

Lexington Square Townhouses Information Bulletin

1. Description

Lexington Square Townhouses is a Cooperative housing corporation chartered in the State of Georgia on November 26, 1969.

The Cooperative owns the land and buildings in fee simple title, its members own a certificate of membership in the Cooperative.

There are 280 private homes, a sales office, a community room and maintenance facilities on the property. There are 86 two-bedroom townhomes; 84 two-bedroom townhomes with one full and one half bathroom with basement; and 110 three-bedroom townhomes with one full and one half bathroom.

The estimated cost of operations is reflected in the Cooperative's operating budget which is prepared by the its Board of Directors. Each townhome size has an assigned relative value expressed as a factor of the total value of the Cooperative.

Each townhome has an assigned relative value expressed as a factor of the total value of the Cooperative. A member's monthly carrying charges are assessed according the relative value as follows for each unit size:

2-Br Townhome	2- Br Bsmt. Townhome	3 Br. Townhome
.003359	.003567	.003740

Members participate in the control and operations of the cooperative through a 5 person board of directors elected by the members. The Board of Directors is the policy making body that approves memberships, approves community house rules and approves the annual budget and monthly carrying charges.

The member maintains and replaces at his own expense the interior of the townhome. This includes the interior sheetrock, wall paint and coverings, floor materials, plumbing fixtures and hardware, interior doors and hardware, cabinetry, lighting fixtures, window glass, patio enclosures, decorations and appliances inside the townhouse.

The Cooperative maintains the common plumbing system up to and including the wall cutoffs, the electrical system up to and including the electrical panel to outlets and switches, the furnace, air conditioner and water heater.

2. Mortgage

On March 1, 2020 the Cooperative restructured its mortgage debt to take advantage of the lowest interest rates in recent memory. The mortgage in favor of the National Cooperative Bank in Washington DC is secured by the land and buildings and is scheduled to mature in March of 2030. The original principle was \$3,114,000.00 and the note bears an interest rate of 3.57%. The monthly mortgage payments are \$15,706.567,

3. Membership.

To become a member of Lexington Square a person must be approved for membership by the Board of Directors and buy a membership in the Cooperative. The purchaser then occupies a townhome under an Occupancy/Lease Agreement.

Prospective members are advised to read the Cooperative's Bylaws, Occupancy/Lease Agreement and House Rules. Prospective members are also advised to engage a home inspector when purchasing a membership.

The Cooperative has an option to purchase the membership of a person who wishes to retire from the Cooperative. If the Cooperative does not exercise its option within 30 days of notice, the member may sell the membership and right of occupancy to a purchaser approved by the Cooperative's board of directors.

4. Financial Information

The mortgage covenants require the cooperative to maintain a minimum reserve balance equal to at least 10% of its budgeted annual carrying charge income.

The cooperative maintains a second reserve to replace roofs, building exteriors, parking facilities, air conditioners, furnaces and water heaters.

5. Taxes

The Cooperative pays the real estate taxes on the property.

Each year it issues an IRS 1098 form showing the amount the member paid for their share of real estate taxes and mortgage interest paid.

6. Insurance

The cooperative carries and pays for blanket property and liability insurance for the property.

The member is required to purchase an (HO6) homeowner's insurance policy to protect against losses of personal property, interior items that are the member's responsibility and other damages which may occur to the townhome. Homeowner policies are required to name the cooperative as a co-insured party.