



Vernon Arms

Executive Summary

910-926 Vernon Avenue
Madison, WI 53714

Dean



Realty Group, Inc.

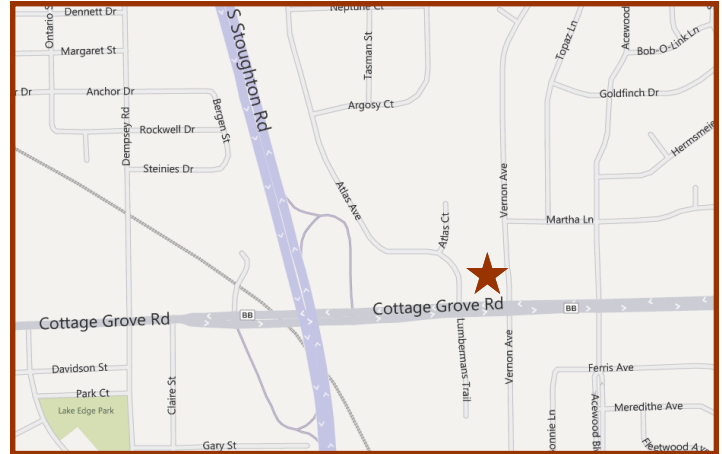
Price: \$2,200,000

Total Units: 44

<u>Units</u>	<u>Type</u>	<u>Avg. Rent</u>	<u>Sq. Ft.</u>
18	1 Bed/1 Bath	\$632	650
18	2 Bed/1 Bath	\$689	850
8	3 Bed/2 Bath	\$857	1,100

... Property Highlights ...

- Masonry & Vinyl Exteriors
- Offered at 5.9 Xs Gross
- Highly-Visible Corner Location
- Below-Market Rents



... Financial Highlights ...

Cap Rate	7.63%
Gross Income Multiplier	5.91
Price Per Unit	\$50,000

<u>OPERATING EXPENSES</u>	<u>CURRENT</u>	<u>PRO FORMA</u>
Real Estate Tax	\$45,753	\$45,753
Insurance	\$10,335	\$10,335
Utilities	\$39,106	\$39,106
Repairs	\$10,745	\$10,745
Cleaning & Maintenance	\$9,895	\$9,895
Advertising	\$3,200	\$3,200
Contract Services	\$11,123	\$11,123
Management Fee	\$17,694	\$18,218
Payroll	\$22,323	\$22,323
Administrative & Other	\$4,950	\$4,950
Capital Improvements	<u>\$11,000</u>	<u>\$11,000</u>
Total Operating Expenses	\$186,124	\$186,648
Expenses Per Unit	\$4,230	\$4,242
Expenses Per Sq. Ft.	\$5.20	\$5.21

<u>INCOME</u>	<u>%</u>	<u>CURRENT</u>	<u>%</u>	<u>PRO FORMA</u>
Sched. Rent Income		\$367,764		\$378,797
<u>Other Income</u>		<u>\$4,504</u>		<u>\$4,504</u>
Sched. Gross Income		\$372,268		\$383,301
<u>Less Vacancy</u>	5.0%	<u>\$18,388</u>	5.0%	<u>\$18,940</u>
Eff. Gross Income		\$353,880		\$364,361
<u>Less Op. Expenses</u>	53%	<u>\$186,124</u>	51%	<u>\$186,648</u>
Net Op. Income		\$167,755		\$177,713
<u>Debt Service</u>		<u>\$126,561</u>		<u>\$126,561</u>
Pre-Tax Cash Flow	9.4%	\$41,194	12%	\$51,151
<u>Principal Reduction</u>		<u>\$34,995</u>		<u>\$34,995</u>
Return Before Taxes	17%	\$76,189	20%	\$86,147

Exclusively Listed By:

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All information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to lot lines, square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. © 2011 Dean Realty Group, Inc.

BROKER DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the Broker must provide you the following disclosure statement:

2 **BROKER DISCLOSURE TO CUSTOMERS**

3 You are a customer of the broker. The broker is either an agent of another party in the transaction or a subagent of another broker
4 who is the agent of another party in the transaction. The broker, or a salesperson acting on behalf of the broker, may provide
5 brokerage services to you. Whenever the broker is providing brokerage services to you, the broker owes you, the customer, the
6 following duties:

- 7 ■ The duty to provide brokerage services to you fairly and honestly.
- 8 ■ The duty to exercise reasonable skill and care in providing brokerage services to you.
- 9 ■ The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless
10 disclosure of the information is prohibited by law.
- 11 ■ The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is
12 prohibited by law **(See Lines 47-55)**.
- 13 ■ The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the
14 confidential information of other parties **(See Lines 22-39)**.
- 15 ■ The duty to safeguard trust funds and other property the broker holds.
- 16 ■ The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and
17 disadvantages of the proposals.

18 Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you
19 need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

20 This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain-language summary of
21 a broker's duties to a customer under section 452.133 (1) of the Wisconsin statutes.

22 **CONFIDENTIALITY NOTICE TO CUSTOMERS**

23 **BROKER WILL KEEP CONFIDENTIAL ANY INFORMATION GIVEN TO BROKER IN CONFIDENCE, OR ANY INFORMATION
24 OBTAINED BY BROKER THAT HE OR SHE KNOWS A REASONABLE PERSON WOULD WANT TO BE KEPT CONFIDENTIAL,
25 UNLESS THE INFORMATION MUST BE DISCLOSED BY LAW OR YOU AUTHORIZE THE BROKER TO DISCLOSE PARTICULAR
26 INFORMATION. A BROKER SHALL CONTINUE TO KEEP THE INFORMATION CONFIDENTIAL AFTER BROKER IS NO LONGER
27 PROVIDING BROKERAGE SERVICES TO YOU.**

28 THE FOLLOWING INFORMATION IS REQUIRED TO BE DISCLOSED BY LAW:

- 29 1. MATERIAL ADVERSE FACTS, AS DEFINED IN SECTION 452.01 (5g) OF THE WISCONSIN STATUTES **(SEE LINES 47-55)**.
- 30 2. ANY FACTS KNOWN BY THE BROKER THAT CONTRADICT ANY INFORMATION INCLUDED IN A WRITTEN INSPECTION
31 REPORT ON THE PROPERTY OR REAL ESTATE THAT IS THE SUBJECT OF THE TRANSACTION.

32 TO ENSURE THAT THE BROKER IS AWARE OF WHAT SPECIFIC INFORMATION YOU CONSIDER CONFIDENTIAL, YOU MAY LIST
33 THAT INFORMATION BELOW **(SEE LINES 35-36)**. AT A LATER TIME, YOU MAY ALSO PROVIDE THE BROKER WITH OTHER
34 INFORMATION YOU CONSIDER TO BE CONFIDENTIAL.

35 **CONFIDENTIAL INFORMATION:** _____
36 _____

37 **NON-CONFIDENTIAL INFORMATION** (The following information may be disclosed by Broker): _____
38 _____

39 *(INSERT INFORMATION YOU AUTHORIZE THE BROKER TO DISCLOSE SUCH AS FINANCIAL QUALIFICATION INFORMATION.)*

40 **CONSENT TO TELEPHONE SOLICITATION**

41 I/We agree that the Broker and any affiliated settlement service providers (for example, a mortgage company or title company) may
42 call our/my home or cell phone numbers regarding issues, goods and services related to the real estate transaction until I/we
43 withdraw this consent in writing. **List Home/Cell Numbers:** _____

44 **SEX OFFENDER REGISTRY**

45 *Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the
46 Wisconsin Department of Corrections on the Internet at: <http://offender.doc.state.wi.us/public/> or by phone at 608-240-5830.*

47 **DEFINITION OF MATERIAL ADVERSE FACTS**

48 A "material adverse fact" is defined in Wis. Stat. § 452.01(5g) as an adverse fact that a party indicates is of such significance, or that
49 is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect
50 the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision
51 about the terms of such a contract or agreement. An "adverse fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence
52 that a competent licensee generally recognizes will significantly and adversely affect the value of the property, significantly reduce
53 the structural integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
54 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or
55 agreement made concerning the transaction.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.