



APPLEWOOD POINTE

COOPERATIVE COMMUNITIES

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 a very 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 Senior Cooperatives are limited equity cooperatives, utilizing HUD (Housing & Urban Development) to guarantee the financing for the project. HUD's involvement adds oversight and regulations, which help to assure quality design and construction. HUD's guarantee then ensures the lender that payments will be made.

Applewood Pointe represents a great choice for active adults 55 or 62 and better. Maintenance-free living offers financial security, a social life, and a voice in community affairs.

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

There are two primary costs involved. The share cost is a "down payment" that purchases a share in the corporation. It is your equity, and similar to a down payment on a home.

Members also pay **monthly costs**, 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
- One Underground Parking Stall
- Professional Management

Items listed can depend on the individual Applewood Pointe.

Share costs and monthly costs vary depending on the size of the floor plans. Members are responsible for their own electric 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 increases with the size of each home.

What are the tax benefits of a cooperative?

The benefits are identical to those you enjoy in your single-family home. The real estate taxes and mortgage interest associated with your new home are fully tax deductible.

Do I get my share 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 your initial share cost, plus a fixed appreciation of the initial dwelling unit value of the home, less a transfer fee.

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 numbers are used to place potential owners in an order to select a home, either pre-completion of a community, or on the wait list once the community is completed. If you change your mind for any reason, your reservation deposit is fully refundable.

Who is building and operating/managing Applewood Pointe?

United Properties is developing and marketing Applewood Pointe. United Properties was founded in 1916. It is a Twin Cities-based company committed to the development and management of housing and community properties. Currently, there are 15 Applewood Pointe communities serving over 2,000 residents, located in Bloomington, Bloomington at Southtown, Bloomington at Valley West, Champlin, Champlin at Mississippi Crossings, Eagan, Maple Grove, Maple Grove at Arbor Lakes, Minnetonka, New Brighton, Roseville, Roseville at Central Park, Roseville at Langton Lake, Shoreview and Woodbury.

All Applewood Pointe Cooperatives are SMOKE-FREE communities.



APPLEWOOD POINTE

COOPERATIVE COMMUNITIES

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 project 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, unit 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 project are administered by owner's association; owners have exclusive control over their individual unit.
Votes	One vote per membership, regardless of unit size or share value.	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 are deductible on their personal income tax return.	Mortgage interest and real estate taxes are 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:	\$ _____	\$ _____

