Detailed Information on Purchasing an Apartment in Cooperative Ownership

Why Flatari? 🏡

- **Low required equity contribution** – starting from only 20% of the apartment price
- **No mortgage or personal loan required**
- **Guaranteed rental income** – we guarantee rental income regardless of tenant payment discipline or apartment occupancy
- **Hassle-free management** – we take care of tenants and represent your interests within the building

Basic Information About the Apartment Unit

- Project name: Šternberk - U Střelnice
- Apartment number: 11
- Layout: 3+1
- Floor area: 60.24 m² (excluding cellar and balcony)
- Floor: 2
- Balcony / terrace: 4.11 m²
- Cellar: 1.21

Overall Figures

Total apartment price: (including parking, if applicable)	3 774 000 Kč
Share of equity:	20%
Equity:	754 800 Kč
Loan amount:	3 019 200 Kč
You pay at the beginning:	941 800 Kč = equity + fee

The entire process has 3 main phases:

1. Preparatory phase (reservation + signing of contracts)
2. Purchase of the building by the co-op (loan drawdown + creation of the share)
3. Normal operation (rent, installments, cashflow)

Expected Timeline

Milestone	Date
Step 1: Pre-reservation	By clicking the “Reserve online” button on the apartment page
Step 2: Reservation	Within one month from pre-reservation
Step 3: Signing contracts for joining the cooperative	Expected - 09/2026
Step 4: Loan drawdown and apartment purchase by the cooperative	Expected - 10/2026
Step 5: Your acceptance into the cooperative	Expected - 11/2026
Krok 6: Start of normal operation	Expected - 12/2026

Detailed Step-by-Step Process

STEP 1: Pre-reservation

👀 **What happens:**

- You secure the pre-reservation by pressing the "Book online" button on the apartment page, and by subsequently paying the reservation fee, you reserve the respective apartment.
- At the same time, its price is fixed for you.
- This reserves the apartment exclusively for you until we invite you to sign the reservation agreement.

💸 **What is paid:**

What is paid	To whom	Amount paid	By when
Reservation fee	Flatari	15 000 Kč	Immediately

In the next step, the reservation fee is deducted from the transaction fee. The reservation fee is non-refundable in the event of withdrawal by the buyer.

⏰ **When:**

- Immediately (online) - by clicking the "Book online" button.

STEP 2: Reservation

👀 **What happens:**

- The reservation agreement is signed - it contains as an annex:
  - Overview of the apartment's economics
  - Contractual documentation to be signed in step 3
  - Bylaws of the housing co-op
- This creates a binding reservation of the apartment until we invite you to sign the contractual documentation for entering the co-op in step 3.

💸 **What is paid:**

What is paid	To whom	Amount paid	By when
Equity	Housing co-op	754 800 Kč	Within 5 working days from the signing of the reservation agreement
Transaction fee	Flatari	187 000 Kč	

⏰ **When:**

- Within one month from pre-reservation

STEP 3: Signing Contracts for Joining the Cooperative

👀 **What happens:**

- Contractual documents are signed related, among other things, to entering the co-op and acquiring the co-op share tied to your apartment.
- If you choose our guaranteed rent and our management, contractual documents for this service are also signed.

✍️ **What is signed:**

- **Application for admission to the housing co-op**
  Application for admission to the housing co-op: By signing this document, you submit an official request to enter the co-op in order to obtain the right to use a specific apartment. In it, you commit to paying the basic member investment, complying with the co-op bylaws, and declare that you meet the conditions for membership (e.g., no debts towards authorities and legal capacity).

- **Agreement on the assumption of membership payments**
  This is a key agreement that governs how you "buy" your co-op share. It defines your obligation to pay an additional member investment, which consists of two parts: you have already paid the first part from your own equity, and the second part consists of the outstanding principal of the loan, which you will pay to the

co-op in the form of monthly annuity installments (this will be discussed in detail below in step 6). The agreement also contains a detailed technical description of the apartment (the so-called passport and floor plan).

- **Lease agreement (Co-op – Investor)**
  This agreement gives you the legal title to use the apartment. As a member of the co-op, you gain the right to rent the apartment for an indefinite period. The agreement specifies everything included in the rent (including loan installments and management) and how services associated with living (water, heat, waste, etc.) will be provided.

For our management and our guaranteed rental income, the following are also signed:

- **Lease agreement (Investor – Service company)**
  Through this agreement, you lease your apartment to the service company PartHome Services s.r.o.. This is the foundation for your passive income – you do not have to worry about finding tenants, repairs, or communication. The company pays you a guaranteed rent, against which stands the annuity installment of the loan, the contribution to the repair fund, and the coverage of the co-op's expenses.

- **Framework Agreement**
  This document connects the entire investment structure between you, the co-op, and the company Flatari (PartHome). It contains the most important rental guarantee for you – the company commits here to pay the agreed rent even if the apartment happens to be vacant.

    - **Granting of Power of Attorney** (part of the Framework Agreement)
      You grant power of attorney to the company PartHome Services s.r.o. to represent you within the co-op and at member meetings.

⏰ **When:**

- Expected - 09/2026

💸 **What is paid:**

What is paid	To whom	Amount paid	By when
Basic member payment	Housing co-op	100 Kč	Within 5 days from the signing of the contractual documentation
Repayment security deposit*	Housing co-op	50 978 Kč	

*Repayment security deposit = triple the monthly loan installment required by the financing bank.

STEP 4: Securing Financing and Purchase of Apartments by the Co-op

👀 **What happens:**

- The bank will provide a loan to the co-op.
- Using the pooled equity from investors and the loan from the bank, the co-op purchases the respective apartments.

💸 **What is paid:**

- The investor pays nothing in this step.

⏰ **When:**

- Expected - 10/2026

STEP 5: Acquisition of the Cooperative Share

👀 **What happens:**

- You become a co-op member (member of the co-op).
- You acquire a co-op share with a link to your apartment.
- You acquire the right to use the apartment.
- We start taking care of the apartment for you and represent you in matters concerning the entire building.

💸 **What is paid:**

- The investor pays nothing in this step.

⏰ **When:**

- Expected - 10/2026

STEP 6: Start of Normal Operation

👀 **What happens:**

- Routine operation of the apartment and therefore also of your investment.
- Regular monthly payments will take place (see below).

*The listed values assume that you invest **20% equity**.*

Every month, the co-op must receive payment for the following items:

Co-op loan installment =	16 993 Kč
Contribution to the repair fund =	904 Kč
Advance for co-op operating costs =	800 Kč
= TOTAL	**18 696 Kč**
We will pay the guaranteed rent to the co-op for you monthly	**11 008 Kč**

Summary in the table below, including a description of the items.

Option 1: 20% Equity

Line	Item	Value
1	Monthly loan installment	16 993 Kč
2	Contribution to the repair fund	904 Kč
3	Advance for co-op operation	800 Kč
4	**Total monthly payments to the co-op**	**18 696 Kč**
5	Guaranteed rent	11 008 Kč
6	**Monthly cashflow of the investor**	**- 7 689 Kč***

*A negative value represents a monthly shortfall to be paid by the investor, while a positive value represents a monthly surplus to be paid out to the investor.

For Information – Option 2: 50% Equity

Line	Item	Value
1	Monthly loan installment	10 620 Kč
2	Contribution to the repair fund	904 Kč
3	Advance for co-op operation	800 Kč
4	**Total monthly payments to the co-op**	**12 324 Kč**
5	Guaranteed rent	11 008 Kč
6	**Monthly cashflow of the investor**	**- 1 317 Kč***

*A negative value represents a monthly deficit to be paid by the investor, while a positive value represents a monthly surplus to be paid out to the investor.

Item Description:

- **Monthly loan installment (line 1)** is the payment to the bank for the loan to purchase the building, or rather its portion corresponding to your co-op share. The monthly loan installment is calculated with the following parameters:
  - Loan amount (20% equity invested) = 3 019 200 Kč
  - Interest rate = 5.89% p.a.*
  - Maturity period = 35 years*

  *Assumed parameters - actual values may change and depend on the current parameters of the loan from the financing bank at the time the loan is provided by the bank.
- **Contribution to the repair fund (line 2)**, which is determined by the decision of the building owner (i.e., the co-op, or the HOA/SVJ).
- **Advance for co-op operating costs (line 3)** includes, in particular, real estate tax, building insurance, and accounting costs. This is an advance payment with an annual reconciliation based on actual costs.
- If you choose management with a rent guarantee from Flatari, then Flatari (or the service company PartHome Services s.r.o.) will pay the **guaranteed rent amount (line 5)** to the co-op regardless of the apartment's occupancy by a tenant and their payment discipline.
- Advance payments for utilities and water related to the respective apartment, as well as the share of utility and energy consumption in common areas, are paid directly by the tenant, so they do not affect your payments in any way.