

**Advance
Auto Parts**

1171 East Court Street,
Kankakee, IL 60901



MID-AMERICA[®]
Real Estate Corporation

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For more information, contact:

Wes Koontz

Mid-America Real Estate Corp.
Vice President, Net Lease Director
Direct: 630.954.7395
WKoontz@MidAmericaGrp.com

Christian Tremblay

Mid-America Real Estate Corp.
Broker
Direct: 630.481.4010
CTremblay@MidAmericaGrp.com



Representative Pic

INVESTMENT OVERVIEW

SUBJECT OFFERING

Mid-America Real Estate Corporation is pleased to present Advanced Auto Parts, located at 1171 East Court Street in Kankakee, Illinois. The property is located near downtown Kankakee and is comprised of a 7,000 square foot free-standing retail building, situated on a 0.58 acre parcel. Advanced Auto has been occupying this site for over 15 years and recently extended their lease by 5 years, increasing the firm term to 11 years. This asset gives potential buyers the opportunity to own a strong investment grade tenant with excellent traffic exposure and a strong customer base.

PROPERTY DETAILS

PRICE:	\$1,495,000
CAP RATE:	5.90%
ANNUAL RENT:	\$88,228
TERM:	11 YEARS
SQUARE FOOTAGE:	7,000 SF
LOT SIZE:	0.58 ACRES



KEY FEATURES

LONG-TERM NNN LEASE WITH AN INVESTMENT GRADE COMPANY* – Advance Auto Parts is subject to a long-term lease after recently extending their firm term for an additional 5 years. Advance Auto Parts has established itself as the largest automotive parts provider in North America with 5,200+ locations that serve millions of customers in store and online daily. Advance Auto Parts boasts an investment grade S&P credit rating of “BBB-”. As of February 19, 2019 the company reported revenues of more than \$9.6 Billion and net income of \$424 Million.

LONG-TERM HISTORY AT SITE WITH RECENT EXTENSION AND STRONG RENTAL INCREASES – Advanced Auto Parts has resided at this site for over 15 years and recently extended their firm term for an additional 5 years, showing a strong commitment to the site. Additionally, there is a substantial 19% increase in 2031, with 5% rental increases every 5 years in each subsequent option period. This lease structure serves to increase the average yield of the investment during the option terms, while hedging against inflation.

CLOSE PROXIMITY TO AMITA HEALTH ST. MARY’S HOSPITAL & RIVERSIDE MEDICAL CENTER – The subject offering is strategically located less than 1.5 miles east of the Amita Health St. Mary’s Hospital, which is a 182-bed acute care hospital that has over 800 employees and generates approximately \$753 Million in annual revenue. The hospital specializes in Emergency Services, Oncology, Dialysis, Cardiovascular, Neurosciences, Orthopedics, Radiology and Rehabilitation. Furthermore, the subject offering is less than 2 miles east of the Riverside Medical Center, a nationally recognized, award winning Level II trauma hospital with 336 beds and over 1,000 employees. The hospital generates approximately \$1.26 Billion in annual revenue and specializes in heart care, cancer care, neurosurgery and orthopedics.

SIGNALIZED CORNER, EXCELLENT TRAFFIC, VISIBILITY & ACCESS – The site is located at the hard corner signalized intersection of East Court Street and North Hobbie Avenue, which combined have a daily traffic count over 24,200 vehicles per day. Furthermore, it is located less than a mile from Interstate 57, where more than 27,200 vehicles pass per day. This exit off of Interstate 57 is the primary entrance to downtown Kankakee, and situates the property well to capture all the traffic coming in and out of town. Customers have direct access to the property from both East Court Street and North Hobbie Avenue, which helps regulate traffic flow and creates many opportunities for customers to turn in and visit the property.

SURROUNDED BY TRAFFIC DRIVING COMMUNITY FEATURES – The property is strategically located in close proximity to all of the important municipal service (Kankakee Police, Fire Department, Post Office, and Lincoln Cultural Center) as well as schools (King Middle School, Montessori Elementary School, Steuben Elementary School, Edison Elementary School, Mark Twain Elementary School and Kankakee Jr High School). This makes the site and Advance Auto very prominent and bodes well for their long-term success.

LOCATED IN A FEDERAL OPPORTUNITY ZONE – Advance Auto is located within the Kankakee Riverfront Opportunity Zone, which is the only federally designated opportunity zone within Kankakee County. The property qualifies for special tax incentives available exclusively to Federal Opportunity Zone investments. Please contact the broker for more details.

NORTH FACING AERIAL



WEST FACING AERIAL



SITE AERIAL



LEASE ABSTRACT

Tenant:	Advance Stores Company, Inc	Estoppel	Within 30 days after notice from Landlord
Address:	1171 E Court St, Kankakee, IL 60901	Utilities	Tenant pays directly
Lease Type:	NNN	Tenant Insurance:	Tenant maintains property and general commercial liability insurance
Term:	11 Years	Landlord Insurance:	Landlord maintains general commercial liability insurance
Lease Expiration	12/31/2030	Taxes:	Tenant reimburses Landlord within 30 days of receiving tax bill from Landlord
Year Built:	2004	Tenant Maintenance:	Tenant responsible for maintaining, repairing and/or replacing each and every portion of the leased premises, except for any items listed as the Landlord's responsibility
Building Size:	7,000 SF	Landlord Maintenance:	Landlord responsible for maintaining structure
Land Area:	0.58 Acres		
Options:	Three (3) – Five (5) Year Option		
Annual Rent:	\$88,288		
Monthly Rent:	\$7,352		
Rental Increases:	19% on 1/1/2031 then 5% every 5 years		

PRICING

Price: \$1,495,000
Cap Rate: 5.90%

FINANCIAL SUMMARY

Years	Dates	Annual Base Rent	Monthly Rent	Yield	Rental Increase
1-11	1/1/2020 – 12/31/2030	\$88,228	\$7,352	5.90%	-
Average Yield Throughout Primary Term				5.90%	
Option 1					
12-17	1/1/2031 – 12/31/2035	\$109,147	\$9,096	7.30%	19%
Option 2					
18-23	1/1/2036 – 12/31/2040	\$114,604	\$9,550	7.67%	5%
Option 3					
24-29	1/1/2041 – 12/31/2045	\$120,335	\$10,278	8.05%	5%
Average Yield Throughout Option Term				7.67%	

TENANT OVERVIEW

Advance Auto Parts is the largest automotive parts provider in North America that serves both professional installers as well as DIY customers. The company is headquartered in Raleigh, North Carolina and currently has over 74,000 employees with 5,200 stores in the United States and Canada. The company also operates over 100 Worldpac branches and serves approximately 1,300 independently owned Carquest branded stores in the United States, Puerto Rico, the U.S. Virgin Islands and Canada. In 1932, the company was founded by Arthur Taubman when he purchased two automotive stores from the Pep Boys in Roanoke and Lynchburg, Virginia. Over the last 80 years, the company has grown exponentially through a series of mergers and acquisitions into the North America's largest automotive parts provider. Advance Auto Part's offerings include auto parts such as air filters, batteries, belts, brake pads, alternators, motor oil, starters, radiators, wipers, water pumps and fuel pumps. The company is currently publicly traded as a S&P 500 component under the name "AAP" on the New York Stock Exchange.

Advance Stores Company, Inc is the entity which originally formed the company in 1932. Advanced Auto Parts, Inc conducts all of its operations through this wholly owed subsidiary and smaller subsidiaries underneath our tenant. This entity has also been the primary borrower for the company's over \$1 billion unsecured revolving credit facility as of December 29, 2018.

Tenant:	Advance Stores Company, Inc
Parent Company:	Advance Auto Parts, Inc
Stock Symbol (NYSE):	AAP
Credit Rating (S&P):	"BBB-"
Company Headquarters:	Raleigh, NC
Number of Stores:	5,200
Market Cap:	\$9.7 Billion
Revenue (2018):	\$9.6 Billion
Net Income (2018):	\$424 Million

KANKAKEE OVERVIEW

The town of Kankakee is located in the Kankakee-Bourbonnais-Bradley MSA, which is home to over 113,000 people. Kankakee serves as the economic, retail, government, education and medical center for many small communities spread throughout the rural plains of northeast Illinois. The town was founded in 1853 and is located approximately 60 miles south from downtown Chicago. It is situated nearby to Oliver Nazarene University and Kankakee Community College, which have a combined annual enrollment over 8,000 students. The subject offering is located in the eastern quadrant of Kankakee along East Court Street, which is the primary thoroughfare through Kankakee's central business district. The town is bordered to the east and the south by Interstate 57, which has a traffic count over 27,000 VPD. This route is a major traffic corridor for the transportation of goods as well as for people who commute to work in the Chicago MSA. Overall, many residents choose to live in Kankakee given its low cost of living, plethora of parks and recreational activities, great public services and easy access to major arterial routes.



DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2019 Population	12,474	44,101	69,847
2024 Projected Population	12,027	42,765	68,129
Workplace Establishments	553	1,782	2,657
Estimated Daytime Population	13,730	51,853	74,701
Households	1 Mile	3 Miles	5 Miles
2019 Households	4,187	15,731	25,103
2024 Projected Households	4,041	15,240	24,482
Persons per Household	2.87	2.58	2.60
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$42,807	\$58,923	\$72,439
Median Household Income	\$31,656	\$51,362	\$59,244
Per Capita Income	\$16,708	\$23,851	\$29,348

DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



POPULATION
69,847



HOUSEHOLDS
25,103



AVERAGE HH INCOME
\$72,439

LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 1171 E Court St, Kankakee, IL 60901 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.

LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

For further information contact the owner's exclusive representatives:

Wes Koontz, CCIM

Mid-America Real Estate Corp.

Vice President, Net Lease Director

Direct: 630.954.7395

WKoontz@MidAmericaGrp.com



Christian Tremblay

Mid-America Real Estate Corp.

Broker

Direct: 630.481.4010

CTremblay@MidAmericaGrp.com

410 N. Michigan Avenue,
Suite 1100
Chicago, IL 60611