

Investment Offering Memorandum

HISTORIC Yuma BUILDING

629-633 Fifth Avenue, San Diego, California





LUXURIOUS



UNIQUE

visual



RICH

elegant



The OFFERING



The Cushman & Wakefield Urban Property Group and Urban Real Estate Services are pleased to present a rare opportunity to acquire the award winning Historic Yuma Building, an iconic landmark property in Downtown San Diego's Historic Gaslamp Quarter, one of the most sought after urban retail and entertainment markets in Southern California.

The Historic Yuma Building presents a truly unique investment opportunity for an investor looking to capitalize on the live, work, play lifestyle in a national tourist destination.

Adjacent to the San Diego Convention Center and PETCO Park (home to the San Diego Padres), more than 10 million tourist and convention goers visit the Gaslamp District each year to experience the vibrant and unique atmosphere it has to offer. The residential growth of downtown San Diego in the past ten years has solidified the retail environment and has transformed The Gaslamp Quarter into a true live/work/play urban lifestyle not duplicated anywhere in Southern California. The area is nationally recognized for setting new standards in urban renewal and redevelopment.

As one of the most photographed buildings in all of downtown, the Historic Yuma Building is a three-story plus basement, mixed-use property consisting of ground floor retail, office basement space and a rare two-story luxurious townhome on the second and third floors, with outdoor patio. The townhome provides an owner/investor with a luxurious alternative to San Diego hotels or condos and a stable stream of income with the ground floor retail and office basement tenants!

This truly unique asset offers an owner/investor the rare opportunity to acquire a 'Pride of Ownership' piece of history with Mills Act protection, keeping property taxes low, in Downtown San Diego's highly coveted Fifth Avenue.

Address: 629-633 Fifth Avenue
Property Name: Historic Yuma Building

PRICE: \$5,495,000
OFFERS DUE: TBA

Seller reserves the right to sell asset at any time without prior notice.

INVESTMENT HIGHLIGHTS

- **SAN DIEGO RETAIL**
San Diego's Downtown continues to perform as one of the top retail investment markets in the nation. High barriers to entry and limited supply of quality retail make the 5th Avenue retail and restaurant spaces prime investment opportunities with excellent upside potential. 5th Avenue retail lease comps represent the highest lease rates in the county.
- **DESIRABLE RESIDENTIAL**
This rare 3,600 square foot luxury residence offers top-of-the-line finishes, high ceilings, gourmet kitchen and a 750 square foot outdoor back patio area for entertaining. Residents are steps away from a wide variety of restaurants, coffeehouses, bars and retail boutiques. Luxury condos and residences in downtown are in very limited supply and having a luxury residence on Fifth is a one-of-a-kind opportunity.
- **IRREPLACEABLE REAL ESTATE**
This property is on the main retail, restaurant and entertainment street of Downtown San Diego, Fifth Avenue. An iconic downtown building, it will continue to hold its historic relevance as the streetscape evolves. While maintaining its historic nature, it offers many modern conveniences as the property has been completely renovated and meticulously maintained over the years.
- **URBAN RENEWAL**
Despite challenging economic conditions, new businesses and residents continue to move downtown continuing the urban renaissance that began in the mid 1990s and really took off with 2004 opening of PETCO Park. Downtown San Diego exemplifies the national trend of urban renewal and environmentally conscious people moving back to central walkable neighborhoods.
- **REGIONAL DRAW**
Great weather aside, Downtown San Diego is nationally recognized for its incredible location on the San Diego Bay, and is home to the Convention Center and PETCO Park. Gaslamp Quarter is San Diego County's number one tourist destination, drawing more than 10 Million visitors annually. The two-story townhome can provide great vacation rental income, (upwards of \$350 per night) as a unique alternative to hotels.
- **MILLS ACT - NEXT BUYER WILL KEEP CURRENT PROPERTY TAX!**
The Mills Act is a state law allowing cities to enter into contracts with the owners of historic structures. Such contracts require a reduction of property taxes in exchange for the continued preservation of the property. The buyer will benefit by retaining the current owner's tax rate of \$8,900 per year.

OFFERING TERMS

Price:	\$5.495M
Residential Townhome:	3,600 SF
Garden Patio:	750 SF
Rentable Commercial:	3,214 SF
Retail Income:	\$132,450
Current Property Taxes (Mills Act):	\$8,900
Land Area:	2,531 SF

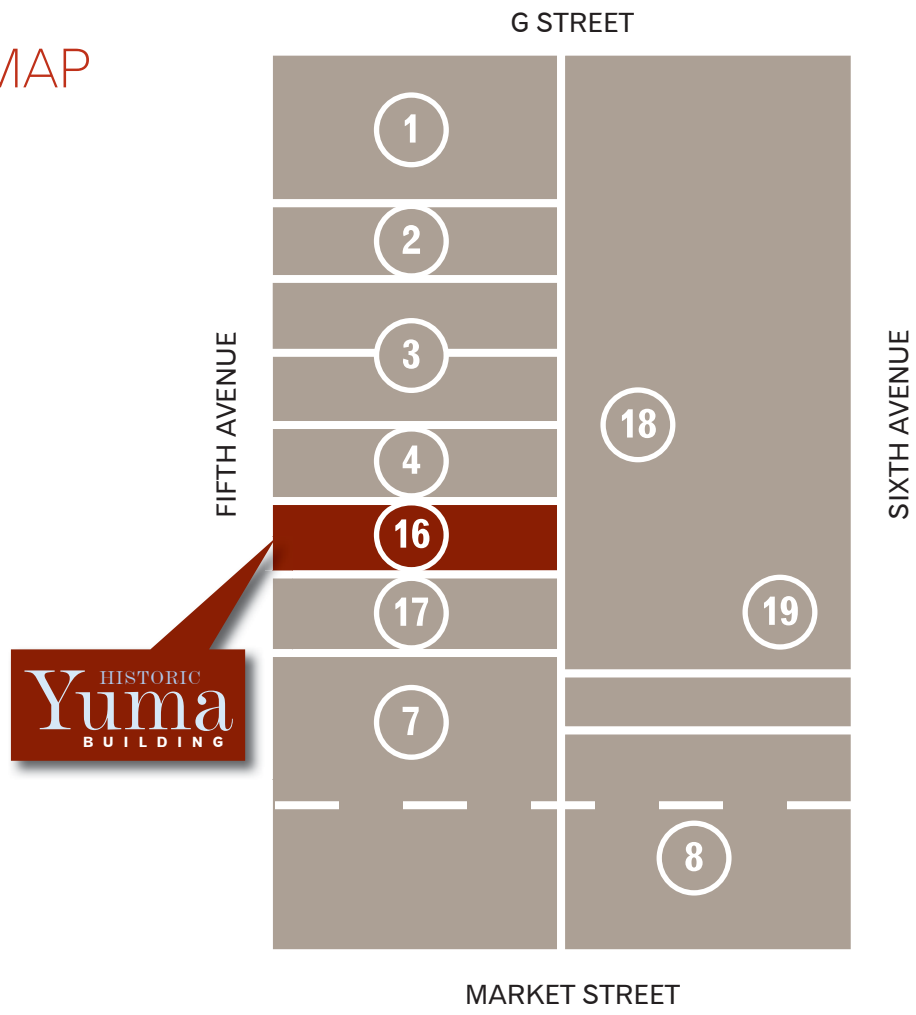
Transaction Timetable And Procedure:

Property tours available through December 31, 2011. Contact listing broker to schedule a tour of the property. Twenty-four hour notice is appreciated.

The Seller reserves the right to sell the property at anytime without prior notice. The Property will be sold on an "as-is" basis.



PARCEL MAP



LOCATION HIGHLIGHTS

The Historic Yuma Building is strategically located in the heart of the Gaslamp Quarter District on 5th Avenue between Market and "G" Streets; within walking distance of the Convention Center, PETCO Park (home of the San Diego Padres), Seaport Village, Balboa Theatre and Balboa Park, restaurants and shopping.

GASLAMP QUARTER

The name "Gaslamp Quarter" is a reference to the gas lamps that were common in San Diego in the late 19th and early 20th centuries. The Gaslamp Quarter extends from Broadway to Harbor Drive, and from 4th to 6th Avenue, covering 16½ blocks. It includes 94 historic buildings, many of which were constructed in the Victorian Era, and are still in use with active tenants including restaurants, shops and nightclubs.

The Quarter is home to many events and festivals, including Mardi Gras in the Gaslamp; San Diego Film Festival; Taste of Gaslamp and ShamROCK, a St. Patrick's Day event. The area is listed as a historic district on the National Register of Historic Places as Gaslamp Quarter Historic District. Its main period of development began in 1867, when Alonzo Horton bought the land in hopes of creating a new city center closer to the bay, and chose 5th Avenue as its main street. After a period of urban decay, the neighborhood underwent urban renewal in the 1980s and 1990s, and is today an energetic business and entertainment district.

The Gaslamp Quarter features a pedestrian scramble at the intersection of 5th Avenue and Market Street, adjacent to the historic Yuma Building.



PROPERTY DESCRIPTION

Constructed in 1882, the historic Yuma Building in the Gaslamp District was one of downtown's first brick structures, and was built by Captain Wilcox who arrived in 1849 at the helm of the U.S. Invincible. The ship brought the engineering crew that attempted to turn the San Diego River into False Bay, now known as Mission Bay. The building is called The Yuma because of Captain Wilcox's business connections in the Arizona town. Later used as a hotel, this structure was frequented by Wyatt Earp (folk hero of the American Wild West) and has the distinction of being the first to be closed during the clean-up of the red-light district.

LOCATION	5th Avenue between Market & G
ADDRESS	629-633 5th Avenue
ASSESSOR'S PARCEL NUMBERS	535-094-16
BUILDING AREA	6,950 SF
LOT SIZE	2,531 SF/.0581 Acres
TENANTS	Goorin Brothers Hats/Vacation Rental
YEAR BUILT	1882

*Visit www.gaslamptownhouse.com for more photos and information.

RETAIL | 1st Floor

Goorin Bros. Hats, a family run company that represents four generations of hat makers, leased the space in 2010. The hat shop is nestled among other Victorians and showcases the original catwalk that shopkeepers of old used to observe and manage their workers.

BASEMENT

The basement space is currently an office occupied by the owner who operates a design studio. Owner could be willing to remain or vacate at the close of escrow.

PROPERTY AMENITIES

- 1882 historic building with Mills Act tax base
- Building has been beautifully restored and maintained
- Historic property updated with modern conveniences
- Easy access to freeways
- Near public transportation
- Adjacent retail centers
- Offsite parking provided

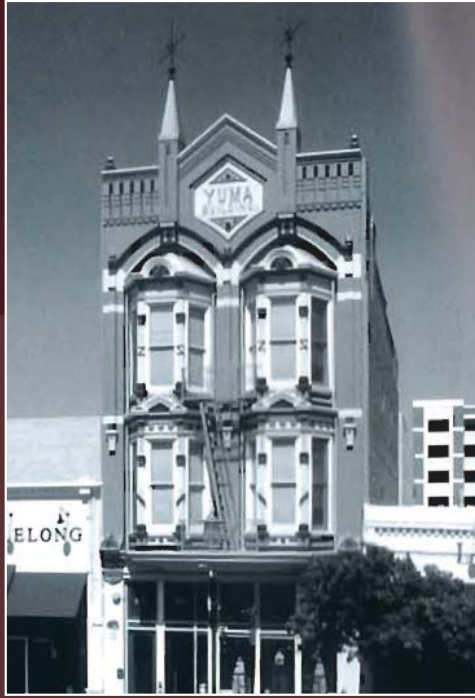
*GASLAMPTOWNHOUSE | 2nd & 3rd Floor

The second and third floors have been completely restored into a lavishly furnished 3,600 square foot fabulous two-story townhouse featuring two master bedroom suites, a gourmet kitchen, library and outdoor private garden. This gorgeous one of a kind property provides a luxurious alternative to San Diego hotels or condos!

TOWNHOUSE AMENITIES

- Rare two-story townhouse in downtown San Diego lavishly furnished
- Two master suites including walk-in closets and large baths
- Powder bath
- Full-size laundry room
- Large living room and library
- Formal dining room can also be used for meetings
- Grand foyer and gourmet kitchen
- Private Garden 25'x30' with BBQ
- Four fireplaces, bay windows, skylights and 12' ceilings
- Elevator
- HDTV, cable, computer hook-up
- Central heat & air conditioning

PROJECT RENOVATIONS



CURRENT

The Yuma building has had ongoing renovations and repairs to keep it up to code and to update and improve its condition along the way. The interior has had several “face lifts” since 1992, including new wallcoverings; paint; carpeting and floorcoverings; window treatments and electronics.



CIRCA 1899

RENOVATION TIMELINE

1990	1995	2000	2005	2010
<p>1991-1992 Seismic Retrofit; interior renovation and conversion of basement to office space and of 2 & 3rd floors from SRO to Single Family Residence</p>	<p>1995 Conversion of ground floor from office to retail including Handicap bathroom and other ADA requirements</p> <p>1996-1997 Acquisition of remnant parcel at rear of property – addition of Deck – lot line adjustments</p>	<p>1999 Seismic retrofit of roof ties and new roof</p> <p>Restoration of Façade (new towers, historic sign and paint)</p> <p>2000 Elevator installation</p>	<p>2004 Seismic retrofit for parapets</p>	<p>2011 Upgrade and painting of rear deck</p>



AWARDS & ACCOLADES

MAGAZINE & PERIODICAL FEATURES

San Diego Magazine (Sept. 2011)

100 Works of Art to see before you Die.

San Diego Metropolitan Magazine (April 2005)

City Dwellers take advantage of the Latest Technologies

San Diego Metropolitan Magazine (April 2005)

Downtown Living is a Lesson in Scale

Union Tribune (Jan 2002)

Historic District Goes from Tawdry to its finest hour

Better Homes and Gardens (Fall 1999)

Feature on kitchen

San Diego Home Garden/Lifestyles (Sept. 1998)

Garden of the Year featuring the deck

Downtown Magazine (Sept. 1998)

Feature about Loft Life in downtown

Union Tribune (Aug 1996)

Gaslamp Original

San Diego Magazine (Jan. 1994)

"People Who Will Make a Difference"

Pioneers of the Gaslamp

San Diego Magazine (May 1993)

Cover and 8 page article featuring the townhouse

San Diego Décor and Style (1993)

Featured on ASID Kitchen Tour

TELEVISION FEATURES

Ross Report/Channel (Feb. 1994)

Lynette Jennings Show (Nov. 1999)

Gaslamp Tour

BOOK FEATURES

San Diego's Gaslamp Quarter (2003)

Pages 78 – 79

San Diego Architecture (2002)

Page 56

San Diego Then and Now (2003)

Pages 14 & 15

AWARDS

Gaslamp Quarter Historical Foundation (May 1993)

Historic Preservation Award for "Best Residential Interior"

American Society Of Interior Designers (1993)

Award for Historic Preservation (to Marsha Sewell)

Downtown Partnership (1994) Alonzo Howard Award

Downtown Improvement (to Marsha Sewell)

GASLAMP RENTAL TOWNHOUSE HISTORY

2009		2010		2011	
April	\$345.00	January	\$7,500.00	January	\$6,094.17
May	\$2,316.49	February	\$7,500.00	February	\$7,300.00
June	\$4,485.00	March	\$7,500.00	March	\$8,254.90
July	\$6,143.00	April	\$7,500.00	April	\$4,850.00
August	\$6,186.00	May	\$7,500.00	May	\$3,950.00
September	\$2,143.00	June	\$7,500.00	June	\$7,425.00
October	\$6,030.00	July	\$7,500.00	July	\$11,145.00
November	\$4,992.00	August	\$7,500.00	August	\$8,625.00
December	\$7,500.00	September	\$8,300.00	September	\$9,225.00
Total	\$40,140.49	October	\$7,821.72	2011 Total	\$66,869.07
		November	\$4,896.00		
		December	\$4,602.33		
		2010 Total	\$85,620.05		

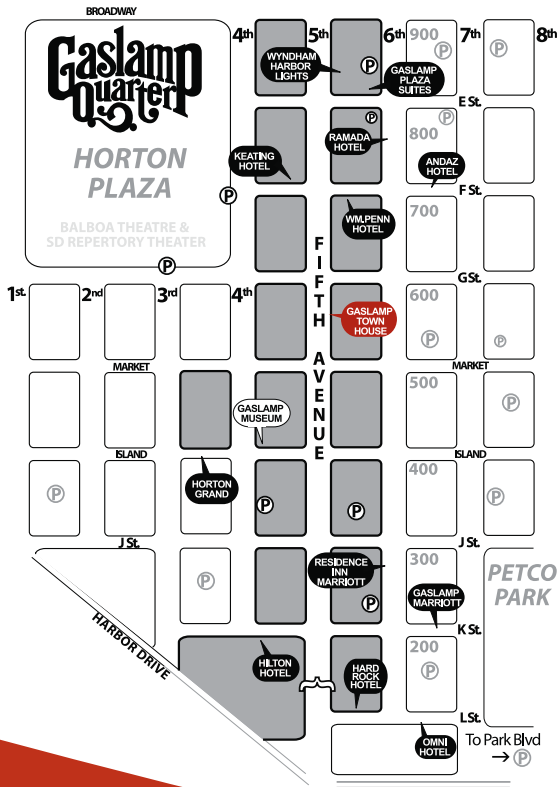
RENT ROLL

SPACE	SF	EXPIRATION	OPTIONS	MONTHLY RENT PSF	ANNUAL RENT	ESCALATIONS
Goorin Bros. Hats	1,964	12/31/2015	1-5 @ FMV	\$4.00	\$94,272.00	2% Fixed Annually
Aemesco, Inc.	1,250	9/30/2011	1-3 @ FMV	\$3.40	\$38,188.80	Tenant is owner, could extend

** Owner could be willing to remain or could vacate at the close of escrow

NOI:	\$132,460.80
Cap Rate:	7.0% \$1,892,297.14

GASLAMP ATTRACTIONS & AMENITIES



APPAREL & FOOTWEAR

- Attic II 920 5th
- Bettie Page Boutique 430 5th
- Boutique Voss 946 5th
- Bubbles... A Unique Boutique 226 5th
- Eden Boutique 520 5th
- Gaslamp Garage 301 5th
- G-Star RAW 470 5th
- Goga by Gordana 401 Mkt
- Goorin Bros. Hats 631 5th
- Haven Boutique 751 5th
- Industry 453, Clothing Boutique 449 5th
- L.A. Rack 545 F St
- Lady Asher Boutique 435 J St
- Lucky Brand Jeans 621 5th
- Mango Clothing 230 5th
- Oakley 460 5th
- Payless Shoe Source 411 Bdwy
- Pink Zone 440 5th
- Quiksilver Boardriders Club 402 5th
- San Diego's Best 363 5th
- SD Trading Co. on 4th 711 4th
- SD Trading Co. on 5th (#1) 534 5th
- SD Trading Co. on 5th (#2) 376 5th
- Skechers 480 5th
- Sportie LA, San Diego 953 5th
- The Lingerie Lounge 431 J St
- The Puma Store 405 5th
- The Shoe Shop 425 Bdwy
- The Shop on 5th 447 5th
- Tribal Gear 944 5th
- Urban Outfitters 665 5th

SERVICES

- ATM/Bank of America 455 Island
- Broadway Internet Café 415 Bdwy
- Broadway Quik Stop 515 Bdwy
- Cine Café & Market 412 K St
- Cricket Wireless Store 989 5th
- Emergency Rm. Convenience Store 538 4th
- European Psychic 927 4th
- Mini-Mart Market 431 Bdwy
- Saco Salon & Hair School 540 6th
- Starbucks Coffee 511 F St
- Starbucks Coffee 345 Mkt
- Suki Day Spa 541 4th
- The Check Cashing Place 945 5th
- The HUB Market 748 6th

FINE ART GALLERIES

- Alexander Salazar Fine Art 640 Bdwy
- Chuck Jones Gallery 232 5th
- Exclusive Collections Gallery 568 5th
- Michael J. Wolf Fine Art 363 5th
- The Art of Tim Cantor 527 4th

SPECIALTIES & ACCESSORIES

- Ace Hardware 675 6th
- American Jewelers 421 Bdwy
- Aztec Pawnbrokers 851 4th
- Beverly Hill Motor Cars 861 5th
- Borders Books, Music & More 668 6th
- Broadway Jewelry & Pawn 523 Bdwy
- Cuban Cigar Factory 551 5th
- Eyes on Fifth 228 5th
- F Street Bookstore 751 4th
- Hatworks 433 E St
- Kidz Garage 363 5th
- Latin Trader 740 5th
- Le Travel Store 739 4th
- Luggage & Sunglasses Etc. 419 Bdwy
- MAC Cosmetics 234 5th
- Max \$1 Store 940 5th
- Palace Loan & Jewelry 951 4th
- San Diego Jewelry & Loan 933 5th
- Shorelines Gallery feat. Sticks 411 Mkt
- So Good Jewelry 450 5th
- Tahiti Felix's Master Tattoo 924 5th
- The Bike Revolution 522 6th
- The Wine Bank 363 5th
- Tiger Jimmy Tattoo Studio 519 Bdwy

HOME FURNISHINGS

- Fourth Ave. Rug Gallery 827 4th
- Kita Ceramics & Glass 517 4th
- Murray Digital / Apple Store 437 Mkt
- Urban Lighting 301 4th

ATTRACTIONS

- Balboa Theatre 868 4th
- William Heath Davis House 410 Island
- Reading Cinemas Gaslamp 15 701 5th
- Philippine Library & Museum 536 5th
- San Diego Repertory Theatre Hrtn Plaza
- The Horton Grand Theatre 444 4th



CONFIDENTIALITY & CONDITIONS

The Cushman & Wakefield Urban Property Group serves as the exclusive listing agent ("Agent") in connection with the solicitation of offers for the purchase of South Park Commercial Center ("Property"). The solicitation and potential sale is to be governed by this Confidential Offering Memorandum, as it may be modified or supplemented ("Offering Memorandum") and the Purchase Agreement governing the sale of the Property. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Prospective purchasers are further advised that the Seller expressly reserves the right, in its sole and absolute discretion, to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in the Offering Memorandum is confidential, furnished solely for the purpose of a review by a prospective purchaser of the Property, and is not to be used for any other purpose or made available to any other person without the express written consent of the Seller or Agent. Prospective purchasers should also conduct their own due diligence, including, but not limited to, engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property or used in the construction or maintenance of the building(s) at the Property.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees or agents, for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of the Offering Memorandum or any prior or subsequent communications from Seller or Agent or their affiliates or any of their respective officers, directors, shareholders, owners, employees or agents as legal, tax or other advice. Prior to submitting an offer, prospective purchasers should consult with their own business advisors, legal counsel and tax professionals to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



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