

REAL ESTATE AUCTION

— COURT ORDERED SALE —

235 Pad Manufactured Home Community

Rainbow Lake Manor
Bristol, Wisconsin

Minimum Bid \$7,500,000



AUCTION
BENJ. E. SHERMAN & SONS™
AUCTION SERVICES GROUP

RAINBOW LAKE MANOR

A 235 PAD MANUFACTURED HOME COMMUNITY

19900 128TH STREET
BRISTOL, WISCONSIN

expansion capabilities for an additional 67 pads. On average the lots are 60' x 113' with 17' x 78' concrete pads, 12' x 85' concrete drives, 12' x 20' patios and a 2.5' x 20' sidewalk. There are three private wells between 132' and 150' deep that service the park. The park's sewage treatment plant has a 40,000-gallon a day capacity and features a 5-year-old computerized clarifier with all equipment contained in the sewer treatment room being explosion proof and 3-phase wiring.

- **TO BE SOLD WITHOUT RESERVE, SUBJECT TO A MINIMUM BID OF \$7,500,000**
- **CERTIFIED OR CASHIER'S CHECK REQUIRED TO BID: \$450,000**



MARKET AREA

The park is located in the town of Bristol, Kenosha County, Wisconsin and is situated on the Illinois/Wisconsin border, 55 miles north of Chicago, 40 south of Milwaukee, 6 miles west of Kenosha and 70 miles to the southeast of Madison. The park enjoys a rural setting, yet is in close proximity to well urbanized areas. The 2002 estimate for the population in the town of Bristol is 4,593.

PROPERTY FEATURES

- \$1,056,900 Gross Income
- \$1,362,420 Gross Income after expansion
- Historically 100% occupied
- 55 year and older residents
- New maintenance building – 50' x 112'
- 9-acre stocked fishing lake
- 3 bedroom farmhouse on a separate +/- 2.5 acre parcel
- 3 homes containing 6 rental units
- New sales office
- Recreation/Laundry Facility

DIRECTIONS TO THE PROPERTY

Exit I-94 at S.R. 173 (Rosecrans Road Exit) and go left (west) approximately 2.8 miles to U.S. Highway 45. Turn right (north) on U.S. Highway 45 approximately 2.1 miles to 128th street. Turn left (west) on 128th and precede approximately 1.1 miles to the entrance of the park.

ZONING

R-12 Mobile Home Park and Residential District.

PROPERTY DESCRIPTION

Rainbow Lake Manor is a planned manufactured home community that is situated on 98.91 gently rolling acres and is currently being operated as a 55-year and older property. The maturely landscaped park was started in 1968 and was positioned to take advantage of the dramatic views of the approximate 9-acre stocked lake. Today the park consists of 235 completed pads and has approved



AUCTION DATE:

– June 17, 2004 at 7:30 p.m.

– Registration begins at 6:30 p.m.



PARK EXPANSION

The expansion area has been approved for 67 pads. Currently, 22 lots have electric and phone – 11 lots also have water and sewer connected to the mains. In addition, there is an adjoining 106-acre parcel available for expansion that can be purchased separately.

VIEWING INFORMATION

The property will be open for inspection during the scheduled on-site inspection dates and times. These inspections are an excellent opportunity to meet auction representatives at the sales office and to tour the property. A comprehensive Bidder Package will be made available to purchase for \$125.00 (paper version) or \$50.00 (compact disc version) at any of the on-site inspections. Bidder Packages may also be purchased by telephone by calling (312) 223-8324 or by faxing your order to (312) 223-8329.



Rainbow Lake Manor

Scheduled Gross Rental Income

5/1/04 – 4/30/05

		MONTHLY	YEARLY
SOUTH SECTION	160 Pads @ \$360/month 1 Pad @ 0/month	\$57,600 0	\$691,200 0
NORTH SECTION	70 Pads @ \$380/month	\$26,600	\$319,200
SALES OFFICE	1 Pad @ 0/month	0	0
6 APARTMENTS	6 @ \$440/month (3 Pads with Duplex Apts.)	\$2,640	\$31,680
PET/LAUNDRY INCOME	Average	\$535	\$6,420
FARM HOUSE	@ \$700/month	\$700	\$8,400
TOTALS: (235 PADS/239 RENTAL INCOMES)		\$88,075	\$1,056,900
EXPANSION INCOME	67 Pads @ \$380/month	\$25,460	\$305,520
TOTAL INCOME AFTER EXPANSION:		\$113,535	\$1,362,420

ON-SITE INSPECTION TIME AND DATE:

- 2:00 p.m. to 5:00 p.m. on the following dates:
- Thursday, May 13th
 - Tuesday, May 25th
 - Tuesday, June 8th

AUCTION LOCATION:

CHICAGO MARRIOTT SUITES O'HARE
 6155 North River Road
 Rosemont, Illinois 60018
 Hotel Phone: (847) 696-4400



BENJ. E. SHERMAN & SONS™
established 1922

AUCTION SERVICES GROUP

2 North LaSalle Street, Suite 1725
Chicago, Illinois 60602
Phone: 312.223.8324
Auction Line: 888.442.8008
Facsimile: 312.223.8329



AUCTION TERMS AND CONDITIONS

PROPERTY AND DOCUMENT REVIEW. Complete inspection of this property by prospective bidders and their experts, on the dates and at the times specified in this auction brochure, is encouraged. The Bidder Package will contain the following information if available and/or applicable: auction information, brochure with Auction Terms and Conditions, specimen Real Estate Purchase and Sale Agreement, property description, Phase I Environmental Site Assessment report, lease information, income & expense reports, service agreements, survey, real estate tax information, Bidder's Statement and Owner's Fee Title Insurance Commitment with applicable Schedule B documents. Bidder Packages will be available to purchase for \$125 (paper version) or \$50 (CD version) at the scheduled on-site inspections, by phone (312) 223-8324 or by fax (312) 223-8329. Bidder Packages will be sent via first class mail. For Federal Express overnight delivery, please include your Federal Express account number or add \$35 per Bidder Package ordered. All information contained in the Bidder Package, the auction brochure and all other auction materials should be reviewed by each prospective bidder and their attorney in advance of the auction. BENJ. E. SHERMAN & SONS ("BROKER" AND "AUCTIONEER") AND ALL LICENSEES ENGAGED BY OR ASSOCIATED WITH AUCTIONEER, REPRESENT THE SELLER IN THE SALE OF THIS PROPERTY.

CONDITION OF THE PROPERTY. The property is being sold on an AS-IS, WHERE-IS basis.

AUCTION DAY REGISTRATION. It is recommended that bidders arrive approximately one hour prior to the scheduled auction time so that there will be time to register and have any property-specific or auction related questions answered. To be eligible to bid, each prospective bidder must register prior to the auction, present the required cashier's or certified check and receive a numbered bidder's card.

AUCTION PROCESS. The bidding will be open outcry. Registered bidders may choose to place their bids either directly to the Auctioneer or through an Auctioneer's assistant. The Auctioneer will control the manner in which the auction is conducted and the increments of bidding. All announcements made by the Auctioneer on the day of the auction will take precedence over all prior oral or written information. If any disputes arise, the Auctioneer's records shall be deemed conclusive and final. The Auctioneer reserves the right to refuse admittance to or eject any person from the auction room for whatever reason he deems appropriate. The Real Estate Purchase and Sale Agreement to be signed at the auction will supersede all prior oral or written information.

EXECUTION OF REAL ESTATE PURCHASE AND SALE AGREEMENT. The successful high bidder, as identified by the Auctioneer, will immediately execute the Real Estate Purchase and Sale Agreement and deposit the required cashier's or certified check made payable to Stewart Title Guaranty Co. ("Escrow Agent") as initial earnest money. The initial earnest money MUST be increased by wire transfer, cashier's or certified check to seven and a half percent (7.5%) of the sum of the high bid

price and the Buyer's Premium (as hereinafter defined) and deposited with Escrow Agent by June 24, 2004. The sale must close on or before August 17, 2004, at which time the high bidder will pay the remaining balance of the purchase price. An Owner's Fee Title Insurance Policy will be provided by Stewart Title Guaranty Co., whose Commitment for Owner's Title Insurance appears, for review, in the Bidder Package. All survey, title insurance, escrow fees, general real estate taxes, and all other closing expenses shall be paid at closing by either the high bidder or the seller, as provided for in the Real Estate Purchase and Sale Agreement.

BUYER'S PREMIUM. The high bidder will pay a premium equal to 3% of the high bid price. This amount will be added to the high bid price to determine the purchase price as provided in the Real Estate Purchase and Sale Agreement.

BIDDING PROCEDURE. Minimum Bid Offering. The high bidder acknowledges and agrees that acceptance by seller of the Real Estate Purchase and Sale Agreement is subject to the highest bid being equal to or greater than the \$7,500,000 published minimum bid. In the event the highest bid is not equal to or greater than the published minimum bid, then the final bid will be subject to seller acceptance within 48 hours of the auction. The bid must remain irrevocable by the bidder during this period. Failure to notify the bidder does not constitute acceptance of bid by the seller.

The seller(s) or an authorized representative will be present at the auction in order to execute the Real Estate Purchase and Sale Agreement.

BROKER PARTICIPATION. Broker participation may be permitted under the following guidelines. A real estate commission equal to one half percent (1/2%) will be paid to the duly licensed real estate broker acting as a Buyer-Agent whose registered prospect closes in accordance with the Real Estate Purchase and Sale Agreement. To be eligible for a commission the broker must (i) be currently licensed as a real estate broker in the state of Wisconsin, (ii) identify the prospect by name and address, acquire their prospect's signature confirming Buyer-Agent's arrangement on the broker's company letterhead, and send the registration letter by certified mail, return receipt requested, to Benj. E. Sherman & Sons, 2 N. LaSalle Street, Suite 1725, Chicago, Illinois 60602, Attn: Auction Services Group. This letter must be received by Benj. E. Sherman & Sons prior to May 28, 2004, and prior to any on-site inspection of the property by their prospect. A broker will not be eligible to register a prospect who has had contact with the Auctioneer, seller or any of their related parties prior to receipt by Auctioneer of broker's registration letter, and lastly (iii) attend and register at a scheduled on-site inspection and the auction with the prospect. Eligible brokers will be sent an acknowledgment letter and are required to bring this letter to an on-site inspection and to the auction for verification. There will be no commission paid to a broker if that broker is representing themselves, their company, another broker or salesperson in their company, or a member of the broker's family. An affidavit will be required to be signed by broker to certify that the

broker is not acting as principal in any manner whatsoever. Broker, Auctioneer and seller offer no sub-agency to any broker or agent. **NO ORAL REGISTRATIONS WILL BE ACCEPTED AND THERE CAN BE NO EXCEPTIONS TO THIS BROKER REGISTRATION PROCESS.**

BROKERS WHO HAVE NOT MET ALL OF THESE REQUIREMENTS FOR BROKER PARTICIPATION WILL NOT BE PAID A COMMISSION EVEN THOUGH THE PROSPECT PURCHASES THE PROPERTY.

DISCLAIMER. INFORMATION CONTAINED IN THIS AUCTION BROCHURE AND THE BIDDER PACKAGE HAS BEEN OBTAINED FROM THE SELLER AND OTHER SOURCES DEEMED TO BE RELIABLE. HOWEVER, NEITHER THE SELLER, BROKER, AUCTIONEER, RELATED PARTIES NOR THEIR AGENTS MAKE ANY REPRESENTATIONS OR WARRANTIES AND HEREBY DISCLAIM ANY AND ALL ALLEGED REPRESENTATIONS AND WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THIS INFORMATION. ALL BIDDERS ARE DEEMED TO ACKNOWLEDGE THAT THEY HAVE HAD AN OPPORTUNITY TO INSPECT THE PROPERTY AND ALL PERTINENT DOCUMENTS AND RELATED WRITINGS PRIOR TO MAKING BIDS, AND ALL BIDDERS ARE DEEMED TO HAVE RELIED SOLELY ON THEIR REVIEW AND UPON THEIR OWN INVESTIGATION AND INSPECTION IN MAKING THEIR OFFER. EACH PROSPECTIVE BIDDER MUST UNDERTAKE AND RELY ON HIS OR HER OWN INVESTIGATION OF THE PROPERTY AND DISCLAIMS ANY AND ALL RELIANCE UPON SAID INFORMATION. ALL BIDDERS ARE DEEMED TO HAVE SUBMITTED TO THE EXCLUSIVE JURISDICTION OF THE CIRCUIT COURT OF KENOSHA COUNTY, WISCONSIN IN CASE NUMBER 03-CV-197 WITH RESPECT TO ALL MATTERS RELATED TO THE AUCTION AND THE TERMS AND CONDITIONS OF THE TRANSFER OF THE PROPERTY.

Brokers and Auctioneer reserve the right, without prior notice, to postpone or cancel the auction in whole or in part, modify these Auction Terms and Conditions, withdraw the property before or at the auction, and to sell the property prior to the auction.

This is not an offering or solicitation to residents of any state where this offering is prohibited by law.

Kelly T. Frank licensed Wisconsin Real estate Broker.

Benj. E. Sherman & Sons, Inc. licensed Illinois Broker and Auctioneer license number 044.0000177

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