that elapses from the date that payment under Paragraph 1.2 became payable to the date that the substitute subscriber pays his/her total subscription price. The amount of interest so deducted shall be

disbursed to Community Opportunity Center One LLC, as agent for the Cooperative.

In addition, if the Membership for which you have subscribed has not been sold to a substitute subscriber prior to the date that Dwelling Unit No. _____ becomes available for occupancy, you will be obligated to pay the monthly carrying charges applicable to Dwelling Unit No. _____, commencing on the date that Dwelling becomes available for occupancy and continuing thereafter to the date that the substitute subscriber executes an Occupancy Agreement with respect to Dwelling Unit No. _____, at which time your obligation to pay monthly carrying charges shall terminate. If the first payment to be made by you for carrying charges begins on a day other than the first day of the month, such payment shall be sufficient to cover the unexpired balance of that month. Thereafter, you shall be obligated to pay carrying charges in advance on the first day of each month and continuing thereafter until the substitute subscriber has executed his/her Occupancy Agreement.

7. Notice Under Washington Law

THE FOLLOWING NOTICE TENDERED PURSUANT TO WASHINGTON STATUTES: YOU ARE ENTITLED TO RECEIVE AN INFORMATION BULLETIN AND PUBLIC OFFERING STATEMENT. THE INFORMATION BULLETIN AND PUBLIC OFFERING STATEMENT CONTAINS IMPORTANT INFORMATION REGARDING THE COOPERATIVE AND YOUR CANCELLATION RIGHTS, WHICH RIGHTS ARE FULLY DESCRIBED IN THIS SUBSCRIPTION AGREEMENT.

8. Garage Parking

The Cooperative's building is equipped with an underground garage containing a limited number of parking stalls that can be rented for a monthly charge from the Cooperative, subject to availability. All such rentals shall be memorialized through a separate parking stall rental contract and are not incorporated into this Subscription Agreement.

9. Notices

Any notice provided for in this Agreement shall be in writing and shall be deemed to have been sufficient if and when delivered personally or when deposited in the United States Mail, certified return receipt requested, postage, prepaid, addressed as follows:

To the Subscriber:

To the Cooperative: Care of: Community Opportunity Center One LLC
5117 Rainier Ave S
Seattle, WA 98118
Attn: Darryl Smith

10. Oral Representations Not To Be Relied Upon

This Agreement will supersede any prior understandings and agreements and constitutes the entire agreement between us, and no oral representations or statements shall be considered a part hereof.

11. Nonsmoking Facility

The Subscriber understands and acknowledges that Residential Cooperative Association at Othello Square is a nonsmoking facility. Smoking, including cigarettes, e-cigarettes, cigars, pipes, marijuana, and vaping devices will not be permitted in either the Member's Dwelling Unit, the Dwelling Unit's deck/patio, or in or upon the building's Common Areas or its exterior grounds.

12. Ratification of Other Provisions

I/We ratify the provisions contained in the Articles of Incorporation, Bylaws, Information Bulletin and Public Offering Statement, Cooperative Agency Agreement, Declaration of Common Interest Community, Regulatory Agreement, and Occupancy Agreement, copies of which are herewith being delivered to the Subscriber, the receipt of which is hereby acknowledged.

13. Ownership/Handling of Subscription Proceeds

All subscription proceeds received by the Cooperative from the Subscriber will be deposited and disbursed only in the manner described in Article 3, Section 3.5, of the Bylaws of the Cooperative, a copy of which the undersigned acknowledges as having received.

14. Occupancy, Membership Certificate, and Release of Escrowed Funds

The Cooperative shall deliver written notice to the Subscriber when the Subscriber's Dwelling Unit becomes available for occupancy. At that time, and provided that the subscription price set forth in Section 1 hereof has been fully paid: (a) a Membership Certificate in the Cooperative will be delivered to the Subscriber and the Subscriber shall execute an Occupancy Agreement for the Dwelling Unit and take possession thereof; and (b) all subscription proceeds paid pursuant to this Subscription Agreement and held in escrow under the terms of Article 3.5 of the Cooperative's Bylaws, shall be released to Community Opportunity Center One, as agent for the Cooperative.

15. Defined Terms

Any capitalized words or phrases not expressly defined in this Subscription Agreement retain the definitions set forth in the Cooperative's Bylaws and, as applicable, the Cooperative's other organizational documents identified herein.

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Dated: _____, 2025

Subscriber

Subscriber

Address

EXHIBIT A

Schedule of Share Prices, Down Payments, and Monthly Carrying Charges for Each Unit Type

Unit #	Type	Gross Square Feet*	Share Price **	\$1,000.00 Down Payment		Balance of Share Price Due Upon Demand by Cooperative***	Initial Monthly Carrying Charges ****
				Reservation Payment	Initial Payment Due		
115	1BR/1BA	587	\$52,932	\$500	\$500	\$51,932	\$1,671
107	1BR/1BA	620	\$55,908	\$500	\$500	\$54,908	\$1,655
203	1BR/1BA	623	\$56,178	\$500	\$500	\$55,178	\$1,654
303	1BR/1BA	623	\$56,178	\$500	\$500	\$55,178	\$1,837
403	1BR/1BA	623	\$56,178	\$500	\$500	\$55,178	\$1,837
503	1BR/1BA	623	\$56,178	\$500	\$500	\$55,178	\$1,837
211	1BR/1BA	642	\$57,892	\$500	\$500	\$56,892	\$1,891
311	1BR/1BA	642	\$57,892	\$500	\$500	\$56,892	\$1,891
411	1BR/1BA	642	\$57,892	\$500	\$500	\$56,892	\$1,891
511	1BR/1BA	642	\$57,892	\$500	\$500	\$56,892	\$1,891
111	1BR/1BA	642	\$57,892	\$500	\$500	\$56,892	\$1,891
204	1BR/1BA	647	\$58,343	\$500	\$500	\$57,343	\$1,905
304	1BR/1BA	647	\$58,343	\$500	\$500	\$57,343	\$1,905
404	1BR/1BA	647	\$58,343	\$500	\$500	\$57,343	\$1,905
504	1BR/1BA	647	\$58,343	\$500	\$500	\$57,343	\$1,905
206	1BR/1BA	675	\$60,868	\$500	\$500	\$59,868	\$1,986
306	1BR/1BA	675	\$60,868	\$500	\$500	\$59,868	\$1,986
406	1BR/1BA	675	\$60,868	\$500	\$500	\$59,868	\$1,986
506	1BR/1BA	675	\$60,868	\$500	\$500	\$59,868	\$1,986
109	1BR/1BA	684	\$61,679	\$500	\$500	\$60,679	\$2,011
209	1BR/1BA	684	\$61,679	\$500	\$500	\$60,679	\$2,011
309	1BR/1BA	684	\$61,679	\$500	\$500	\$60,679	\$2,011
409	1BR/1BA	684	\$61,679	\$500	\$500	\$60,679	\$2,011
509	1BR/1BA	684	\$61,679	\$500	\$500	\$60,679	\$2,011

* Actual dimensions may vary due to construction.

** Share Price is estimated and subject to change based upon fluctuations in mortgage interest rates, potential changes to overall Project costs, and changes to the mortgage loan amount which occur prior to Initial HUD closing. Share Price does not correlate exactly to a purchase price as is the case in a single family home or condominium. Share Price is one component of a Membership's ultimate Transfer Value. See Bylaws, Article 3.11(d).

*** The balance of the Share Price may be funded in whole or in part through a share loan, provided that (i) HUD has approved the share loan lender to issue share loans to purchasers of the Cooperative's Memberships; and (ii) the share loan agreement and associated share loan documents are on forms approved by HUD. Additionally, Membership subscribers/purchasers may qualify for up to \$10,000 in SharePrice payment assistance from HomeSight, a Washington non-profit corporation ("HomeSight"). Any funds provided to a subscriber/purchaser in Share Price payment assistance must be utilized toward payment of the balance of the Share Price and must be repaid to HomeSight upon transfer of the subject Membership.

**** Initial Monthly Carrying Charges depicted in this Exhibit are estimated for the first year of the Cooperative's operation and are subject to change. Monthly Carrying Charges are also subject to annual or periodic adjustment pursuant to the Cooperative's organizational documents.



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				Reservation Payment	Initial Payment Due		
217	2BR/2BA	825	\$74,394	\$500	\$500	\$73,394	\$1,933
317	2BR/2BA	825	\$74,394	\$500	\$500	\$73,394	\$1,933
417	2BR/2BA	825	\$74,394	\$500	\$500	\$73,394	\$1,933
517	2BR/2BA	825	\$74,394	\$500	\$500	\$73,394	\$2,184
114	2BR/2BA	833	\$75,115	\$500	\$500	\$74,115	\$2,204
110	2BR/2BA	833	\$75,115	\$500	\$500	\$74,115	\$2,204
112	2BR/2BA	833	\$75,115	\$500	\$500	\$74,115	\$2,204
215	2BR/2BA	836	\$75,386	\$500	\$500	\$74,386	\$2,212
315	2BR/2BA	836	\$75,386	\$500	\$500	\$74,386	\$2,212
415	2BR/2BA	836	\$75,386	\$500	\$500	\$74,386	\$2,212
515	2BR/2BA	836	\$75,386	\$500	\$500	\$74,386	\$2,212
216	2BR/2BA	861	\$77,640	\$500	\$500	\$76,640	\$2,276
316	2BR/2BA	861	\$77,640	\$500	\$500	\$76,640	\$2,276
416	2BR/2BA	861	\$77,640	\$500	\$500	\$76,640	\$2,276
516	2BR/2BA	861	\$77,640	\$500	\$500	\$76,640	\$2,276
214	2BR/2BA	872	\$78,632	\$500	\$500	\$77,632	\$2,305
314	2BR/2BA	872	\$78,632	\$500	\$500	\$77,632	\$2,305
414	2BR/2BA	872	\$78,632	\$500	\$500	\$77,632	\$2,305
514	2BR/2BA	872	\$78,632	\$500	\$500	\$77,632	\$2,305
212	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
210	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
310	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
312	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
410	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
412	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323

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*** The balance of the Share Price may be funded in whole or in part through a share loan, provided that (i) HUD has approved the share loan lender to issue share loans to purchasers of the Cooperative's Memberships; and (ii) the share loan agreement and associated share loan documents are on forms approved by HUD. Additionally, Membership subscribers/purchasers may qualify for up to \$10,000 in SharePrice payment assistance from HomeSight, a Washington non-profit corporation ("HomeSight"). Any funds provided to a subscriber/purchaser in Share Price payment assistance must be utilized toward payment of the balance of the Share Price and must be repaid to HomeSight upon transfer of the subject Membership.

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				Reservation Payment	Initial Payment Due		
510	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
512	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
208	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
308	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
408	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
508	2BR/2BA	879	\$79,263	\$500	\$500	\$78,263	\$2,323
207	2BR/2BA	894	\$80,616	\$500	\$500	\$79,616	\$2,362
307	2BR/2BA	894	\$80,616	\$500	\$500	\$79,616	\$2,362
407	2BR/2BA	894	\$80,616	\$500	\$500	\$79,616	\$2,362
507	2BR/2BA	894	\$80,616	\$500	\$500	\$79,616	\$2,362
302	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,193
402	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
502	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
201	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
301	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
401	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
501	3BR/2BA	1013	\$91,346	\$500	\$500	\$90,346	\$2,628
202	3BR/2BA	1026	\$92,519	\$500	\$500	\$91,519	\$2,661

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