

OFFERING
MEMORANDUM

Established Retail Center with Upside | High Traffic Intersection

565 Village Drive | Pagosa Springs, CO 81147



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INVESTMENT
PROPERTY ADVISORS
A division of NAI Maestas and Ward

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INVESTMENT HIGHLIGHTS

Investment Property Advisors is pleased to offer for sale the Mountain Run Shops located at 565 Village Drive, in the prestigious market of Pagosa Springs, Colorado. This shopping center is positioned with frontage directly on the major thoroughfare of Highway 160 with over 13,600 cars per day at the intersection of Highway 160 and Pinon Causeway. This area is adjacent to the San Juan Mountain & Golf Resort and services one of the fastest growing areas of Pagosa Springs.

The approximately 10,420 sq. ft. building is situated on about 1.18 acres. The property is in an ideal location with quick access for customers directly off of Highway 160, traveling east and west through Pagosa Springs every day. The property is occupied by a mix of restaurant, retail and service tenants creating an excellent fusion and synergies. Additional neighboring national retailers include Walmart Supercenter, Taco Bell, McDonald's, Subway, KFC, Sonic Drive-In, amongst others. In addition to the retailers, this property is located in the immediate vicinity of many of the beautiful private homes in Pagosa Springs, as well as lodging operators to include Wyndham Pagosa, Pagosa Resort, Quality Resort, Pagosa Springs Inn & Suites, and others.

This investment benefits from the strong tenancy, visibility from a major thoroughfare, proximity to private residences and lodging facilities, and synergy with neighboring tenants. Substantial cash flow and stabilized tenants, combined with the low interest rate environment, make this property an opportunity on which an investor can capitalize.

- Established stabilized shops with upside
- Beautifully crafted, high-quality retail facility
- Strategically located with frontage directly on Highway 160
- Excellent visibility and quick access from the major thoroughfare
- Immediate proximity to beautiful private residences and resorts
- Area of strong growth potential in Pagosa Springs
- Strong traffic from neighboring national retailers and lodging establishments:

Walmart Supercenter
 McDonald's
 Subway
 Wyndham Pagosa
 Pagosa Resort
 Pagosa Springs Inn & Suites

Offering Summary	
Purchase Price	\$1,050,000
Price per Square Foot	\$100.77
Net Operating Income	\$88,262
Cap Rate	8.4%
Occupancy	75%

OPERATING SUMMARY

	Amount	\$/SF
Current Projected Rent	\$116,500	11.18
Expense Reimbursements	\$34,146	3.28
GROSS SCHEDULED RENT	\$150,646	14.46
Estimated Operating Expenses		
Utilities - Electric	\$3,502	0.34
Utilities - Water	\$7,792	0.75
Utilities - Refuse	\$4,897	0.47
Cleaning & Maintenance	\$6,900	0.66
Landscaping Maintenance	\$3,580	0.34
Parking Lot Maintenance	\$3,600	0.35
Fire Protection/Monitoring	\$1,309	0.13
Snow Removal	\$2,260	0.22
Reserve for Repairs	\$2,605	0.25
Management Fees	\$11,000	1.06
Real Estate Taxes	\$11,757	1.13
Insurance	\$3,183	0.31
TOTAL OPERATING EXPENSES	\$62,385	5.99
NET OPERATING INCOME	\$88,262	8.47



PAGOSA SPRINGS OVERVIEW

Pagosa Springs is the county seat of Archuleta County, Colorado and is located approximately 35 miles north of the New Mexico border in the Four Corners region, nestled at 7,000 feet on the Western Slope of the Continental Divide. This combination of high desert plateau and dramatic Rocky Mountains to the north and east creates an unusually mild climate, especially in the summer months, when compared with much of the surrounding Southwest. Pagosa is favored with around 300 days of sun each year, as well as four distinct seasons.

Pagosa Springs and the surrounding county are both experiencing a substantial influx of second-home owners. The town is located in the upper San Juan Basin, surrounded by the 3 million acre San Juan National Forest, and adjacent to the largest wilderness area in the state of Colorado, the Weminuche Wilderness.

Pagosa Springs is named for the sulfur springs located there, including the world's deepest geothermal hot spring. This "Mother Spring" feeds the pools hosted by three local hot spring soaking locations within town. The largest is at The Springs Resort & Spa which hosts the mother spring. Other hot springs facilities in town are the Healing Waters Resort and Spa and the Overlook Hot Springs Spa. The mineral-rich water continues to be celebrated for

its therapeutic powers. The Utes called the sulfur-rich mineral springs Pah gosah, meaning "healing waters", and visitors from all over the world come to enjoy its hot baths. Some come to cure ailments, others to simply relax in the mineral-rich waters.

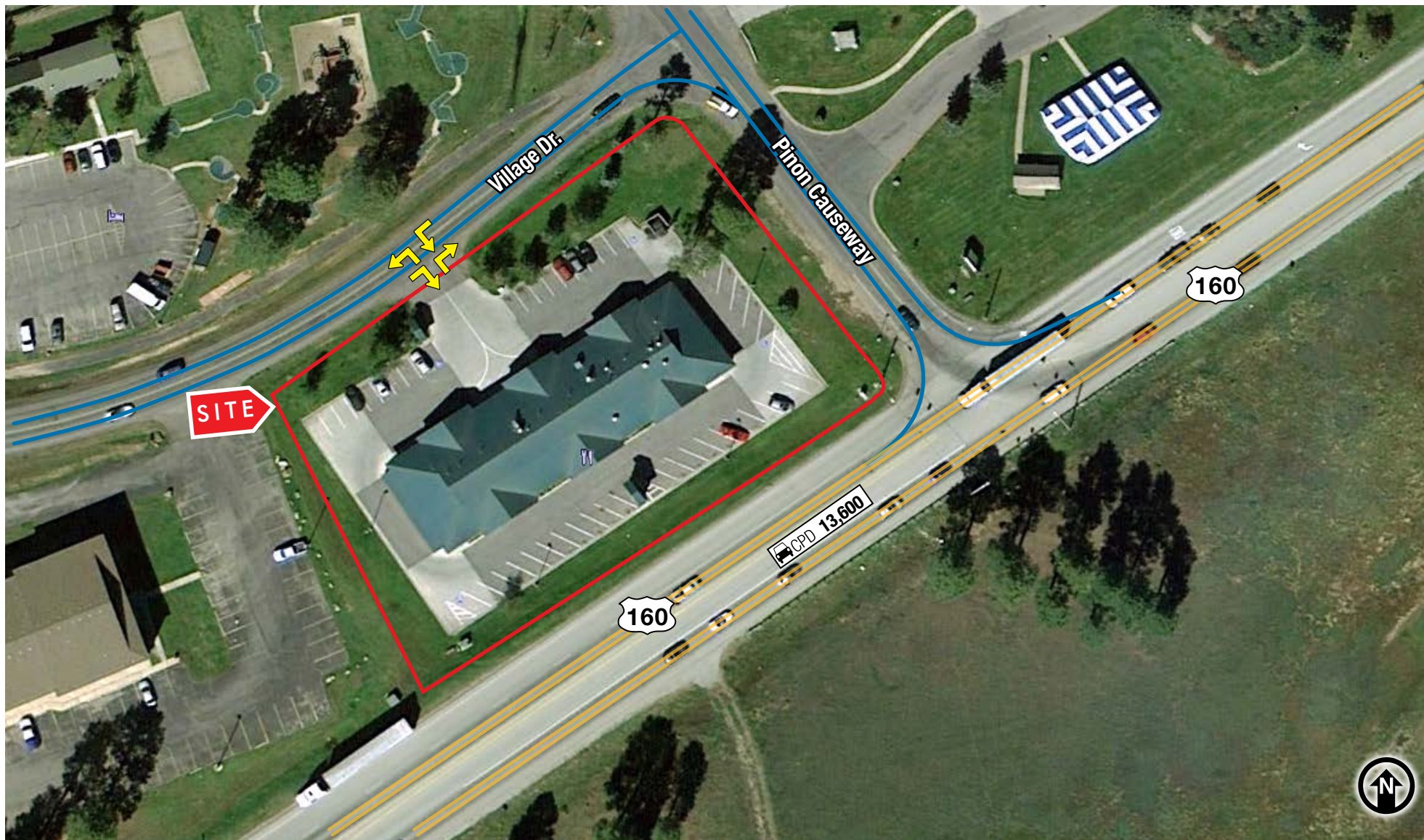
Other recreational activities in the area include downhill and cross country skiing at nearby Wolf Creek ski area. Snowmobiling in the surrounding National Forest is also quite popular. Summertime activities include fishing, hiking, and rafting. Come autumn, the area is a popular destination for hunters, who harvest elk, deer, and other game animals.

Pagosa's small town atmosphere and endless beauty resonates the feeling of Colorado! Pagosa revels in four true seasons, each one bringing myriad activities and making Pagosa Springs a perfect setting for your outdoor activity or home base. Hiking, biking, rafting, horseback rides, camping and world class fishing await our warm weather enthusiasts while winter brings "the most snow in Colorado" at Wolf Creek Ski Area. Perfect powder days are also made for the cross country skiers and snowmobile enthusiasts as well as for a family outing of sledding or ice skating.

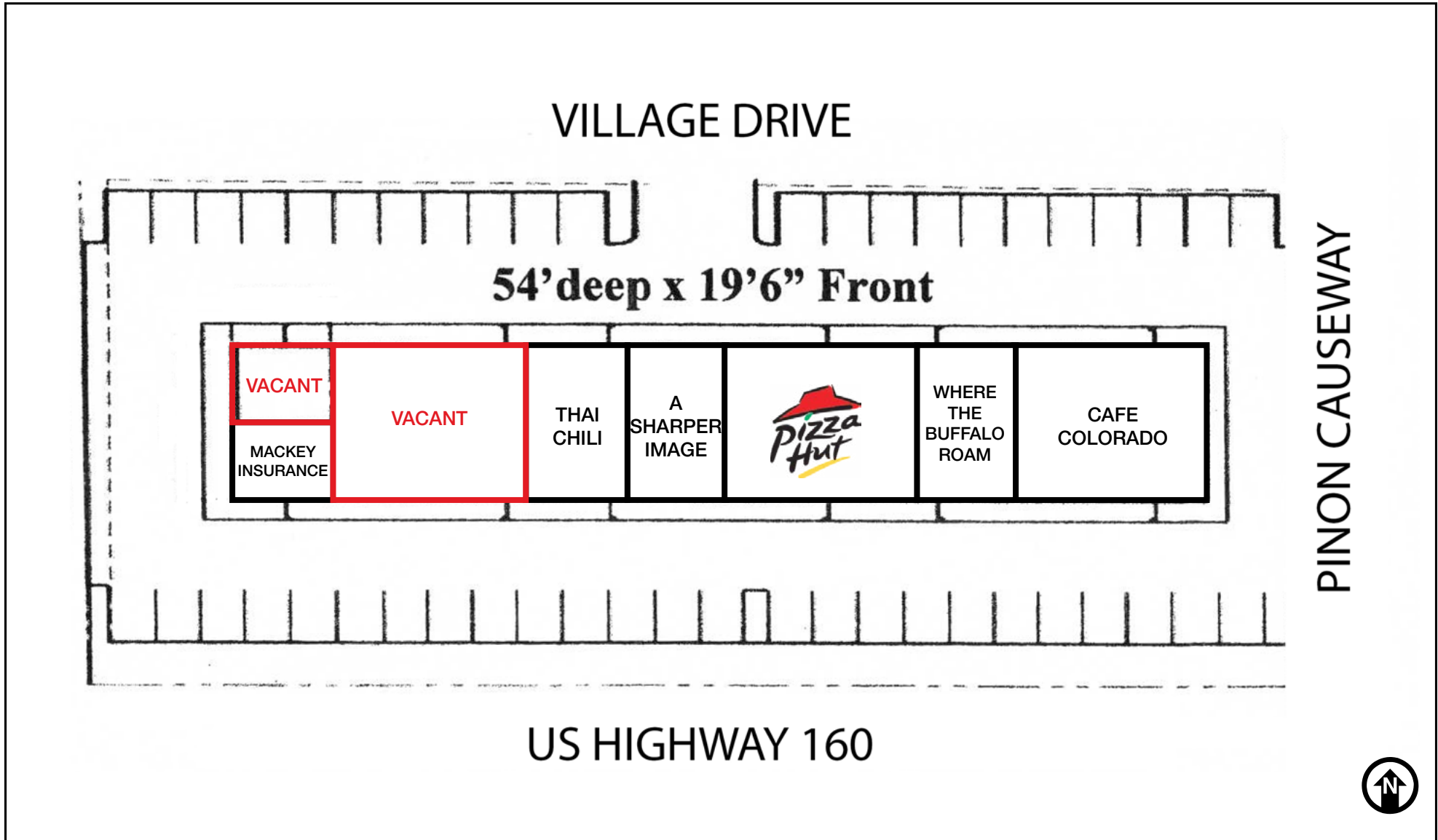
PROPERTY LOCATION



AERIAL



SITE
PLAN



PAGOSA SPRINGS DEMOGRAPHICS

Summary	1 Mile	3 Mile	5 Mile
	2015	2015	2015
Population	1,472	6,294	8,744
Households	697	2,781	3,863
Families	436	1,823	2,588
Average Household Size	2.08	2.23	2.23
Owner Occupied Housing Units	444	1,854	2,693
Renter Occupied Housing Units	253	927	1,170
Median Age	45.0	46.7	48.3

Trends: 2015 - 2020 Annual Rate	State	State	State
Population	1.29%	1.29%	1.29%
Households	1.37%	1.37%	1.37%
Families	1.32%	1.32%	1.32%
Owner HHs	1.35%	1.35%	1.35%
Median Household Income	3.28%	3.28%	3.28%

Households by Income	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	101	14.5%	379	13.6%	506	13.1%
\$15,000 - \$24,999	74	10.6%	293	10.5%	392	10.1%
\$25,000 - \$34,999	78	11.2%	280	10.1%	398	10.3%
\$35,000 - \$49,999	63	9.0%	270	9.7%	386	10.0%
\$50,000 - \$74,999	160	23.0%	590	21.2%	807	20.9%
\$75,000 - \$99,999	112	16.1%	375	13.5%	511	13.2%
\$100,000 - \$149,999	56	8.0%	240	8.6%	357	9.2%
\$150,000 - \$199,999	34	4.9%	186	6.7%	259	6.7%
\$200,000+	20	2.9%	167	6.0%	246	6.4%

Median Household Income	\$53,491	\$55,104	\$55,612
Average Household Income	\$66,889	\$78,313	\$79,611
Per Capita Income	\$29,995	\$34,680	\$35,173

Population by Age	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	77	5.2%	320	5.1%	422	4.8%
5 - 9	90	6.1%	368	5.8%	488	5.6%
10 - 14	86	5.8%	381	6.1%	522	6.0%
15 - 19	78	5.3%	333	5.3%	452	5.2%
20 - 24	69	4.7%	280	4.4%	365	4.2%
25 - 34	166	11.3%	657	10.4%	864	9.9%
35 - 44	171	11.6%	696	11.1%	936	10.7%
45 - 54	189	12.8%	805	12.8%	1,199	13.7%
55 - 64	227	15.4%	1,046	16.6%	1,597	18.3%
65 - 74	204	13.8%	910	14.5%	1,259	14.4%
75 - 84	82	5.6%	375	6.0%	481	5.5%
85+	34	2.3%	124	2.0%	159	1.8%