



What is a Cooperative Community?

Cooperative housing means joint ownership and operation of a housing development by those who live in it. Cooperative members are in effect their own landlords, enabling the cooperative community to be built and operated at an affordable cost. Each member purchases a share in the limited equity corporation. These shares provide the equity to secure a mortgage. These individual shareholding members have equal voting status in electing the cooperative board of directors from their membership. Cooperative housing combines the advantages and pride of home ownership with the conveniences of community living.

Applewood Pointe Cooperative of Eagan is a limited equity cooperative, utilizing HUD (Housing & Urban Development) to guarantee the financing for the project. HUD's involvement adds oversight and regulations, which helped to assure quality design and construction. HUD's guarantee then ensures the lender that payments will be made.

Applewood Pointe of Eagan represents a great choice for today's adults 62 years and better. Cooperative living offers financial and physical security, a deep sense of community, social activities, maintenance free living, and a voice in cooperative operation.

How much does it cost to purchase a Membership in Applewood Pointe of Eagan?

There are two costs involved. The first, share cost, purchases a share in the cooperative and provides an exclusive lease for you to live in your unit. Each unit has a different share cost based on the original shareholder's investment level, original upgrades, and appreciation.

The second cost is the monthly cost (carrying charges), which may include:

- Mortgage, Principal & Interest
- Real Estate Taxes
- Operating Expenses (lawn care, snow removal)
- Interior and Exterior Maintenance
- Sewer, Water, Gas, Trash, Recycling, Telephone, Internet, Satellite TV
- Required Reserves
- Building Liability Insurance
- Mortgage and Fire Insurance
- Professional Management

Carrying charges vary depending on the original investment level and size of the unit. Members are responsible for their own electric usage and personal contents insurance (HO6 policy).



APPLEWOOD POINTE

COOPERATIVE COMMUNITIES

What is the meaning of Initial Dwelling Unit Value?

Initial Dwelling Unit Value does not correlate exactly to a purchase price as is the case in a single-family home or condominium. Initial Dwelling Unit Value is used to give an estimate of the cost to deliver the cooperative unit to the members, and more importantly is a benchmark for determining annual appreciation of the unit, which is a percentage, compounded annually. The Initial Dwelling Unit Value generally increases with the size of each home.

What are the tax benefits of a cooperative?

The benefits are identical to those you may have enjoyed in your single-family home. The real estate taxes and mortgage interest associated with your new home may be tax deductible (depending on your circumstances).

Do I get my share cost back if I sell my unit?

Yes. When your share is resold, in accordance with the by-laws of the cooperative, you and your estate receive the amount of the initial share investment, cost of original upgrades, plus a 2% per year appreciation of the initial dwelling unit value of the home, less a transfer fee and the cost of any required refurbishment.

How do I join the wait list at Applewood Pointe?

Each wait list reservation requires a \$500 deposit. When we receive a signed Reservation/Wait List Agreement and deposit, we will assign a priority number. The priority number is used to place potential owners on our wait list. If you change your mind for any reason, your reservation deposit is fully refundable. When a share becomes available, wait list members are contacted in order of priority until a buyer is found. If a wait list member declines the opportunity to purchase, they do not lose their place on the list.

Are there other Applewood Pointe Communities?

There are 17 Applewood Pointe communities serving over 2,000 residents, located in Apple Valley, Bloomington, Bloomington at Southtown, Bloomington at Valley West, Champlin, Champlin at Mississippi Crossings, Eagan, Eden Prairie, Maple Grove, Maple Grove at Arbor Lakes, Minnetonka, New Brighton, Roseville, Roseville at Central Park, Roseville at Langton Lake, Shoreview and Woodbury. Property management may vary by location.

Who manages Applewood Pointe of Eagan?

Ebenezer Management Services, a recognized leader in managing senior housing communities in Minnesota.

Applewood Pointe Cooperative of Eagan is a SMOKE-FREE community.



Comparison of Housing Options

	Cooperative	Condominium
Ownership	Resident members are shareholders in a corporation that owns the property. Owning a share entitles you to occupy a unit.	Owner holds title to unit, along with an undivided interest in the common elements.
Financing	Most often, a blanket mortgage finances entire project, including units and common elements.	Individuals must obtain their own mortgages.
Monthly Cost	Members pay the co-op for their share of actual operating cost, replacement reserves, common area elements, insurance, mortgage, maintenance, and real estate taxes, based on the non-profit operation of the entire community.	Owner pays mortgage payments and taxes directly to the lender. Owner pays a monthly association fee to management company for both operations and maintenance.
Community Control	Members elect their own board of directors, which decides all policy matters. The board will set up several committees to help run the community.	Common elements of condos are administered by an owner's association; owners have exclusive control over their individual unit.
Votes	One vote per unit, regardless of unit size, share value, or number of residents in a unit.	Voting formulas vary; in some projects, one owner, one vote; in others, unit size determines number of votes.
Tax Benefits to Individuals	Member's share of mortgage interest and real estate taxes may be deductible on personal income tax.	Mortgage interest and real estate taxes may be deductible on personal income tax.



APPLEWOOD POINTE

COOPERATIVE COMMUNITIES

Lifestyle Comparison

Monthly Expenses	Your Home	Applewood Pointe
Mortgage/Rent/Applewood Pointe monthly costs	\$ _____	\$ _____
Electricity	\$ _____	\$ _____
Personal Contents Insurance (HO6)	\$ _____	\$ _____
Satellite TV	\$ _____	\$ INCLUDED
Telephone	\$ _____	\$ INCLUDED
Internet	\$ _____	\$ INCLUDED
Health Club Membership	\$ _____	\$ INCLUDED
Property Insurance	\$ _____	\$ INCLUDED
Heat (gas)	\$ _____	\$ INCLUDED
Sewer and Water	\$ _____	\$ INCLUDED
Real Estate Taxes	\$ _____	\$ INCLUDED
Trash/Recycling	\$ _____	\$ INCLUDED
Garage/Underground Parking	\$ _____	\$ INCLUDED
Property Maintenance	\$ _____	\$ INCLUDED
Home Repairs	\$ _____	\$ INCLUDED
Landscaping and Replacement	\$ _____	\$ INCLUDED
Lawn Care	\$ _____	\$ INCLUDED
Snow Removal	\$ _____	\$ INCLUDED
Building Security System	\$ _____	\$ INCLUDED
Monitored Smoke Alarm System	\$ _____	\$ INCLUDED
Outside Painting	\$ _____	\$ INCLUDED
Driveway Resurfacing/Sealcoat	\$ _____	\$ INCLUDED
Total Monthly Expenses:	\$ _____	\$ _____