



PEGASUS



MINUTES FROM 7 WORLD-RENOWNED SKI RESORTS

Walgreens

Video



269 DILLON RIDGE ROAD | DILLON, CO

OFFERING MEMORANDUM

The Road To

VAIL Beaver Creek,
 COPPER MOUNTAIN

Breckenridge Frisco

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Lake Dillon



PEGASUS

**SALES UP 40% SINCE 2011 AND WELL ABOVE
NATIONAL AVERAGE**



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EXECUTIVE SUMMARY

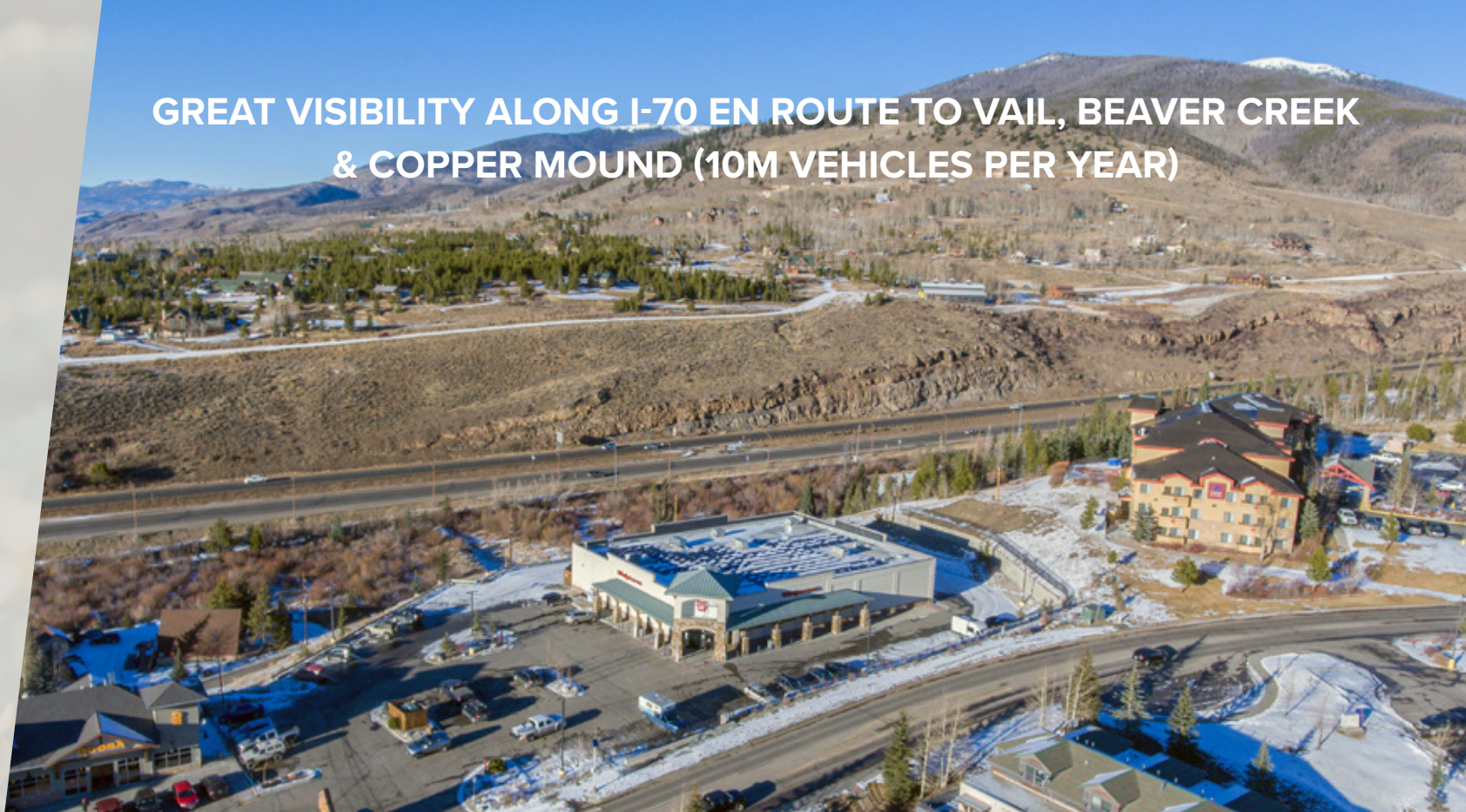
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Executive Summary



**GREAT VISIBILITY ALONG I-70 EN ROUTE TO VAIL, BEAVER CREEK
& COPPER MOUND (10M VEHICLES PER YEAR)**

Offering Summary

Pegasus Investments, as exclusive investment sale advisor to seller, is pleased to offer a once in a lifetime generational quality asset leased to the Walgreens Corporation in the city of Dillon, Colorado. Dillon is a resort destination west of Denver off Interstate 70 within the Rocky Mountains that serves as a conduit to world renown ski resorts such as Vail, Breckenridge, Keystone Copper Mountain and Aspen. The subject property is the only freestanding Walgreens within forty miles and includes a highly coveted drive-thru. Its nearest national competitor is an in-line CVS at a Target which is a mile and a half off the freeway ramp. Over the last five years sales at the subject property have increased year over year (+40% since 2011) and currently stand well above the average store sales of a Walgreens.

The corporate backed absolute triple net lease has over 15 years of firm term remaining with ten 5-year options to extend. There are no landlord responsibilities whatsoever.

Walgreens currently trades on the NASDAQ under the ticker "WBA" and is the largest drug store in the nation by store count at 10,200 after it recently acquired 2,200 Rite Aid stores. The company's current market capitalization exceeds \$74B.

Financial Highlights



\$7,740,000
List Price



5.25%
Cap Rate



\$406,382
NOI

Investment Highlights

ADJACENT TO KEYSTONE, VAIL, BRECKENRIDGE, BEAVER CREEK AND COPPER MOUNTAIN

Multiple world class ski and golf resorts are surrounding and within a 45-minute drive from the subject property. Dillon serves as one of only a handful of cities on the I-70 containing food, fuel, limited service hotels and a significant retail component, including a grocery store, freestanding Lowe's, Target and the Outlets at Silverthorne.

BRECKENRIDGE AND VAIL ARE THE #1 AND #2 MOST VISITED MOUNTAIN RESORTS IN THE US IN 2015/16

World-renowned ski resorts such as Vail, Breckenridge, Copper Mountain and Keystone are anywhere from 15 to 45 minutes away from the subject property. Interest in the area is strong, evidenced by the 2015 – 2016 ski season, which set a never seen before visitor count of 13 million.

NO NEARBY COMPETITION – THE NEAREST WALGREENS IS 40 MILES AWAY; ZERO FREESTANDING CVS STORES

Heading west out of the Greater Denver Area and into the mountains, the subject property is the only freestanding drug store for 50 miles. The next Walgreens is 40 miles west in the town of Avon, making Dillon an essential location for the tenant.

EXTREMELY HIGH BARRIERS FOR NEW COMPETITION

New development is limited due to the lack of commercial zoning and a strict enforcement from the local planning & environmental commission and the Colorado Park & Wildlife/Forestry Services. The combination of these factors and the location among the Rocky Mountains limit the future competition and development of surrounding retail.

ADJACENT TO THE FAMOUS OUTLETS AT SILVERTHORNE

In 2005, Craig Realty Group purchased the Outlets at Silverthorne and invested nearly \$20 million dollars in improvements for the center. The Outlets at Silverthorne offers a unique shopping experience nestled in the scenic Rocky Mountains, just a short one-hour drive from Denver directly off of I-70. The outlets are spread across three separate villages and include The Colorado Welcome Center at Green Village.



Eisenhower Tunnel

+10M

VEHICLES TRAVEL THROUGH DILLON ANNUALLY VIA I-70, WHICH IS COLORADO'S MAIN EAST-WEST TRANSPORTATION CORRIDOR

Lake Dillon



Subject Property



MOUNTAIN STYLE FREESTANDING ARCHITECTURE WITH DRIVE-THRU

Due to topographical, geographical and strict local ordinances, the subject property has significant intrinsic value as the building was constructed to city specific architectural standards. These complexities, alongside the stores strong performance, make relocating unlikely.

ABSOLUTE NNN LEASE WITH ZERO LANDLORD OBLIGATIONS

The corporate backed lease by the world's largest drug store by volume has no responsibilities whatsoever for the landlord. The roof, structure and parking lot are all maintained, repaired and replaced by the tenant. This bondable lease structure allows for the most passive type of ownership in real estate.

EXCEPTIONALLY STRONG STORE SALES WITH YOY INCREASES FOR THE PAST FIVE YEARS

Since 2011 the store sales have increased year over year. The total increase from 2011 – 2016 is nearly 40%. The sales volume is well above customarily acceptable range for Walgreens. Please contact the broker for exact numbers.

CORPORATE GUARANTEE FROM WALGREENS BOOTS ALLIANCE (NASDAQ: WBA) \$74B MARKET CAP

The Lessee is Walgreens Company, the nation's largest drug store with approximately 10,200 stores. As of January 2018, the market valuation of Walgreens exceeds \$74B.

**ONLY FREESTANDING WALGREENS
WITHIN 40 MILES**



Tenant Summary

Lessee Name	Walgreens
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof and Structure	Responsible
Term Remaining	± 15.5 Years
Rent Commencement Date	7/1/2008
Lease Expiration Date	6/30/2033
Increases	None
Options	Ten, 5-Year Options

The Site



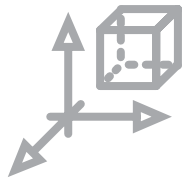
Walgreens
Property Name



269 Dillon Ridge Road
Dillon, CO 80435
Address



6513002
APN



DMU
Zoning



*Property
Description*



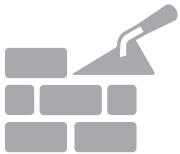
SHARES ACCESS WITH CITY MARKET, REI, STARBUCKS, PETCO AND BED BATH & BEYOND



± 14,353 SF
Gross Leasable Area



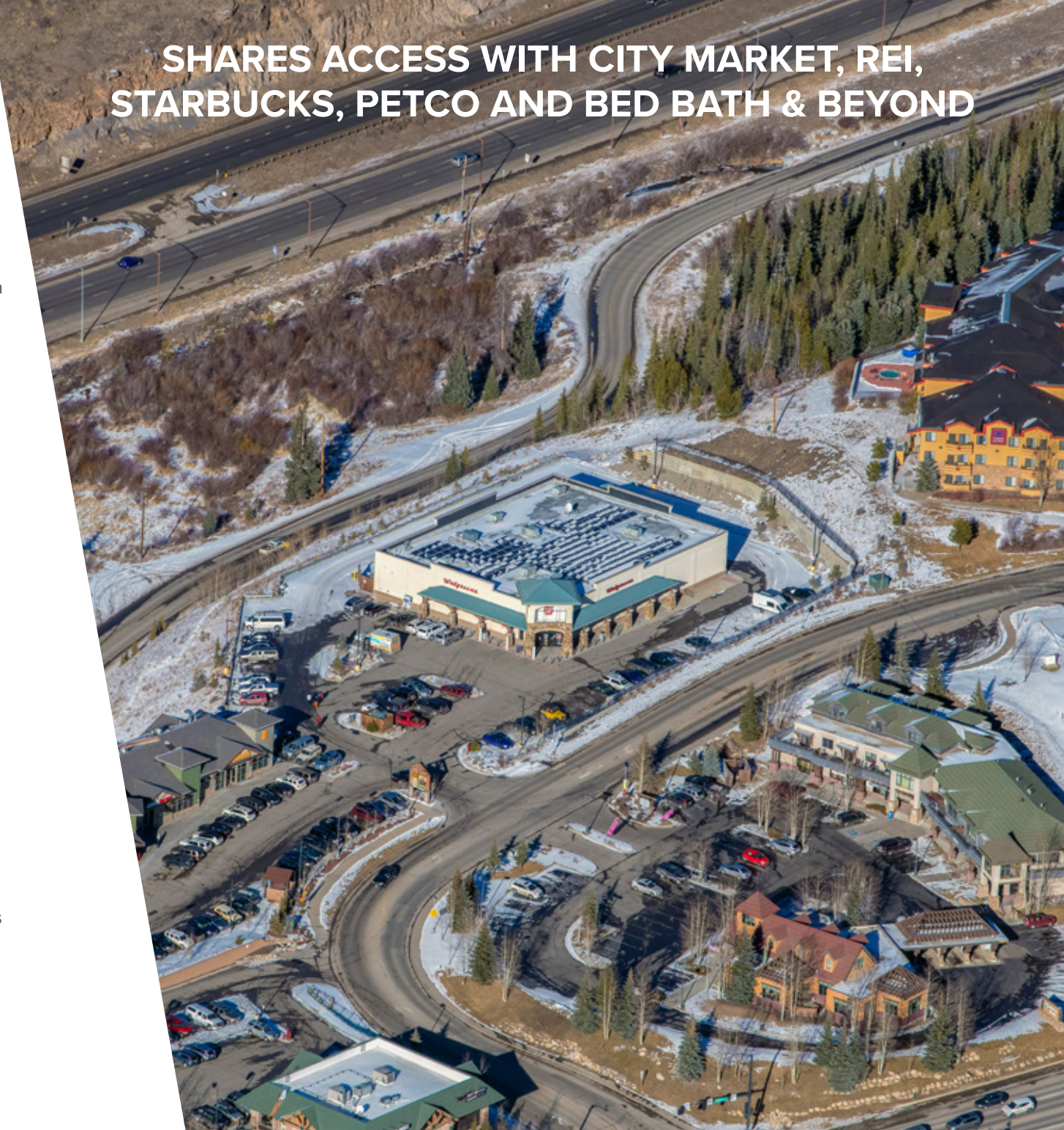
± 2.47 Acres
(107,473 SF)
Lot Size



2008
Year Built



± 69 Surface Spaces
4.80: 1,000 SF



10

Tenant Overview

Walgreens

Walgreens

Public | NASDAQ: WBA
www.walgreens.com

# of Locations (all)	± 10,200
# of Employees (all)	± 336,000
Headquartered	Deerfield, IL
Year Founded	1901



\$74.653 B
MARKET CAP

Overview

Walgreen Co., a subsidiary of Walgreens Boots Alliance, Inc., owns and operates one of the largest drugstore chains in the United States, Walgreens, with almost 10,200 store locations. Walgreens drugstores are located within 5 miles of approximately 76 percent of Americans, offering everything from prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. Prescription drugs are the company's economic backbone, accounting for 67% of sales with retail products accounting for 33%.

STRATEGICALLY SITUATED ON A VISIBLE PROMONTORY ADJACENT TO I-70





Walgreens Boots Alliance, Inc.

In December 2014, Walgreens completed its strategic merger with Alliance Boots to establish Walgreens Boots Alliance, Inc., forging the first global pharmacy-led, health and wellbeing enterprise. The combination brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through community pharmacy care and pharmaceutical wholesaling. Both companies have more than a century's worth of experience in customer and patient care. Walgreens is today part of the Retail Pharmacy USA division of Walgreens Boots Alliance.

The Nation's #1 Drugstore Chain

Walgreens' mission is to be America's most-loved pharmacy-led health, well-being and beauty retailer. With a focus on consumer need and satisfaction, Walgreens works to offer ultimate convenience to all its patrons. Walgreens is constantly working to build a seamless customer experience as it is a trusted wellness provider that supplies customers, patients, and payers with everything from acute prescriptions and vaccinations to specialty pharmaceuticals and wellness services. The company also strives to deliver exceptional customer and patient care and drive the finest customer loyalty.



\$95,489

2017 Est. Average
Household Income
(3-Mile Radius)

Subject Property

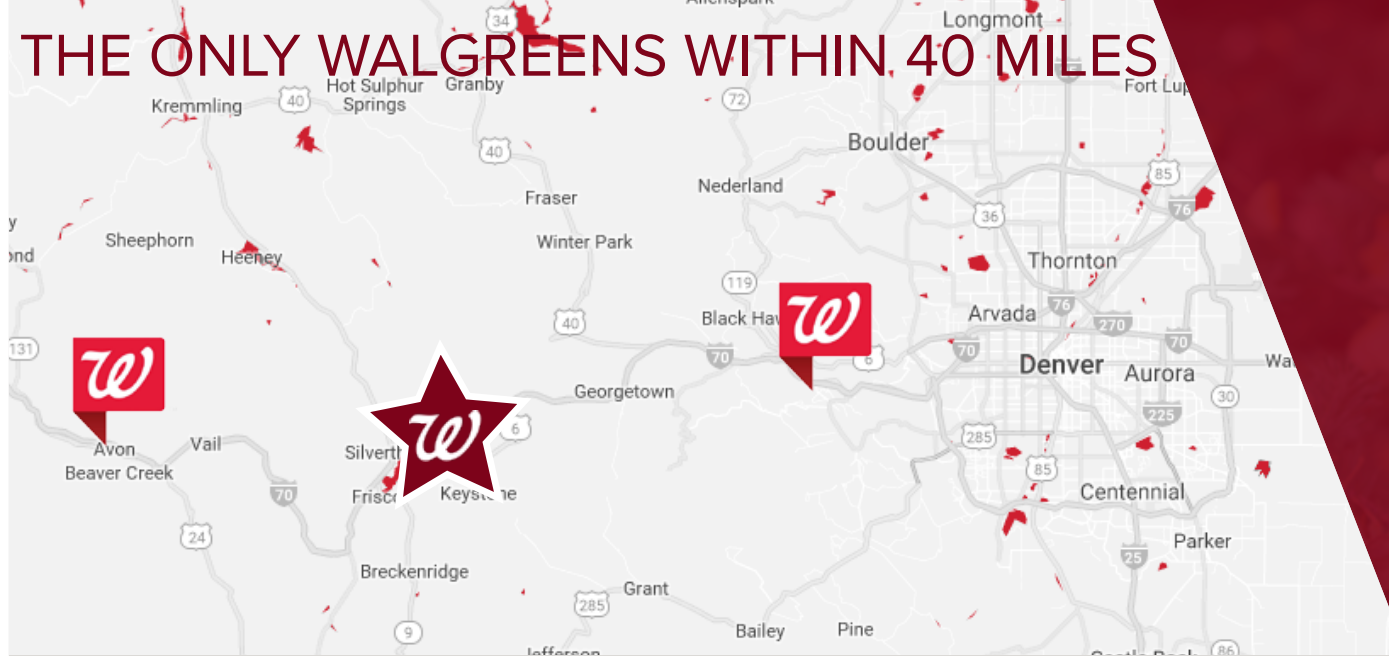
Market Area & Location

Dillon, Colorado

Located in the heart of Summit County about an hour west of Denver, Dillon, Colorado is a well-designed mountain community that is known to be the perfect home-base for winter adventure. With easy access to seven major ski resorts, Dillon is uniquely situated to capitalize on surrounding natural and community amenities. Shops and restaurants are easy to come by in Dillon, as the town features all the comfort and charm of a mountain getaway. Dillon's Mountain Lake-style community is ideally suited for smaller living and work spaces, clustered within the town core area.

Surrounded by abundant shopping and outdoor recreation opportunities, visitors flock to Dillon all year-round. In addition to a large visitor base, Dillon, alongside adjacent Silverthorne, enjoys Summit County's largest population of year-round residents, adding a consistent and valuable customer base for the area's businesses.

THE ONLY WALGREENS WITHIN 40 MILES



Local Economy

As a focal point to the surrounding communities in Colorado's Rocky Mountain Resort Region, Dillon is the preferred location for new and existing businesses. More and more enterprises are finding the riverfront mountain town to be a strategic setting for their success. The town's Mountain Lakestyle community offers a particularly unique opportunity for developers interested in investing in dense living and work spaces within Dillon's Town Center.

A robust mix of thriving local businesses accompany a high quality of life in Dillon, making for a skilled workforce and an unbeatable demographic. These invaluable underpinnings are distinctive to the area's economy and Dillon's economic development initiatives.

Property Demographics

POPULATION	3-MILE	5-MILE	HOUSEHOLDS	3-MILE	5-MILE
2022 Projection	13,411	21,381	2022 Projection	5,416	8,792
2017 Estimate	12,064	19,309	2017 Estimate	4,885	7,966
Growth 2017 - 2022	11.17%	10.73%	Growth 2017 - 2022	10.87%	10.37%

11.54%
Growth 2017 - 2022
(1-Mile Radius)

INCOME	3-MILE	5-MILE
2017 Est. Average Household Income	\$95,489	\$88,898

Tourism

Supported by its world class ski resorts and diverse landscapes, the Colorado Rocky Mountain Resort Region is an international hub of year-round tourism and outdoor recreation. The local ski industry in particular is responsible for contributing \$4.8B annually to the Colorado's economy, comprising roughly a quarter of the state's overall tourism dollars.



Steamboat
90 Miles

The Outlets at Silverthorne

Just west of the subject property, the Outlets at Silverthorne is an upscale regional outlet that recently underwent a \$20M renovation upon being acquired by Craig Realty Group. The outlet is easily accessible via free public transportation and is a major guest attraction, drawing tens of thousands of customers to the area each year.

The Outlets at Silverthorne offers a unique shopping experience throughout its walkable three villages, which are set against the scenic Rocky Mountains and along winding the Blue River. A place where visitors can take advantage of up to 70% off retail, the Outlets at Silverthorne feature an impressive collection of name brand stores such as Nike, Polo Ralph Lauren, Guess, GAP, Coach, Banana Republic, J Crew, and Columbia.



The UPS Store
QDOBA noodles

COMFORT SUITES

KREI

INTERSTATE 70

City Market

BED BATH & BEYOND

petco
where the healthy pets go

Ruby Tuesday
SIMPLY FRESH AMERICAN DINING

Starbucks
JIMMY JOHN'S
CHIRAYO

US BANK

OfficeMax

Super 8

Arby's

Outlets at Silverthorne

Hampton Inn & Suites

Tuesday Morning

McDonald's

Pizza Hut
BURGER KING

QUALITY INN

Days Inn

Outlets at Silverthorne

Wendy's

7-Eleven

Outlets at Silverthorne

Ford

INTERSTATE 70

DUNKIN' DONUTS

UNITED STATES POSTAL SERVICE

Auto Zone

TARGET

CHIPOTLE MEXICAN GRILL
WHICH WICH SUPERIOR SANDWICHES
ROCKY MOUNTAIN CHOCOLATE FACTORY

Lake Dillon

The Resorts

BRECKENRIDGE SKI RESORT (25-MINUTE DRIVE FROM DILLON)

Breckenridge is the single most visited mountain resort in the United States for the 2015/2016 ski season. With five peaks and the highest chairlift in North America, Breckenridge's unparalleled terrain parks are recognized worldwide.

VAIL MOUNTAIN (36-MINUTE DRIVE FROM DILLON)

Vail is the second most visited mountain resort in the U.S. for the 2015/2016 ski season. Offering some of the most expansive and varied terrain in North America, Vail Mountain features approximately 5,300 skiable acres including seven world renowned back bowls and the resort's rustic Blue Sky Basin.



KEYSTONE RESORT (24-MINUTE DRIVE FROM DILLON)

Keystone Resort is the fourth most visited mountain resort in the U.S. for the 2015/2016 ski season. Home to the highly renowned A51 Terrain Park, as well as the largest area of night skiing in Colorado, Keystone offers guests a unique skiing opportunity through guided snow cat ski tours accessing five bowls.

BEAVER CREEK RESORT (50-MINUTE DRIVE FROM DILLON)

The seventh most visited mountain resort in the U.S. for the 2015/2016 ski season, Beaver Creek is a European-style resort with multiple villages and includes a world-renowned children's ski school program focused on providing a first-class experience with unique amenities such as a dedicated children's gondola. Beaver Creek also annually hosts the only North American men's World Cup downhill races.

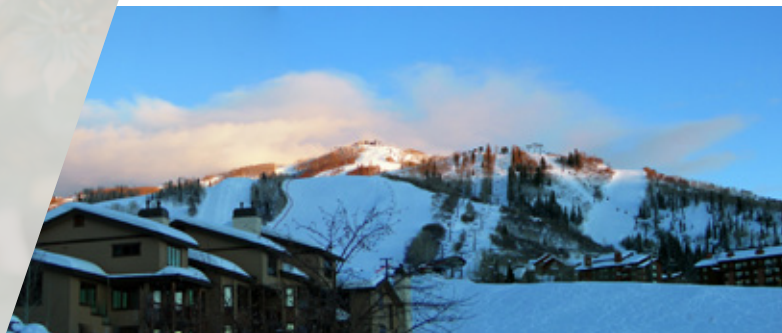




JUST MINUTES FROM VAIL, BRECKENRIDGE AND KEYSTONE, DILLON OFFERS A NUMBER OF CONDOMINIUM RENTALS AND LIMITED SERVICE HOTELS FOR SNOW RIDERS

COPPER MOUNTAIN RESORT (21-MINUTE DRIVE FROM DILLON)

Best known for its world-class skiing and snowboarding terrain, Copper Mountain is a mountain and ski resort that consists of three pedestrian-only villages and 2,465 acres of naturally divided terrain. Copper Mountain offers expert skiers and snowboarders four challenging bowls, acres and acres of high alpine extreme terrain, technical glades, moguls and long, sustained black trails.



STEAMBOAT RESORT (1.5-HOUR DRIVE FROM DILLON)

Steamboat Resort is one of North America's top family resorts internationally known winter ski resort destination acclaimed for its legendary Champagne Powder snow and Olympian tradition. Also known as Steamboat-Ski Town, USA, Steamboat features 3,000 skiable acres throughout six peaks and four terrain parks.



Dillon Marina

Surrounded by a breathtaking mountainous backdrop of the Rocky Mountains, the Dillon Marina is famous for being the highest deep-water marina in North America. Lake Dillon is the largest lake in the area, featuring 26 miles of shoreline and magnificent mountain vistas.

At almost 2 miles above sea level, the Dillon Marina offers the high country's only lakeside dining and convenient access to shopping, lodging, and the Town of Dillon. Residents and visitors alike can take advantage of two marinas and their multiple boat-launch ramps, where they can rent rigs, take charter cruises or partake in sailing school in the summer season. On these "blue bird sky" weekends, the Dillon Marina hosts exciting sailing regattas and other boating events for fun and sport, providing other outdoor recreational opportunities centered around the lake.

The Dillon Amphitheater

On the shores of Lake Dillon, the Dillon Amphitheater stands as a central piece to the town core. Widely thought of as one of the best performance venues in Summit County, the amphitheater plays host to numerous events throughout the year, including the community's popular series of free summer concerts that draw attendance figures in the thousands and bring an extensive variety of acts to Summit County, ranging from funk and rock to country and jazz.

Moving forward with plans for extensive improvements to its waterfront amphitheater, Dillon began construction on the year-long, \$8.4M renovation process in July 2017. Altogether, the project includes a newly constructed stage, additional restrooms, concession buildings, new lighting, earthwork and retaining walls, along with storm, sewer and utility work, and ADA-approved handrails, guardrails and ramps, and a new space for parking up to 66 bicycles. The new stage will come with increased loading and unloading capabilities and have a greenroom for performers. The upper level will include a concessions and festival plaza area.



Dillon Amphitheater - Architectural Rendering

Walgreens

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PEGASUS



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.



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