

GUARANTEED BY DICK'S SPORTING GOODS

GOLF GALAXY

5625 EAST 86TH STREET | INDIANAPOLIS, IN

Video



Actual Store



PEGASUS

Clearwater Springs Shopping Center

Panera BREAD at&t Jersey Mike's SUBS
DAVID'S BRIDAL QDOBA
COLD STONE CREAMERY dressbarn

THE FASHION MALL
AT KEYSTONE
A BIRDA MALL

Subject
Property

GOLF GALAXY

PET SMART
Where Creativity Happens
noodles & company

Castleton Point Shopping Center

TRADER JOE'S
ROSS DRESS FOR LESS FIVE GUYS
BURGERS and FRIES
Be HomeGoods Happy! PAPA JOHN'S
The UPS Store

Castleton Crossing

Burlington five BELOW
TJ-maxx Tuesday Morning
Be HomeGoods Happy! DOLLAR TREE

Castleton Commons

DSB FURNITURE
HAVERTY'S FURNITURE

KREI DXL
MENS APPAREL
MATTRESS FIRM
BUFFALO WILD WINGS

BOB'S DISCOUNT FURNITURE

COURTYARD
Marriott

CHIPOTLE
MEXICAN BOWL
verizon

Hardee's

BEST BUY

Toys R Us



Guitar Center

The Melting Pot

CHASE

TESLA

ALE EMPORIUM

Castleton Square

macy's DICK'S SPORTING GOODS
MEN'S WEARHOUSE
jcpenney H&M AMC THEATRES
VON MAUR sears

Castleton Square Pavilion

the room place OUTBACK STEAKHOUSE
HARBOR FREIGHT TOOLS Quality Tools at Ridiculously Low Prices
Monkey Joe's

GANDER MTN.
WE LIVE OUTDOORS

BRAVO!
CUCINA ITALIANA

ASHLEY FURNITURE HomeStore
JO-ANN fabric and craft stores

Coming Soon
Sapporo Japanese
Steakhouse

LIFETIME FITNESS
COSTCO WHOLESALE

TABLE
OF
CONTENTS

4
EXECUTIVE SUMMARY

9
PROPERTY DETAILS

10
TENANT OVERVIEW

12
MARKET & LOCATION



DEAL TEAM

DAVID CHASIN
Managing Director

david@pegasusinvestments.com
O 310.691.1350 x 101
LIC # 01513027 (CA)

DAYLIN ACKERMAN
Senior Associate

dackerman@pegasusinvestments.com
O 310.691.1350 x 114
LIC # 02011508 (CA)

TONY VEILLER
Associate

tveiller@pegasusinvestments.com
O 310.691.1350 x 113
LIC # 01995952 (CA)

KEN CHASIN
Founder

ken@pegasusinvestments.com
O 310.691.1350 x 100
LIC # 00776468 (CA)



An aerial photograph of a large retail complex, likely a shopping mall or big-box store area. The image shows several large, interconnected buildings with flat roofs, surrounded by extensive parking lots filled with cars. There are landscaped areas with green grass and some trees. In the background, a highway and a body of water are visible. The overall scene depicts a busy commercial district.

EXECUTIVE SUMMARY

OFFERING SUMMARY

Pegasus Investments Real Estate Advisory Inc., as exclusive investment sale advisor to Seller, is pleased to offer a rare opportunity to acquire a newly constructed single tenant net leased Golf Galaxy (lease guaranteed by Dick's Sporting Goods, NYSE: DKS) located in the heart of North Indianapolis' most coveted retail district. Situated at a signalized main entrance to the Castleton Square Mall (owned by SIMON Properties, NYSE: SPG), the property is 100% occupied by Golf Galaxy pursuant to a 10 year lease (7 years remaining, plus options).

Constructed in 2014 using high quality building materials and finishes, the property is 100% occupied by Golf Galaxy, which relocated from an inferior site only a short distance from the current location. Golf Galaxy relocated to the subject site in order to improve its access, visibility and quality of buildout. Potential purchasers should note that the former Golf Galaxy building was quickly leased to Tesla Motors, demonstrating the desirability of the market. Investors will further benefit from the low rental rate being charged to Golf Galaxy, which was a function of the developer having an extremely low basis in the land. Further, the structure of the lease greatly benefits owners seeking minimal accounting and management as there is no reconciliation with the tenant. Simply, the tenant pays fixed CAM as additional rent regardless of the actual operating expenses. The net effect is that there is landlord profit in the CAM payments due to the actual operating costs only being a fraction of the payments received by the tenant.

The lease is executed (and guaranteed) by Golf Galaxy's Fortune 500 parent company, Dick's Sporting Goods, Inc., a publicly traded company (NYSE: DKS) with 852 retail stores and a market capitalization of \$3.65B with roughly \$8B in annual revenues. Through its acquisition of Sports Authority, Golfsmith and Galyan's, Dick's Sporting Goods has expanded to become the undisputed #1 sporting goods retailer in North America.



\$7,450,000
List Price



6.75%
Cap Rate



\$503,285
NOI

The key to this investment is the property's low rent and "A" quality location within an affluent shopping district of Indianapolis. The area is bound by the Fashion Mall at Keystone to the west and the Castleton Square Mall to the east. Major tenants at the Fashion Mall at Keystone include Apple, Tesla, Louis Vuitton, Lululemon, Microsoft, Nordstrom, Microsoft, Saks Fifth Avenue, Cheesecake Factory, Williams Sonoma and West Elm. The Castleton Square Mall, at nearly 1.4 million SF, is the largest and busiest mall in the state Indiana catering to a trade area population of nearly 1.7 million. The area boasts some of the city's strongest and most affluent demographics with 166,156 people and average household incomes of \$89,074/year within a 5-mile radius of the subject property. Indianapolis has been cited by Forbes as one of the fastest growing tech cities in the country. Salesforce.com, Inc.'s largest concentration outside of San Francisco is in downtown Indianapolis.

INVESTMENT HIGHLIGHTS



CORPORATE LEASE BACKED BY FORTUNE 500 COMPANY

The subject property is leased to Golf Galaxy, LLC, which operates 100 locations across 33 states, and is also signed and guaranteed by Dick's Sporting Goods Inc. (NYSE: DKS), a Fortune 500 company expected to do over \$8B in revenue in 2017. Dick's Sporting Goods (Dick's), is a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories through a blend of dedicated associates, in-store services and unique specialty shop-in-shops. In 2007, Dick's acquired Golf Galaxy to independently house the company's specialty retail business focused on the sale of golf equipment and apparel.

RELOCATION STORE WITH SEASONED OPERATING HISTORY

Golf Galaxy relocated to the subject property after a decade of successful operating history in the market, where it had occupied a smaller 26,000 SF box in a neighboring inferior location. Demonstrating the strength of the market, Tesla Motors backfilled the former Golf Galaxy box. Dick's decision to relocate closer to the signalized hard-corner and increase its store size by nearly 50% speaks to the tenant's profitability and belief in the long-term strength and demographics of this market. According to Forbes, the U.S. is the #1 world-wide golf market and golf generates almost \$70B in economic impact in the U.S. annually. Northern Indianapolis remains a hotbed for golf across the entire state of Indiana as exemplified in TopGolf's decision to open the state's first location in Fisher's, just 6 miles from the subject property.

IDEAL, IRREPLACABLE, END CAP LOCATION WITH DEVELOPABLE OUTPARCEL

In late 2014, Golf Galaxy seized the opportunity to develop a trophy quality, brand new, ground-up end cap location at the Castleton Square Pavilion which sits as an outparcel to the Castleton Square Mall. Golf Galaxy sits on a 4.11-acre parcel with an abundant parking field, providing the landlord the future opportunity to develop an outparcel along the coveted E. 86th Street. Located in the most coveted retail pocket in the state of Indiana, the property provides superior access and visibility to the millions of shoppers who annually frequent the regional destination trade area immediately surrounding the property. The Castleton Square Pavilion sits immediately adjacent to the I-465 on/off ramps at Allisonville Road and East 86th Street at the gateway to the Castleton Square Mall. The 1.4 million SF Castleton Square Mall is owned by Simon Property Group (NYSE: PSG) and is the largest and busiest mall in the state driving the highest prices per square foot of any enclosed mall in Indiana.



REPLACABLE RENT & DENSE INFILL MARKET

Situated near the intersection of two major interstates, I-465 and I-69, and the heavily traveled E. 82nd Street, fewer development opportunities exist than ever before as retail, multi-family and office developments have filled in around the subject property and Castleton Square Mall. The immediate trade area has seen strong recent backfill of large boxes as evidenced by the entrance of high-quality tenants to the market such as Tesla (who back-filled the old Golf Galaxy), REI (who opened its first ever Indiana store in the neighboring shopping center), Dave and Buster's and Haverty's Furniture (located along the ring road to the mall), Kittle's redevelopment of its site at the corner of 86th St. & Allisonville Rd., Bob's Furniture's backfill of the Rooms Express site across the street, and new outparcels being constructed in front of the Costco along 86th. The lack of land and available relocation boxes in the market combined with irreplaceable real estate and high quality construction will provide investors a highly-sought after, marketable space with replaceable rent.

RARE, YET BENEFICIAL CO-LOCATION

In 2004, Dick's acquired Galyan's which occupied one of the five anchor locations at the Castleton Square Mall, roughly one-half mile from where the subject property sits. Dick's recent corporate decision to open a new Golf Galaxy location within such close proximity to its pre-existing Dick's store speaks to the company's confidence and seasoned operating history at this location. In fact, Golf Galaxy same store sales growth has exceeded the same store sales growth of Dick's Sporting Goods over the last several quarters according to the company's public filings. Further, the company estimates that approximately 80% of the its eCommerce sales are generated within brick and mortar store trade areas.

SURVIVAL OF THE FITTEST

Dick's, the industry leading sports retailer, has emerged triumphant from the consolidation in the retail sporting goods space over the last two years. The company's conservative behavior, strong balance sheet and strategic planning have secured its position as #1. Wells Fargo analyst Ike Boruchow wrote in a note to clients that the outlook for the sporting goods retailer is only improving as industry trends from a higher level appear to be stabilizing. The company operates 719 Dick's Sporting Good's Stores, a 41% increase in store count over the last 5 years. In 2016, Dick's purchased the intellectual property and inventory of Sports Authority and Golfsmith. In May 2017, Dicks announced the opening of 36 new Golf Galaxy locations across 16 states. In October 2017, the company announced that it plans to reduce the rate of new store openings moving forward and will continue to focus on locating in the best possible real estate in proven markets.



ANNUALIZED OPERATING DATA

CALENDAR YEAR 2018	\$ / Year	\$ / Year
Annual Base Rent	\$453,975	\$12.95
CAM Reimbursements	\$59,150	\$1.69
Expenses	(\$9,840)	(\$0.28)
Net Operating Income	\$503,285	\$14.36

TENANT SUMMARY

Lessee Name	Golf Galaxy, LLC, a Minnesota Corporation
Lease Guarantor	Dick's Sporting Goods, Inc., a Delaware Corporation
Type of Ownership	Fee Simple
Lease Type	NNN w/ Fixed CAM Reimbursements
Property Taxes	Tenant Responsible
Insurance	Tenant Responsible
Roof and Structure	Landlord Responsible, New Roof Installed 2015 w/ 15 Year Warranty
Term Remaining	7 Years
Rent Commencement Date	9/17/2014
Lease Expiration Date	1/31/2025
Increases	Fixed 4% Annual CAM Reimbursement Increases
Options	Four, 5-Year Options + \$0.50/SF Every Five (5) Years

PROPERTY DETAILS



Golf Galaxy
Property Name



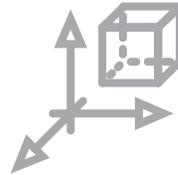
49-02-21-120-019.000-800
APN



± 35,056 SF
Gross Leasable Area



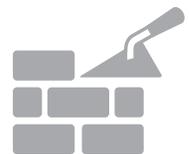
5625 East 86th Street
Indianapolis, IN 46250
Address



Z001
Zoning



± 4.11 Acres
(179,031 SF)
Lot Size



2014
Year Built



± 224 Surface Spaces
6.39: 1,000 SF

OUTPARCEL
DEVELOPMENT
OPPORTUNITY

TENANT REPORT

GOLF GALAXY

A WHOLLY OWNED SUBSIDIARY OF



DICK'S SPORTING GOODS

Public | NYSE: DKS

www.dickssportinggoods.com

# of Locations	± 719
# of Employees	± 40,500
Headquartered	Pittsburgh, PA
Year Founded	1948

DICK'S SPORTING GOODS

DICK'S Sporting Goods, Inc. is known as the biggest name in big box retail sporting goods and is a leading omni-channel sporting goods retailer. Stores offer an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories. The company operates more than 690 DICK'S Sporting Goods locations across the United States; It also owns and operates Golf Galaxy and Field & Stream specialty stores as well as DICK'S Team Sports HQ, a youth sports digital platform.

GOLF GALAXY

Owned and operated by Dick's Sporting Goods, Golf Galaxy is a specialty golf retailer that offers a broad assortment of golf equipment, apparel, accessories, footwear and gifts from leading brands for golfers of various ages and abilities. Upon opening its first store in 1997, Golf Galaxy quickly and easily differentiated itself from other golf retailers by becoming the world's first and only interactive golf store, offering superstore selection and pricing with pro shop knowledge and service. Golf Galaxy prides itself on its world-class selection of premier merchandise brands, which include Callaway Golf, TaylorMade, Cobra, Cleveland, PING, Titleist, Ashworth, Greg Norman, Nike Golf, Adidas, and FootJoy.



DECADES OF PROVEN OPERATING HISTORY IN THE #1 RETAIL MARKET IN THE STATE OF INDIANA PROVIDED AN IDEAL SCENARIO FOR DICK'S TO RELOCATE AND CONSTRUCT THIS NEW FLAGSHIP GOLF GALAXY WITHIN CLOSE PROXIMITY TO DICK'S SPORTING GOODS AT THE CASTLETON SQUARE MALL.



STRONG DEMAND: TESLA NOW OCCUPIES FORMER GOLF GALAXY



MARKET & LOCATION

INDIANAPOLIS, INDIANA

Located in the heart of Indiana, Indianapolis is the state's capital and most populous city. The capital city is the core city of the Indianapolis-Carmel MSA, Central Indiana's major metropolitan area. Throughout the last two decades, Indianapolis has seen a faster population growth than both the state of Indiana and the nation as a whole. Today, it is one of the largest cities in the United States, with more than 2 million people living in the metropolitan area.

#2

SOFTWARE JOB GROWTH AT

32%

- INDIANA BUSINESS JOURNAL



A GROWING TECH HUB

Indianapolis has seen significant growth in the software industry and other STEM (Science, Technology, Engineering and Math) fields as employment in STEM has increased 18% since 2006. A "surprising up and comer" as put by Forbes, Indianapolis has seen tech giants such as Salesforce.com at the forefront of the tech growth with the addition of 800 jobs to its already 1,600 person Indianapolis office; Indy is the largest Salesforce hub outside of San Francisco, California.

ECONOMIC SNAPSHOT

As the state capital, Indianapolis has historically oriented itself around government. Industry, particularly advanced manufacturing, has also played a significant role in the city's economy. Today, Indianapolis has a much more diversified economy, contributing to the fields of education, health care, and finance. Indianapolis is home to more than 700 businesses, including the global headquarters for companies such as Eli Lilly and Company, Anthem Inc., Calument Specialty Products Partners, Dow AgroSciences, and ExactTarget.

The region's sustainable and vigorous business climate is fostering new development; in 2016, the expansion and attraction project announced are anticipated to add over 11,000 jobs and inject \$1.2B in capital investment to the region. A showcase for publicly coordinated and funded urban renewal, Indianapolis benefits from its city/county "Unigov" government system's efficiency for coordinated planning and public redevelopment efforts. The vastly renewed downtown core boasts attractive new buildings, pedestrian zones, and a state-of-the-art sports arena.



TOP EMPLOYERS

IU Health

St. Vincent Hospitals & Health Center

Eli Lilly and Company

Community Health

Wal-Mart



CASTLETON, INDIANA

Approximately twelve miles northeast of downtown Indianapolis, Castleton is the suburban neighborhood in which the subject property is located. Once a railroad stop, Castleton has recently emerged into a thriving business, retail and cultural hotspot and a popular suburban neighborhood. Castleton is primarily suburban

in nature as it is home to more than 40,000 northeast-side Indianapolis residents. The affluent community, which is heavily influenced by the retail industry and offers an endless amount of shopping opportunities, is considered the retail epicenter of the surrounding neighborhoods.

“THE FASHION MALL AT KEYSTONE. THE PREMIER LUXURY SHOPPING DESTINATION FOR THE INDIANAPOLIS METRO AREA, AND INDIANA.”

- SIMON PROPERTY GROUP



CASTLETON SQUARE MALL

Adjacent to the subject property, Castleton Square Mall is a 1.4 million SF super regional mall owned by SIMON Properties. Castleton Square Mall is the second largest and the first busiest mall in the state of Indiana. Anchored by Macy’s, Von Maur, JC Penney, H&M, Dick’s Sporting Goods and AMC Theatres, the center features over 130 additional shops and services. Additionally, the mall enjoys an excellent mix of out-parcels and surrounding retail shopping centers, including major national retail tenants such as Costco, Gander Mtn., Tesla, Golf Galaxy, REI, and Best Buy among many other restaurants and services.

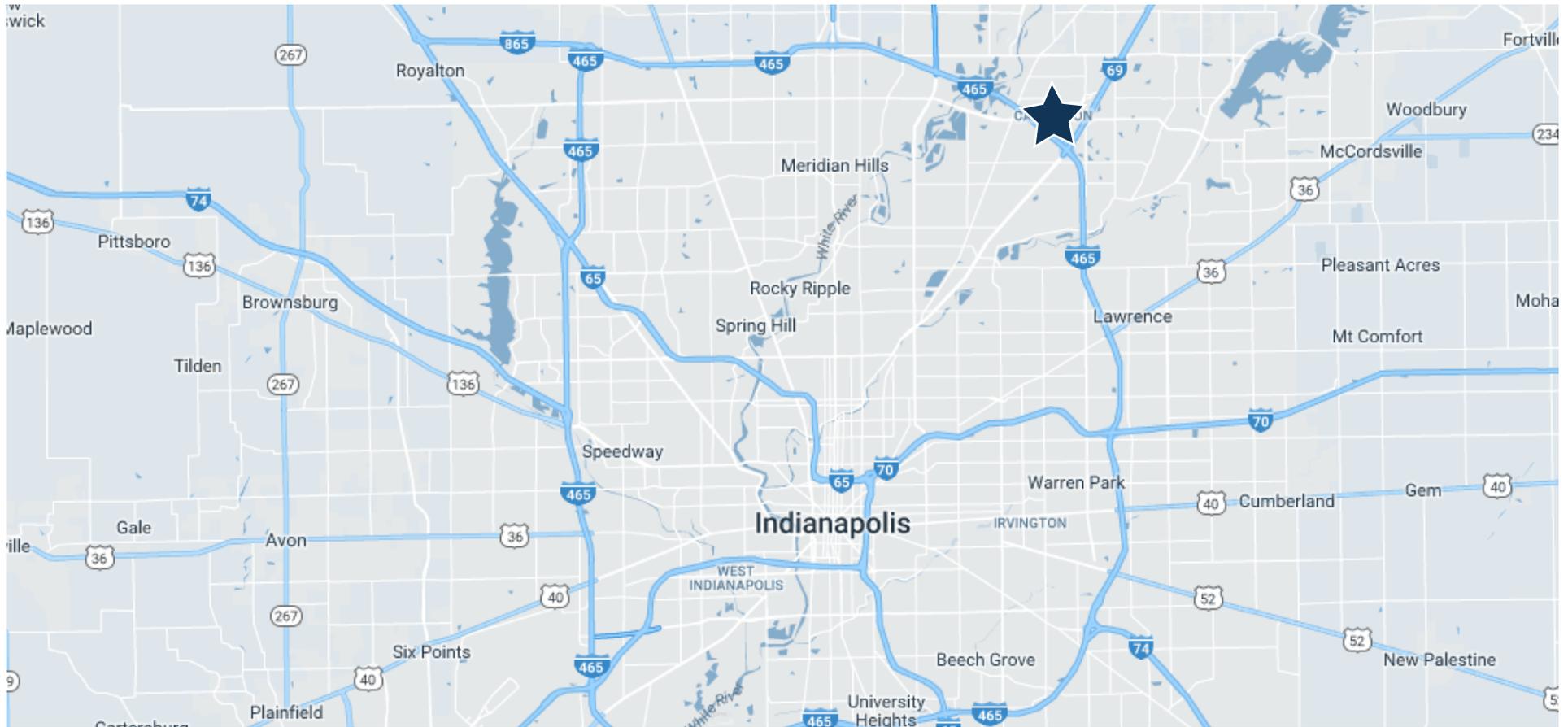


THE FASHION MALL AT KEYSTONE

Also owned by SIMON Properties, the Fashion Mall at Keystone is the premier luxury shopping destination for the Indianapolis metropolitan area and the whole state of Indiana. The +700,000 SF shopping center is less than 3 miles from the subject property, boasting a unique mix of high-end anchors, most notably Saks Fifth Avenue and Nordstrom, alongside top brands and luxury specialty retailers such as Burberry and Louis Vuitton. In total there are some 120 retailers at The Fashion Mall at Keystone.

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2022 Projection	7,916	59,089	174,718
2017 Estimate	7,573	56,626	166,156
Growth 2017 - 2022	4.53%	4.35%	5.15%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2022 Projection	4,331	27,808	77,001
2017 Estimate	4,139	26,671	73,334
Growth 2017 - 2022	4.64%	4.26%	5.00%
INCOME	1-MILE	3-MILE	5-MILE
2017 Est. Average Household Income	\$63,050	\$82,241	\$89,074



COMMUNITY HOSPITAL NORTH

About two miles east of the subject property, Community Hospital North is a run by Community Health Network, one of the nation's most integrated healthcare systems and Indiana's leading healthcare service provider. Community Health Network is a non-profit health system that has been serving the people of Hamilton County and the north side of Indianapolis for more than 30 years. Strongly tied and committed to the community, Community Hospital North maintains a patients first focus. The depth and breadth of services offered at the Community Hospital North campus in Castleton have expanded greatly through the years. This past year, the hospital opened a new, upgraded 65,000 SF space for women's clinical services for \$6M and put the remaining \$34M of the budget towards patient care.



GOLF GALAXY

5625 EAST 86TH STREET | INDIANAPOLIS, IN



DEAL TEAM

DAVID CHASIN

Managing Director

david@pegasusinvestments.com
O 310.691.1350 x 101
LIC # 01513027 (CA)

DAYLIN ACKERMAN

Senior Associate

dackerman@pegasusinvestments.com
O 310.691.1350 x 114
LIC # 02011508 (CA)

TONY VEILLER

Associate

tveiller@pegasusinvestments.com
O 310.691.1350 x 113
LIC # 01995952 (CA)

KEN CHASIN

Founder

ken@pegasusinvestments.com
O 310.691.1350 x 100
LIC # 00776468 (CA)

CONFIDENTIALITY & DISCLAIMER STATEMENT

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pegasus Investments and should not be made available to any other person or entity without the written consent of Pegasus Investments. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. Pegasus Investments has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition of the business prospects of any tenants, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Pegasus Investments has not verified, and will not verify, any of the information contained herein, nor has Pegasus Investments conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Some or all of the photographs contained within may have been altered from their original format. All potential buyers must take appropriate measures to verify all of the information set forth herein.

ABOUT PEGASUS INVESTMENTS

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.



PEGASUS

PEGASUS INVESTMENTS
1901 Avenue of the Stars, Suite 630
Los Angeles, CA 90067

www.pegasusinvestments.com
310.691.1350

PEGASUS INVESTMENTS REAL ESTATE ADVISORY

LIC # 01961545

DAVID CHASIN

Managing Director

david@pegasusinvestments.com
O 310.691.1350 x 101
LIC # 01513027 (CA)

KEN CHASIN

Founder

ken@pegasusinvestments.com
O 310.691.1350 x 100
LIC # 00776468 (CA)

TREVOR NELSON

Managing Director

tnelson@pegasusinvestments.com
O 310.691.1350 x 104
LIC # 01495150 (CA)

BRAD KRITZER

Executive Vice President

bkritzer@pegasusinvestments.com
O 310.691.1350 x 106
LIC # 01918111 (CA)

KEVIN SHELburn

Senior Vice President

kshelburn@pegasusinvestments.com
O 310.691.1350 x 105
LIC # 01861409 (CA)

DAYLIN ACKERMAN

Senior Associate

dackerman@pegasusinvestments.com
O 310.691.1350 x 114
LIC # 02011508 (CA)

KATHERINE WEAVER

Senior Associate

kweaver@pegasusinvestments.com
O 310.691.1350 x 115
LIC # 02004937 (CA)

TONY VEILLER

Associate

tveiller@pegasusinvestments.com
O 310.691.1350 x 113
LIC # 01995952 (CA)

MICHAEL SPECTOR

Director of Sales & Operations

mspector@pegasusinvestments.com
O 310.691.1350 x 109
LIC # 01969966 (CA)

TALIA TONTI

Office Manager

ttonti@pegasusinvestments.com
O 310.691.1350 x 108

ANDI BUSTAMANTE

Marketing Associate

abustamante@pegasusinvestments.com
O 310.691.1350 x 116

PEGASUS ASSET MANAGEMENT

LIC # 01961545

SETH BELL

Vice President

sbell@pegasusinvestments.com
O 310.691.1350 x 1002

JUSTIN HERMAN

Asset Manager

jherman@pegasusinvestments.com
O 310.691.1350 x 1003

JONATHAN KHOURY

Portfolio Accountant

jkhoury@pegasusinvestments.com
O 310.691.1350 x 1004
LIC # 01957203 (CA)

GREG ASTOR

Asset Manager

gastor@pegasusinvestments.com
O 310.691.1350 x 1005
LIC # 02021777 (CA)

PEGASUS CAPITAL MARKETS

LIC # 01950432

CHAD BUELOW

Managing Director

cbuelow@pegasuscre.com
O 310.691.1350 x 111
LIC # 01854509 (CA)

TYLER JOHNSON

Vice President

tjohnson@pegasuscre.com
O 310.691.1350 x 112
LIC # 01947197 (CA)

JACK YODER

Analyst

jyoder@pegasuscre.com
O 310.691.1350 x 117