

NET LEASE INVESTMENT OFFERING



Advance Auto Parts (Chicago MSA)
1200 W Chicago Avenue
East Chicago, IN 46312



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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

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. The Boulder Group has not made any investigation, and makes no warranty or representation.

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



**EXECUTIVE
SUMMARY:**

The Boulder Group is pleased to exclusively market for sale a single tenant new construction Advance Auto Parts property located in the Chicago MSA. The property is strategically positioned in a densely populated area along a primary east-west thoroughfare. The new fifteen year Advance Auto Parts lease expires on March 31, 2030 and features 7.5% rental escalations in each of the four 5-year renewal options periods. Advance Auto Parts is the largest retailer of automotive replacement parts and accessories in the United States.

The newly constructed Advance Auto Parts property is strategically located along West Chicago Avenue which is a primary east-west thoroughfare in the trade area. The surrounding area is densely concentrated with commercial buildings and residential homes. Further contributing to the strength of the Advance Auto Parts property is the BP Whiting Refinery which is located approximately three miles to the north. The BP Whiting Refinery is the sixth largest oil refinery in the USA and employs over 1,800 people. The Advance Auto Parts property is ideally situated in a densely populated area with over 82,000 people living within a three mile radius. The immediate trade area features many local and national retailers including Walgreens, PNC Bank, Strack & Van Til Grocers, McDonald's, Dollar General, Burger King and Citizen Financial Bank.

There are approximately 15 years remaining on the new Advance Auto Parts lease that expires in March 2030. The lease features 7.5% rental escalation in each renewal option period. Advance Auto Parts is the largest retailer of automotive replacement parts and accessories in the United States and is an investment grade rated company (S&P: BBB-). Advance Auto Parts is publicly traded (NYSE: AAP) with a market capitalization in excess of \$12 billion.



**INVESTMENT
HIGHLIGHTS:**

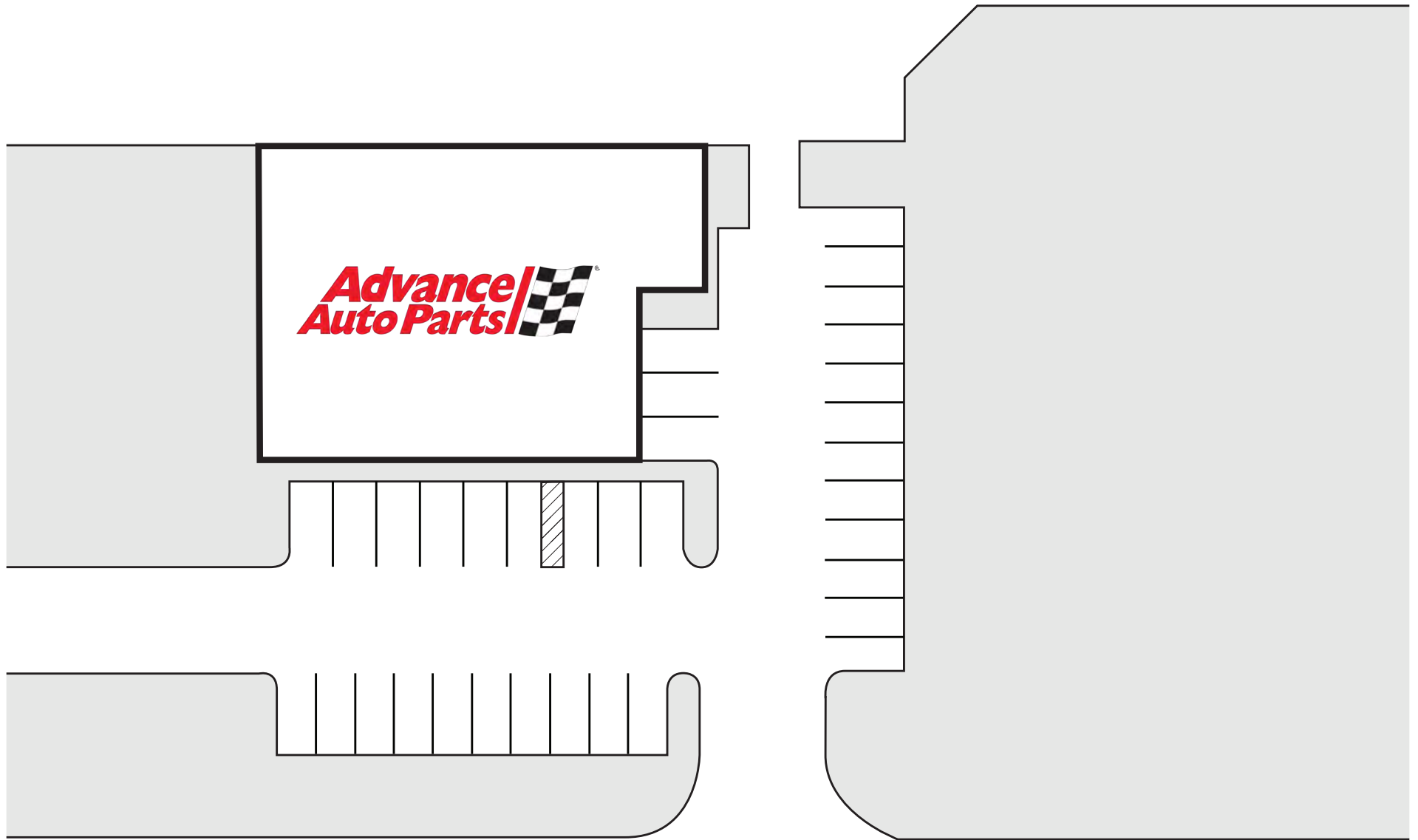
- Located within the Chicago MSA
- Long term lease with approximately 15 years remaining
- Investment grade rated tenant (S&P: BBB-)
- 7.5% rental escalations in each renewal option period
- Brand new construction
- Three miles south of the BP Whiting Refinery which is the sixth largest oil refinery in the USA
- Positioned along a primary east-west thoroughfare
- Densely populated area with over 82,000 people living within a three mile radius
- Retailers located in the immediate trade area include Walgreens, PNC Bank, Strack & Van Til Grocers, McDonald's, Dollar General, Burger King and Citizen Financial Bank
- 20 year roof warranty



PROPERTY OVERVIEW:

Price:	\$1,572,230		
Cap Rate:	6.25%		
Net Operating Income:	<u>NOI</u>	<u>Escalation Date</u>	
	\$98,270		
	\$105,640	03/01/2030	Option 1
	\$113,563	03/01/2035	Option 2
	\$122,080	03/01/2040	Option 3
	\$131,236	03/01/2045	Option 4
Rent Commencement Date:	March 8, 2015		
Lease Expiration Date:	March 31, 2030		
Rental Escalations:	7.5% Each Option Period		
Renewal Options:	Four 5-Year		
Tenant:	Advance Auto Parts		
Credit Rating:	Investment Grade (S&P: BBB-)		
Year Built:	2015		
Lease Type:	NN (Structure Only*)		
Building Size:	6,831 SF		
Land Size:	22,500 SF		

**During the primary term of the lease, Landlord is only responsible for the structure. If during the renewal options the Tenant replaces the roof or HVAC, the Landlord shall reimburse the Tenant for the unamortized portion of Tenant's cost of such replacement at the expiration of the term. Such replacement shall be amortized over a useful life of fifteen years.*

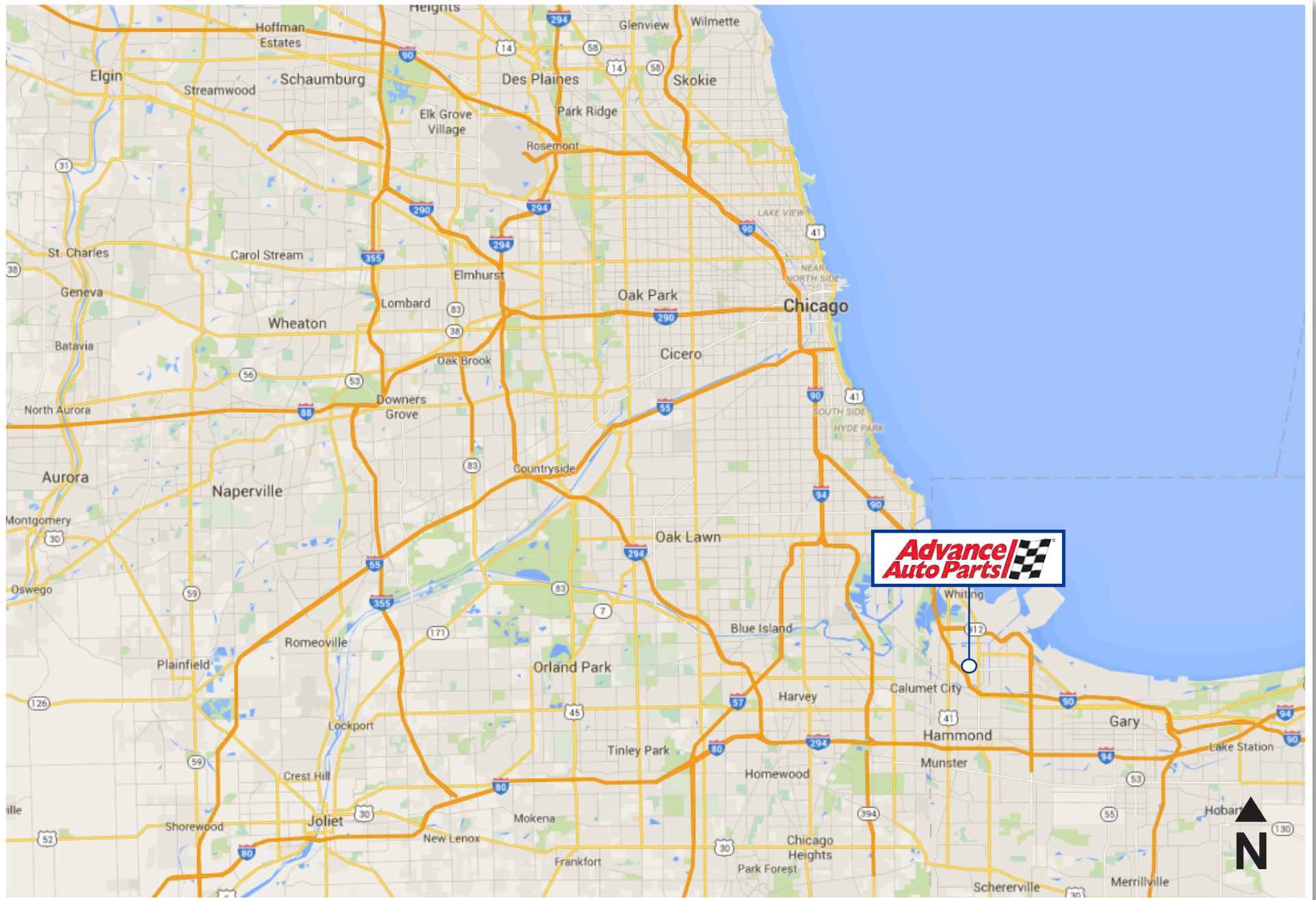


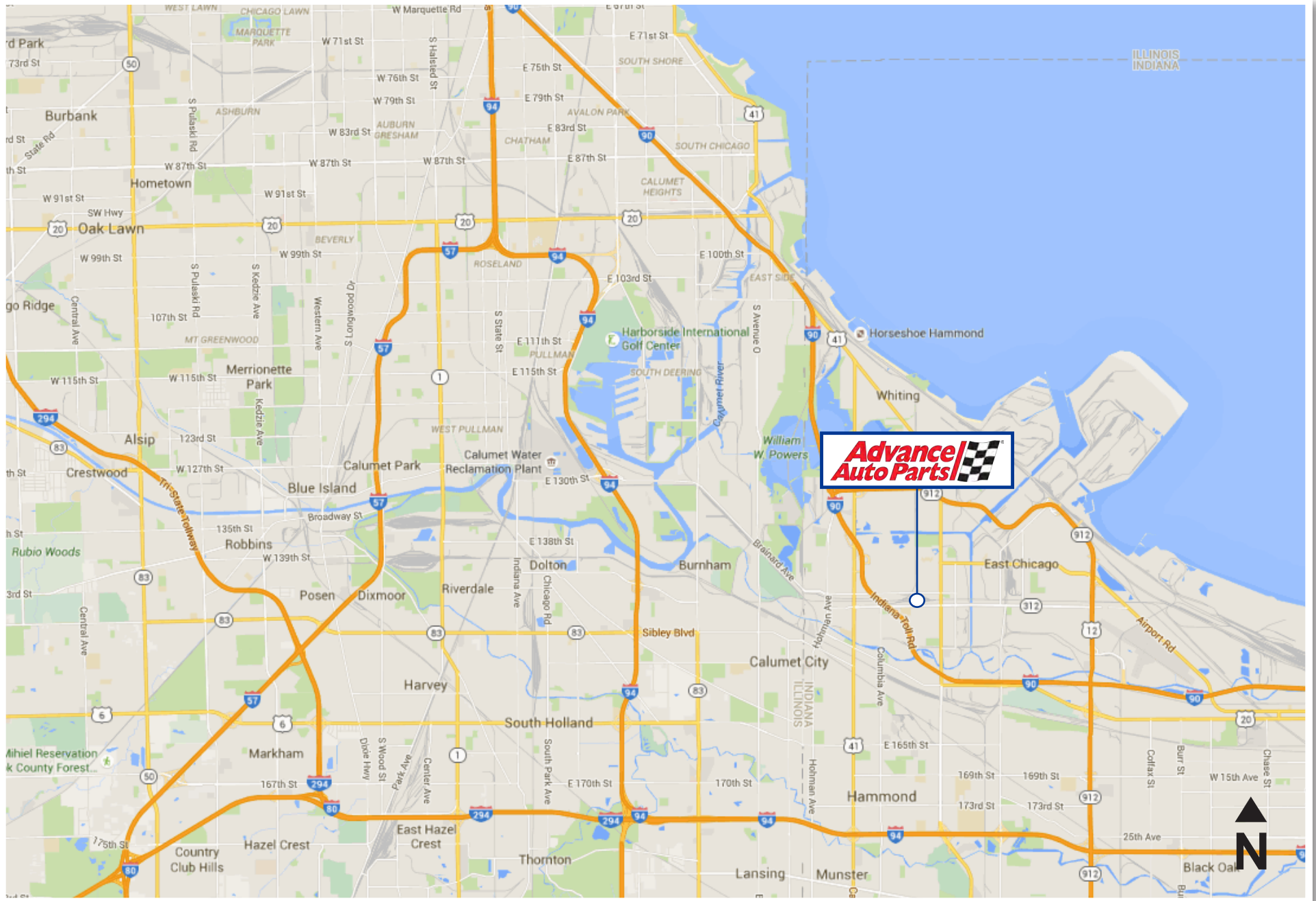
Advance
Auto Parts

W CHICAGO AVE











**TENANT
PROFILE:**

Advance Auto Parts, Inc., through its subsidiaries, operates as a specialty retailer of automotive replacement parts, accessories, batteries, and maintenance items. It operates stores that offer brand name, original equipment manufacturer, and private label automotive products. The company serves do-it-yourself, do-it-for-me, or commercial customers in the northeastern, Mid-Atlantic, and southeastern regions of the United States. As of July 18, 2015, it operated 5,252 stores and 117 Worldpac branches; and served approximately 1,300 independently-owned Carquest branded stores in the United States, Canada, Puerto Rico, and the U.S. Virgin Islands. The company was founded in 1929 and is headquartered in Roanoke, Virginia.

Advance Auto Parts Inc. is an investment grade rated tenant with a Standard & Poor's rating of BBB-. The company is publicly traded on the New York Stock Exchange (AAP) with a market capitalization in excess of \$12 billion.

Website: AdvanceAutoParts.com
 Credit Rating: Investment Grade (S&P: BBB-)
 Stock Symbol: NYSE: AAP
 Market Capitalization: \$12 Billion
 Headquarters: Roanoke, VA



LOCATION OVERVIEW:

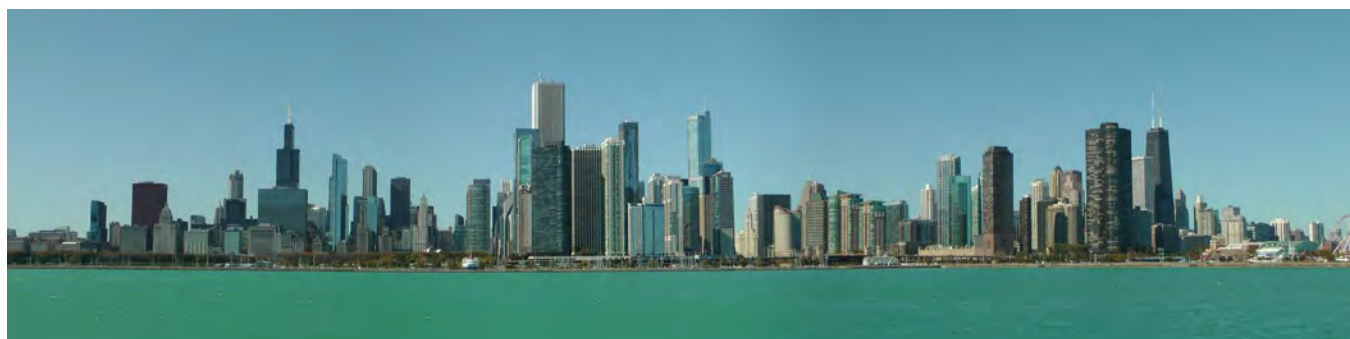
East Chicago is a city in Lake County, Indiana. As of the 2010 Census, the population was approximately 30,000 people. The South Shore Line (NICTD) has a station in East Chicago. US 12 and US 20 go through the Indiana Harbor and East Chicago sections of the city, respectively, before joining up on both sides. Indiana State Road 912, the Cline Avenue Expressway, connects East Chicago with the Indiana Toll Road and Borman Expressway, and serves the casino and steel mills on the lakefront. East Chicago is home to ArcelorMittal's Indiana Harbor Works, the largest steel mill in the USA. Indiana Harbor Works comprises East mill, originally Inland Steel, and West mill, owned for most of its life by Youngstown Sheet and Tube.



Chicago is the most populous city in the Midwestern United States and the third most populous city in the United States with 2,700,000 residents. Chicago is the county seat of Cook County, the second largest county in the United States. The Chicago MSA is the third most populated metropolitan area in the United States with 9,580,567 residents. The MSA covers over 1,300 square miles and six counties. The Chicago metropolitan area is home to the corporate headquarters of 57 Fortune 1000 companies, including Boeing, McDonald's, Motorola, Discover Financial Services and United Airlines. Chicago is a major hub for industry, telecommunications and infrastructure and O'Hare International Airport is the second busiest airport in the world in terms of traffic movement.



The metro is a major financial center in North America, and is home to the largest futures exchange in the United States, the CME Group. Chicago is third in the world on the Global Financial Centers Index which ranks the competitiveness of financial centers based on people, business environment, market access, infrastructure and general competitiveness.



DEMOGRAPHIC REPORT:

Population	1 Mile	3 Mile	5 Mile
Total Population	14,685	82,177	190,688
Total Households	5,023	29,443	70,311

Income	1 Mile	3 Mile	5 Mile
Average Household Income	\$40,025	\$41,696	\$49,972





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