

Investment Offering Memorandum

Castle Park
Shopping Center



SEC Third Avenue & Palomar Street
Chula Vista, California

FOR SALE

\$8,300,000

Exclusively Represented By:

Dan Malcolm



RETAIL PROPERTIES GROUP, INC.

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CASTLE PARK SHOPPING CENTER

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The information contained in this Offering Memorandum ("Offering") is confidential, furnished solely for the purpose of a review by a prospective purchaser of the Castle Park Shopping Center ("Property"), and is not to be used for any other purpose or made available to any other person without the express written consent of Retail Properties Group, Inc. ("Broker"). The material is based in part upon information supplied by the Owner, and in part upon information obtained by Broker from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outlines of some of the provisions contained therein. No warranty or representation, expressed or implied, is made by Owner, Broker or any affiliates, as to the accuracy or completeness of the information contained herein or any other written or oral communications transmitted to a prospective purchaser in the course of its evaluation of the Property. Prospective purchasers should make their own projections and conclusions without reliance upon the material contained herein and conduct their own independent due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material used in the construction or maintenance of the building or located at the site.

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CASTLE PARK SHOPPING CENTER

EXECUTIVE SUMMARY

PROPERTY DESCRIPTION:	Castle Park Shopping Center is a market/drug anchored neighborhood shopping center located in the heart of the Chula Vista/Third Avenue commercial corridor. The project is currently 100% leased with 82% of the rentable floor area leased to national/credit Tenants. The property has been very well maintained and has virtually no deferred maintenance.
LOCATION:	SEC Third Avenue & Palomar Street Chula Vista, California
SIZE:	269,959.60 square feet of Land (fee) 83,336 square feet of building improvements
PARKING:	4 parking spaces per 1,000 square feet of building area.
AGE:	Built 1973
OCCUPANCY:	100%
MAJOR TENANTS:	Sav-a-lot grocery store, Rite-Aid Pharmacy, Auto Zone, Factory 2-U, and Union Bank
PURCHASE PRICE:	\$8,300,000
CAP RATE:	9.0%

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INCOME & EXPENSE ANALYSIS

PROJECTED 2001

<u>Gross Scheduled Income</u>	<u>Annual</u>
Scheduled Base Rental	\$856,990.44
Scheduled CAM Reimbursement	\$101,413.56
Total Gross Scheduled Income	\$958,404.00
Less Vacancy (2%)	\$19,168.08
Adjusted Gross Scheduled Income	\$939,235.92
Less Expenses (see Expenses Analysis)	\$192,399.66
Net Operating Income	\$746,836.26
Sales Price:	\$8,300,000.00
CAP Rate:	9.0%

Loan Information

Principal Amount:	\$5,400,000.00 (Approximately)
Interest Rate:	7.5% Fixed
Assumption Fee:	1%
Monthly Payment:	\$40,644.51
Due Date:	2009
Prepayment:	Not Allowed

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RENT ROLL

AS OF 12/01/01

<u>UNIT</u>	<u>TENANT</u>	<u>SF</u>	<u>MONTHLY RENT</u>	<u>RENT/ SF</u>	<u>MONTHLY CAM</u>	<u>LEASE FROM</u>	<u>LEASE TO</u>
200-01	Rite Aid	20,000	\$8,500.00(a)	\$0.41	Gross	06/01/69	05/31/11
200-02	Kids Outlet	4,041	\$5,068.00	\$1.25	\$811.26	05/01/00	02/28/02
200-03	Union Bank	4,974	\$8,170.91	\$1.64	\$1,250.54	07/01/83	04/30/06
200-04	Speedy Cleaners	1,800	\$2,250.00	\$1.25	\$436.16	05/01/83	04/30/03
200-04	Everything \$5.00	1,500	\$1,931.50	\$1.29	\$375.00	10/01/00	11/01/05
200-05	Kensei Restaurant (d)	1,732	\$2,866.50	\$1.68	\$444.11	01/01/85	12/31/03
200-06	Check Cashing Place	1,020	\$1,637.00	\$1.60	\$198.20	12/31/89	12/31/01
200-07	Emyko's Hair Salon	1,020	\$1,635.00	\$1.60	\$259.00	10/01/94	09/30/04
200-08	Factory 2-U	11,300	\$12,274.96	\$1.08	\$2,769.59	09/01/92	08/31/03
200-09	University Medical	2,025	\$2,531.00	\$1.25	\$500.37	11/1/01	10/31/06
200-10	99 Cent City	2,025	\$2,531.00	\$1.25	\$481.25	06/1/01	05/31/06
100-01	NAO Video/Deli	1,200	\$1,599.00	\$1.33	\$293.17	01/01/97	12/31/02
100-02	Auto Zone	10,640	\$10,640.00	\$1.00	\$7,589.85(c)	03/01/98	06/30/06
	Sav-a-Lot	20,000	\$10,500.00	\$0.52	Gross	07/01/98	09/30/03
	TOTAL	83,336	\$71,415.87 (b)		\$8,451.13		

Notes

- (a) Base rent is \$.19/SF per month, plus 3% of monthly gross sales. Average monthly total rent is approximately 8,500.00 - 9,000.00 plus per month.
- (b) Actual rent for 2002 will be periodically adjusted upward pursuant to COL increases in various leases.
- (c) Modified gross lease, reimburses Owner for property taxes and fire insurance. Figure noted is annual reimbursement amount.
- (d) Rent increases to \$2,957.50 on 01/01/02.

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Expenses Analysis (Estimated for 2001)

Property Taxes:	\$75,173.90*
Insurance:	\$13,000.00
Maintainance/Repairs:	\$6,300.00
Management Fee:	\$17,997.60
Plumbing Repairs/Maintainance:	\$1,000.00
Utilities:	\$5,625.00
Landscaping:	\$4,260.00
Trash:	\$9,558.00
Security:	\$30,443.00
Janitorial:	\$11,223.80
Pest Control:	\$1,234.00
Lot Clean-up/Misc:	\$9,634.00
Total:	\$192,399.66

* Does not take into account new sales price

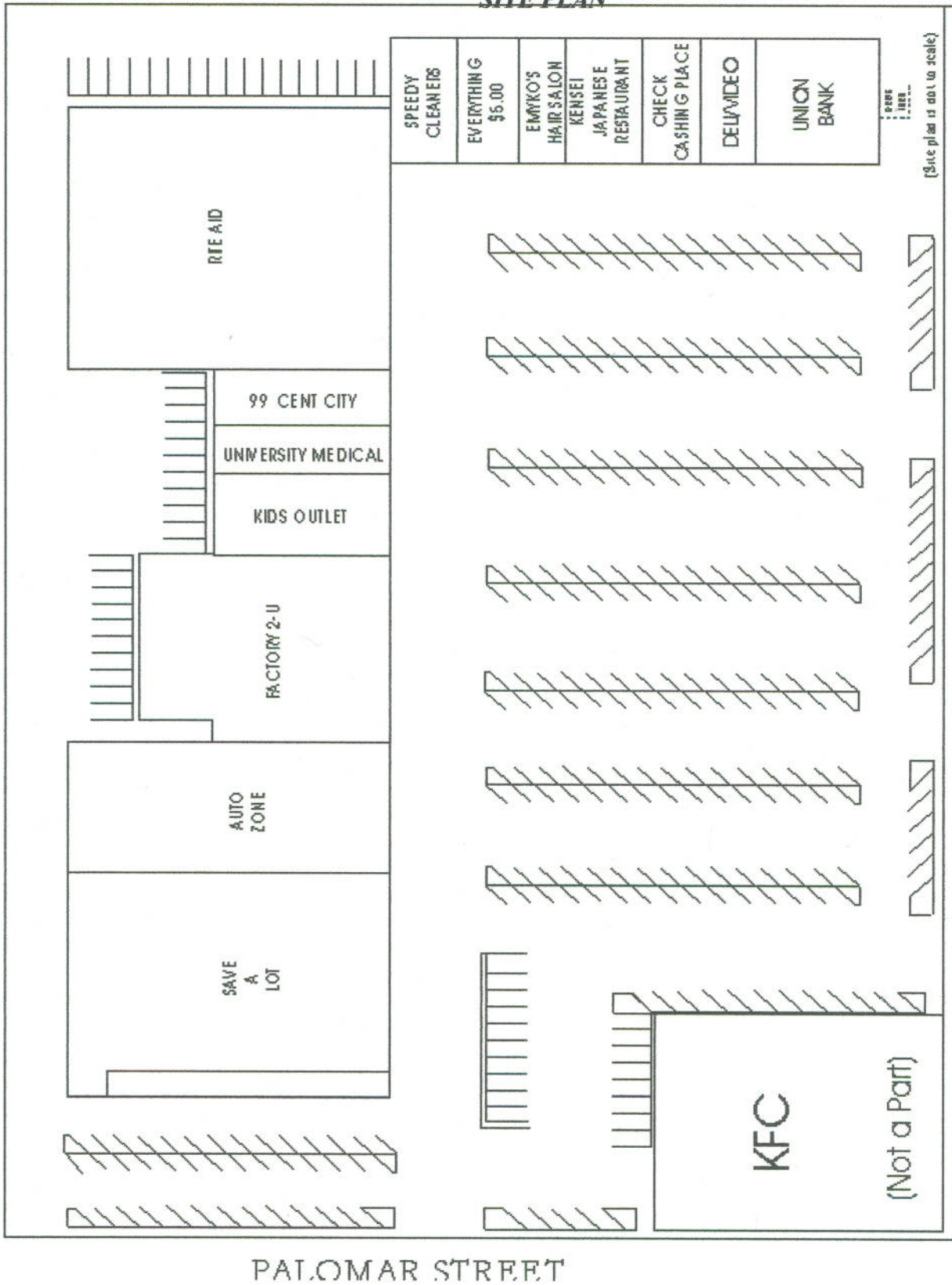
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SITE PLAN



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AREA MAP



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STREET MAP



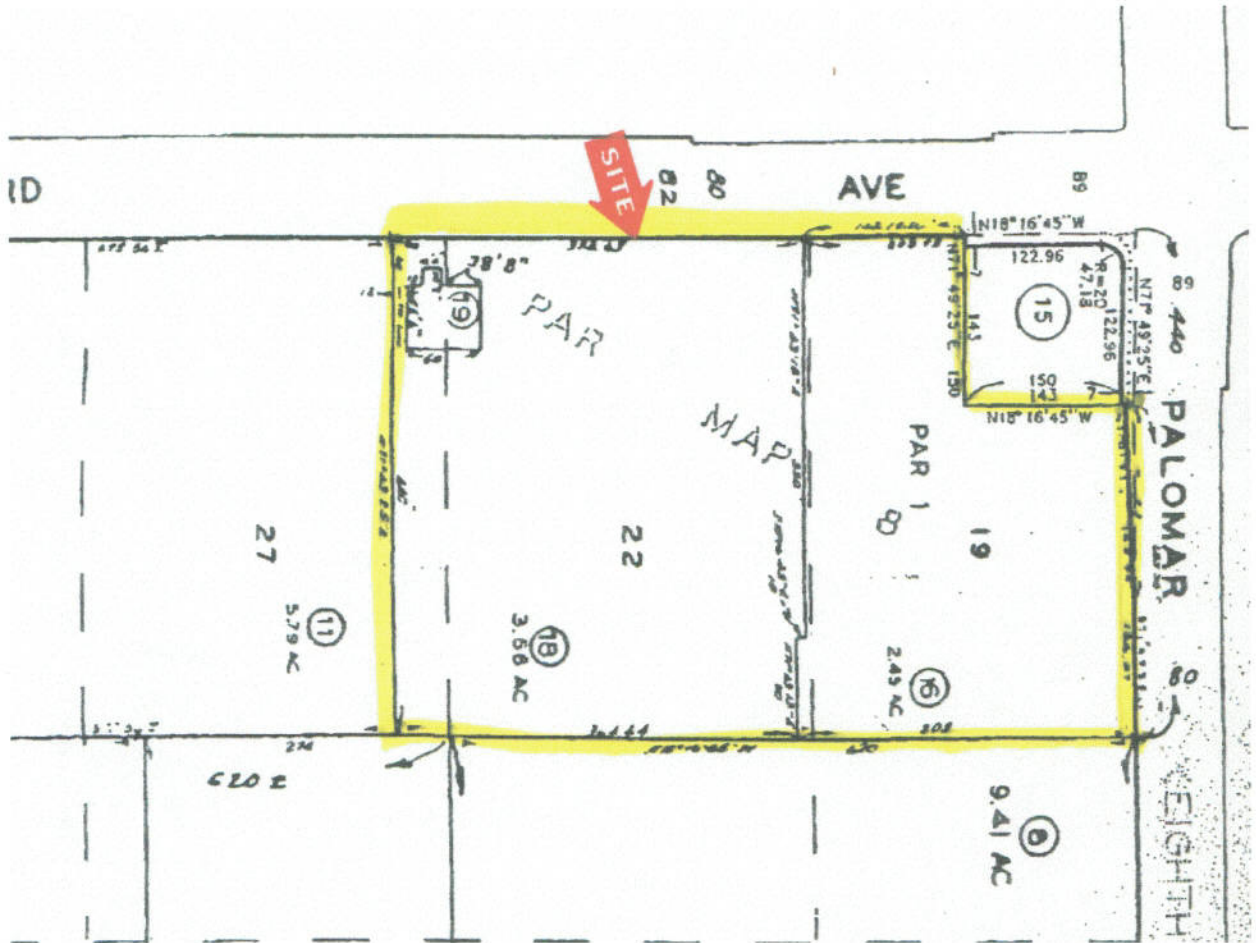
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PLAT MAP



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CASTLE PARK SHOPPING CENTER

DEMOGRAPHICS

Three Area Forecast

Third Avenue & Palomar Street: Chula Vista, CA 91911
 Site located at 32.6067, 117.0655

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1999 Snapshot	1 MI RING	3 MI RING	5 MI RING
Population	31,637	192,277	326,693
Households	11,247	62,509	103,468
Average Household Size	2.81	3.05	3.08
Families	8,030	47,348	79,683
Average Family Size	3.25	3.45	3.43
Per Capita Income	\$13,1385	\$15,042	\$15,561
1999 Households by Income *			
Household Income Base	11,247	62,509	103,466
<\$15,000	2,153	9,123	15,392
\$15,000 - \$24,999	2,172	9,851	16,051
\$25,000 - \$34,999	2,048	9,787	15,759
\$35,000 - \$49,999	2,338	12,406	20,349
\$50,000 - \$74,999	1,843	13,017	20,919
\$75,000 - \$99,999	442	5,167	8,347
\$100,000 - \$124,999	107	1,784	3,317
\$125,000 - \$149,999	90	643	1,493
\$150,000 +	54	731	1,839
Median Household Income	\$31,513	\$39,028	\$40,063
Average Household Income	\$36,836	\$45,766	\$48,373
1999 Population by Age			
Under 5	3,030	16,306	28,718
5 - 14	5,097	32,878	56,713
15 - 24	4,453	27,429	47,280
25 - 44	9,335	57,483	100,964
45 - 64	5,537	37,709	61,577
65 - 74	2,223	11,323	17,586
75 - 84	1,596	7,004	10,628
85+	366	2,145	3,227
18+	22,336	134,756	227,128
Median Age	31.9	32.2	31.5
1999 Population by Race			
White	17,123	100,341	168,586
Black	1,691	8,666	16,085
American Indian	222	999	1,824
Asian/Pacific Islander	2,601	25,836	44,547
Other Races	10,000	56,435	95,651
Hispanic Origin*	19,075	104,010	174,271

* Income is expressed in current (1998) dollars.

* Persons of Hispanic Origin may be of any race.

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DEMOGRAPHICS

Three Area Forecast

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2004 Snapshot	5 MI RING	3 MI RING	3 MI RING
Population	34,069	208,372	355,835
Households	12,123	67,816	113,093
Average Household Size	2.81	3.05	3.07
Families	8,639	51,194	86,943
Average Family Size	3.22	3.43	3.40
Per Capita Income	\$16,787	\$19,421	\$20,632
2004 Households by Income *			
Household Income Base	12,123	67,816	113,091
<\$15,000	1,593	6,405	10,796
\$15,000 - \$24,999	1,628	7,727	12,911
\$25,000 - \$34,999	2,051	9,184	14,776
\$35,000 - \$49,999	2,667	13,137	21,282
\$50,000 - \$74,999	2,479	15,325	25,488
\$75,000 - \$99,999	1,076	8,230	13,219
\$100,000 - \$124,999	350	4,147	6,788
\$125,000 - \$149,999	103	1,755	3,294
\$150,000 +	176	1,906	4,537
Median Household Income	\$39,668	\$48,753	\$50,422
Average Household Income	\$47,062	\$59,162	\$64,152
2004 Population by Age			
Under 5	3,135	16,945	29,983
5 - 14	5,330	34,627	60,117
15 - 24	5,052	31,120	53,972
25 - 44	9,248	57,294	101,248
45 - 64	6,765	46,183	76,034
65 - 74	2,324	11,862	18,595
75 - 84	1,763	7,734	11,884
85+	452	2,607	4,002
18+	24,313	147,601	250,026
Median Age	32.4	33.0	32.2
2004 Population by Race			
White	17,447	102,919	174,264
Black	1,705	8,785	16,251
American Indian	217	987	1,803
Asian/Pacific Islander	2,865	28,650	50,246
Other Races	11,835	67,031	113,271
Hispanic Origin*	22,215	122,200	204,726

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