



PEGASUS
INVESTMENTS



ADJACENT TO THE REGION'S #1 PERFORMING SHOPPING DESTINATION

Video



VITAMIN SHOPPE & SLEEP NUMBER

1315 EAST BATTLEFIELD ROAD | SPRINGFIELD, MISSOURI

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THE OFFERING

Pegasus Investments Real Estate Advisory Inc., as exclusive investment sale advisory to seller, is pleased to offer for sale a redeveloped 2-tenant triple net leased investment property in Springfield, Missouri. The subject property was completely reconstructed in 2013 with modern retail storefronts and a new roof to accommodate the demands of Sleep Number and The Vitamin Shoppe. The property's income is secured by 10-year corporate leases to publicly traded companies – NASDAQ: SNBR & NYSE: VSI - which feature 10% increases at each option. In addition to its 100% corporate occupancy, the property benefits from its strong real estate fundamentals.

Located along Battlefield Road, Springfield's #1 commercial and shopping corridor, the property is immediately adjacent to Battlefield Mall, a Simon Property Group owned mall and Springfield's premier indoor/outdoor shopping destination. Traffic counts along Battlefield Road at the intersections surrounding the property are nearly 70,000 ADT. The subject property sits on nearly an acre of flat, highly visible and easily accessible land with parking fields in front of and behind the improvements. This allows quick, convenient access for commuters while providing enough additional parking for employees and overflow. The building's height was increased during the recent renovation to maximize visibility, signage and interior volume; the dedicated pylon sign remained grandfathered due to its highly desirable size and position. The property is situated on an independent parcel and does not share any access with neighboring parcels, which substantially improves the flexibility of future use and ease of management.

Springfield is the third largest city in Missouri with a metro population exceeding 460,000 and a regional trade area that reaches over 1 million people. The city has seen its population grow by nearly 20% over the last decade and boasts a sub 3.0% unemployment rate. Springfield is home to several colleges and universities, which have total aggregate enrollment in excess of 100,000 students, and a robust regional healthcare network, which is led by two of the city's largest employers: CoxHealth and Mercy Hospital. Surrounded by over 170,000 people within a 5-mile radius, the property benefits from positive trending demographics of an educated and healthy population that have been drawn by Springfield's strong labor force and low cost of living.

Subject
Property



FINANCIAL HIGHLIGHTS

Price	\$2,772,000
Cap Rate	7.75%
Net Operating Income	\$214,843

Battlefield Mall

The Largest
Shopping Center
in Southwest
Missouri



1.2M
SF



150
Stores



+12M
Visitors

Dillard's

★ macy's

sears

OLD NAVY

jcpenny

Chick-fil&

INVESTMENT HIGHLIGHTS

100% OF THE INCOME STREAM GUARANTEED BY CORPORATE LEASES WITH PUBLICLY TRADED COMPANIES

Sleep Number is the brand owned and operated by Select Comfort Corporation – a publicly traded (NASDAQ: SNBR) component of the S&P 600. The company owns and operates nearly 570 locations throughout the U.S. and employs more than 4,000 people. As of December 2018, the company was achieving over \$1.5B in annual sales. Vitamin Shoppe Industries (NYSE:VSI) is the second largest vitamin and supplements retailer in the country with over 785 stores nationwide contributing to annual sales volume in excess of \$1.1B.

RELOCATION STORE FOR SLEEP NUMBER FROM BATTLEFIELD MALL

Sleep Number, in keeping with the brand's strategic initiative and vertically integrated business model, relocated from the Battlefield Mall to this freestanding location in 2013. Today, over 80% of Sleep Number's stores are new, and roughly half of the portfolio is now "off-mall." The company has continued to develop award-winning store designs providing technology integration that allows customers to easily understand the brand benefits. Rigorous site selection focusing on high visibility, economics and proven market characteristics have helped the company produce average store sales in excess of \$2.7M per year, which is about 2-3x greater than traditional mattress stores. *Source: SNBR December 2018 Investor Report*

2013 RECONSTRUCTION WITH ROOF WARRANTY & STRONG NNN LEASES LIMITING LANDLORD OBLIGATIONS TO MAJOR CAPEX

The property is secured by attractive triple net leases that offer investors an opportunity to own a property with very limited management responsibilities. The tenants are responsible for the payment of real estate taxes, insurance, and all common area maintenance (CAM) expenses plus a 10% CAM administration fee. Additionally, the tenants are responsible for all interior maintenance, including HVAC. The leases mandate 10% rent increases in each of their option periods which commence in 2023. The property was reconstructed in late 2013 and features a new roof with a 20-year transferable warranty.





TRAFFIC COUNTS IN
EXCESS OF 50,000
ADT AT MULTIPLE
INTERSECTIONS
ALONG BATTLEFIELD
ROAD ADJACENT
TO THE SUBJECT
PROPERTY

SUPERIOR ACCESS WITH LEFT-IN, LEFT-OUT (NO CENTER MEDIAN)

The property enjoys convenient access with left-in and left-out access along Battlefield Road, one of the most heavily traveled east/west roads in the city. The convenient access from both directions and the proximity between two of Springfield's busiest intersections within the city's primary retail corridor will continue to make this an attractive location for national retail tenants.

LARGE PARCEL WITH AMPLE FRONT AND REAR PARKING

The roughly 1-acre subject property benefits from strong real estate fundamentals including a highly visible and easily accessible lot located directly along Battlefield Road with parking fields in front of and behind the improvements. The flat, street level parcel provides quick, convenient access for commuters while providing enough additional parking for employees and overflow. Additionally, the freestanding property is not encumbered by neighboring parcels, which combined with the large parking format, substantially improves the flexibility of future uses and ease of management.

SEASONED TENANCY - BOTH TENANTS HAVE OPERATED FOR NEARLY 6 YEARS AT THE PROPERTY

Both Sleep Number and Vitamin Shoppe have been successfully operating at the subject property for nearly six years, establishing themselves within the community and cementing a loyal customer base. Investors considering purchasing newly constructed properties should weigh the benefits of long lease terms with historic operating performance and proven concepts within a market. Additionally, this is each tenants' only location within Springfield and the surrounding Southwest Missouri markets, demonstrating the regional draw and the importance of the subject property to each tenant.





STRONG TRAFFIC COUNTS ALONG THE #1 COMMERCIAL THOROUGHFARE IN SPRINGFIELD

Located within Springfield's #1 commercial and shopping corridor, the intersections immediately adjacent to the property exceed 115,000 ADT combined. The property is located immediately adjacent to Battlefield Mall, a Simon Property Group owned mall and Springfield's premier indoor/outdoor shopping destination. The mall spans over 1.2M SF and houses over 150 upscale retailers which draw over 12 million visitors each year.

PHYSICAL DESCRIPTION

THE SITE



PROPERTY NAME
Vitamin Shoppe & Sleep Number



ADDRESS
1315 East Battlefield Road
Springfield, MO 65804



ASSESSOR'S PARCEL NUMBER
49-06-209-062



ZONING
GR (General Retail)



GROSS LEASABLE AREA
± 6,021 SF



LOT SIZE
± 0.86 Acres (37,462 SF)



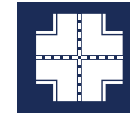
YEAR BUILT / RENOVATED
1970 / 2013



PARKING SPACES
± 55 Surface Spaces



PARKING RATIO
6.28 : 1,000 SF



INTERSECTION TRAFFIC
National Ave > 38,000 ADT
Fremont Ave > 30,000 ADT

Battlefield Road



Future Upside: The existing building was larger than the space needed to accommodate the current tenants, so the developer reserved space in the rear of the building and excluded it from the tenant's GLA. The leases account for this reserved space, and thus do not present any slippage or denominator issues. This reserved space represents additional future rentable area for the landlord allowing it to capture upside when renting to a tenant needing more space.

MARKET AREA & LOCATION



460,000

METRO
POPULATION



1M+

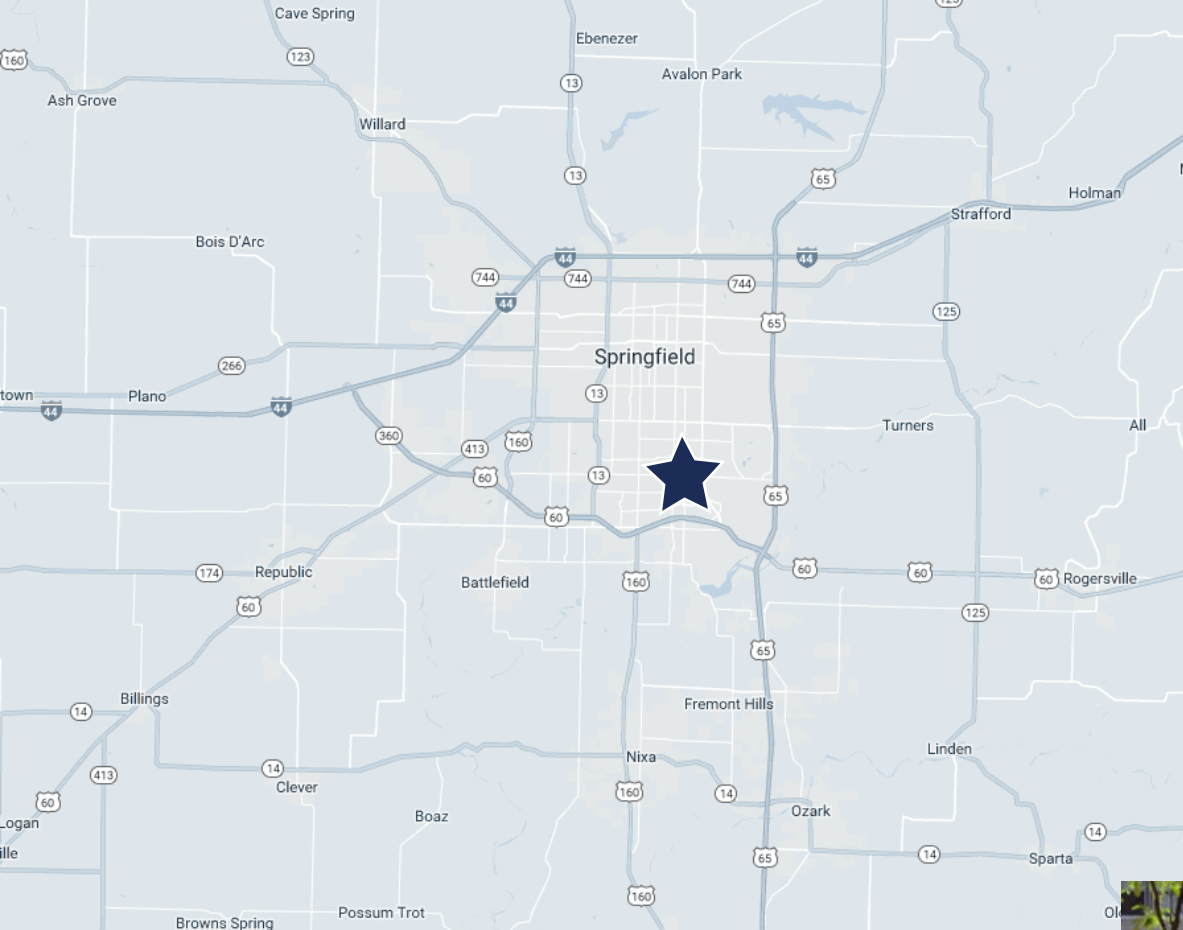
TRADE AREA
POPULATION

SPRINGFIELD, MISSOURI

With a metro population of nearly 460,000, Springfield is Missouri's third largest city, serving as a commercial center and the gateway to the Ozark Mountains. Springfield's location in scenic southwest Missouri is the economic hub of an area that spans 27 counties in Missouri and Arkansas and enjoys a plentiful and growing job market. The city has seen a rapid population growth throughout the last few years, which has in turn strengthened the economy.

Alongside its robust economy, Springfield's exceptional health care, schools, temperate climate, active arts and entertainment community, and local outdoor recreation opportunities are driving the community's rapid growth. The city is home to Missouri State University, Missouri's second largest university, which brings over 24,000 students to town, and Drury University and Ozarks Technical Community College, which combined bring an additional 18,000 students.





MAJOR EMPLOYERS

CoxHealth Systems

Mercy Hospital Springfield

Springfield Public Schools

Bass Pro Shops | Tracker Marine

Walmart Inc.



\$6.3B

METRO ANNUAL RETAIL SALES

ECONOMIC SNAPSHOT

Springfield's position at the heart of the United States has been drawing professionals from both coasts as the market is positioned well for all businesses to thrive. Thanks to its abundant resources, excellent tax climate and local talent, the city has enjoyed a long-standing economic growth record that includes 9.8% workforce growth and 50% Gross Metro Product (GMP) growth throughout the last decade.

As home to two major health systems and a number of corporate headquarters, the city offers an exceptional range of careers in a diverse mix of industries. From Fortune 500 employers and global companies to local success stories, Springfield, Missouri, provides exciting opportunities in nearly every facet of business operations. Major companies headquartered in Springfield include Bass Pro Shops, O'Reilly Auto Parts, BKD, LLP, Springfield ReManufacturing Corp and Jack Henry & Associates.




BATTLEFIELD MALL

Southwest Missouri’s largest shopping center, Battlefield Mall spans over 1.2M SF of space and houses over 150 upscale stores and restaurants. The center is the area’s most popular retail destination, drawing over 12 million visitors each year. Owned by Simon Property Group, Inc., Battlefield mall is the epitome of a premier dynamic, mixed-use, urban environment. Battlefield Mall features a plethora of amenities ranging from a state of the art children’s play area to several beauty salons. Shopping opportunities are endless at the center’s national anchor tenants, which include Macy’s, JC Penney, Sears and two Dillard’s, and at high-fashion favorites, such as Coach and White House Black Market.

+12M

ANNUAL VISITORS

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	9,872	78,308	173,416
2018 Estimate	9,633	76,709	169,289
Growth 2010 - 2018	5.96%	3.59%	5.69%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	5,010	36,298	74,893
2018 Estimate	4,881	35,553	73,036
Growth 2010 - 2018	6.48%	3.29%	5.94%
INCOME	5-MILE		
2018 Est. Average Household Income	\$58,198		



THE ABBEY

Walking distance from the subject property, The Abbey is a unique luxury apartment community adjacent to a myriad of Springfield’s shopping, dining and entertainment opportunities at Battlefield Mall and Battlefield Marketplace and near the regional medical centers at Medical Mile on National Avenue. The complex offers a comfortable and relaxing home with desirable amenities, elevator access, covered carports and secure coded entry, allowing for residents’ additional piece of mind. Residents can choose from a variety of studio, 1-bedroom, 2-bedroom and 3-bedroom apartment layouts. An oasis from the daily grind, The Abbey also features beautifully decorated and furnished suites amidst its private, fenced enclosure.

THE MEDICAL MILE

The Medical Mile is the area along National Avenue in Springfield that extends from CoxHealth Medical Center South to Mercy Hospital about a mile north. CoxHealth is credited with taking the lead in developing land along a stretch of South National Avenue from Battlefield Road to James River Freeway into its portion of the Medical Mile. Over the years, the health care facilities along Medical Mile have continued to evolve with the unveiling of multimillion dollar centers and the establishment of clinics and ancillary health businesses.



COXHEALTH MEDICAL CENTER

CoxHealth is Springfield's largest locally-owned health system and a leader in both health care and community involvement. As the jewel of Springfield's Medical Mile, Cox Medical Center South is a full-service facility that has been serving the southern Springfield area since 1985. The growing campus planted the seed for Springfield's Medical Mile over three decades ago and today houses many physician offices, a Level I Trauma Center and the recently constructed Dee Ann White Women's and Children's Hospital and Jared Neuroscience Center.



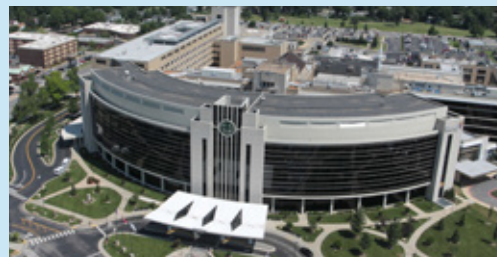
\$4.5B

ANNUAL HEALTHCARE ECONOMIC IMPACT

MERCY HOSPITAL SPRINGFIELD

Mercy Hospital Springfield has been providing Springfield with cutting-edge health care for more than 120 years. The main hospital campus is located at the northernmost part of the Medical Mile and there are several other campuses throughout the city housing a Missouri and Arkansas designated Level I Trauma Center & Burn Center, Life Line air ambulance service, a dedicated Children's Hospital, Cancer Center, Heart Institute, and a nationally-certified Stroke Center.

Minutes from the subject property, Mercy Children's Hospital – Springfield is southwest Missouri's only comprehensive children's hospital. The hospital features 20 different pediatric specialties, including pediatric hematology/oncology, pediatric neurosurgery, pediatric endocrinology and pediatric surgery, and is a St. Jude affiliate clinic.



THE TENANTS

VITAMIN SHOPPE

Public | NYSE: VSI
www.vitaminshoppe.com

# of Locations	± 785
# of Employees	± 2,695
Headquartered	North Bergen, NJ
Year Founded	1977

OVERVIEW

Vitamin Shoppe is a multi-channel specialty retailer and contract manufacturer of vitamins, minerals, herbs, specialty supplements, sports nutrition and other health and wellness products. From 1977 when the company opened its first store, Vitamin Shoppe has been dedicated to helping people fulfill their health and wellness needs. At the Vitamin Shoppe, every store associate works to provide a fulfilling customer experience to each customer that walks through the door. Stores offer an impressive range of 26,000 top-quality supplements, including food and beverages and pet products, under more than 900 national and private-label brands. Customers can also partake in Vitamin Shoppe's Free Healthy Awards club and enjoy everyday low prices, making it easier for them to make healthier choices.



TENANT SUMMARY

Lessee Name	Vitamin Shoppe Industries Inc., a New York Corporation
Lessee Entity Type	Corporate
Reimbursements	NNN
Lease Commencement Date	3/29/2013
Lease Expiration Date	3/31/2023
Gross Leasable Area	2,805 SF
Options	Two, 5-Year
Increases	10% in Each Option
Roof and Structure	Landlord Responsible



SLEEP NUMBER

Public | NYSE: SNBR
www.sleepnumber.com

# of Locations	± 569
# of Employees	± 3,800
Headquartered	Plymouth, MN
Year Founded	1987

TENANT SUMMARY

Lessee Name	Select Comfort Retail Corporation
Lessee Entity Type	Corporate
Reimbursements	NNN
Lease Commencement Date	5/1/2013
Lease Expiration Date	4/30/2023
Gross Leasable Area	3,216 SF
Options	Two, 5-Year
Increases	10% in Each Option
Roof and Structure	Landlord Responsible

OVERVIEW

Sleep Number Corporation is a U.S.-based manufacturing company that is the exclusive manufacturer, marketer, retailer and servicer of the revolutionary Sleep Number bed. Since its founding, Sleep Number has been a pioneer in the mattress industry, most notably in biometric sleep tracking and adjustability. Proving the connection between quality sleep, health, and wellbeing, the company's dedication to improve lives by individualizing sleep experiences continues to transform the industry.



AN INDUSTRY LEADER

Sleep Number is leading the industry by delivering an unparalleled sleep experience through high-quality, innovative and individualized sleep solutions and services, which include a complete line of Sleep Number beds and bedding. Over the past five years, Sleep Number Corporation's investments have proceeded to differentiate its brand and strengthen its competitive advantages: proprietary innovations that provide meaningful sleep benefits for its customers; ongoing customer relationships that are enabled by a direct-to-consumer business model; and exclusive distribution that is highly productive and fueled by a mission-driven sales teams. The company's initiatives have been driving sustainable and profitable growth, as evidenced by a 200% valuation increase since February 2017.

FINANCIAL ANALYSIS

RENT ROLL

TENANT	LEASE START	LEASE END	GLA (SF)	ANNUAL RENT	ANNUAL RENT/SF	INCREASES	OPTIONS
Vitamin Shoppe	3/29/2013	3/31/2023	2,805	\$101,640	\$36.24	10% In Each Option	Two, 5-Year Options
Sleep Number	5/1/2013	4/30/2023	3,216	\$113,203	\$35.20	10% In Each Option	Two, 5-Year Options
Totals			6,021	\$214,843			

SEASONED
CORPORATE
TENANTS
WITH 6
YEARS OF
PROVEN
OCCUPANCY
HISTORY



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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 Real Estate Advisory ("Pegasus Investments") represents a broad range of clients, from institutional investment firms to developers, high net worth individuals, family trusts and partnerships in connection with the purchase & sale and leasing of high quality investment properties nationwide. Pegasus Investments is one of the foremost leading advisory firms within the single tenant and multi-tenant triple net leased retail property category having completed in excess of \$1 billion in volume since 2014.

Pegasus Investments offers a highly differentiated advisory platform given its ability to collaborate within a vertically integrated environment with Pegasus Capital Markets and Pegasus Asset Management to ensure a seamless transaction for all parties involved. The result is highly customized, creative, streamlined execution.



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ABOUT PEGASUS

Pegasus 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 30 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 REITs, 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.