



Representative Photo



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**INVESTMENT SUMMARY**

List Price:	\$940,000
Current NOI:	\$68,250
Initial Cap Rate	7.26%
Square Footage:	7,000
Land Acreage:	0.78
Year Renovated:	2002

**LEASE SUMMARY**

Lease Type:	NN
Taxes/CAM/Insurance:	Tenant Responsibility
Roof/Structure:	Landlord Responsibility
Original Lease Term:	10 Years
Lease Commencement:	April 1, 2011
Current Term Expiration:	March 31, 2021
Term Remaining:	6.5 Years
Rent Increases:	Every 5 Years
Renewal Options:	Two, Five Year Options
Tenant Credit Rating:	BBB- (Standard and Poor's)
Tenant Information:	<a href="http://www.advanceautoparts.com">www.advanceautoparts.com</a>   NYSE: AAP

**LOCATION HIGHLIGHTS**

- Out-Parcel to Super Walmart — M-27 is Center of Area's Primary Retail Corridor
- Close Proximity to US 23- Connects Area with Popular Tourist Attractions—Such as Mackinaw City and Area's Numerous State Parks and Beaches
- Population Exceeds 9,000 Within Five Mile Radius of Subject Property

**INVESTMENT HIGHLIGHTS**

- Recently Renewed Lease— New 10 Year Term Commenced on April 1, 2011
- Super Walmart Out-Parcel
- Established Location—Built-to-Suit in 2002
- Rent Increases to \$71,750 April 1, 2016
- NN Lease—LL Only Responsible for Roof and Structure
- Investment Grade Credit—AAP Features S&P Credit Rating of BBB-
- Two, Five Year Options to Renew
- Advance Auto Parts has 90% +/- Renewal Rate



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### INVESTMENT OVERVIEW

Fortis Net Lease is proud to present this single tenant, investment property offering for an Advance Auto Parts location in Cheboygan, Michigan. The subject property was constructed in 2002 upon the completion of which Advance Auto Parts began operating under a 10 year, NN lease. However, in 2011 the landlord and tenant came to an agreement to extend the lease term by 10 additional years. This resulted in a new 10 year term that commenced on April 1, 2011 and runs through March 31st, 2021. After the expiration of this extended term, the tenant will have two, five year options to extend the lease. The rental rate for this property, as of April 1st, is \$68,250 annually and features rent bumps every five years, including the option periods. The NN nature of the lease requires minimal landlord responsibility with the ownership only responsible for repair/maintenance of the roof and structure. Advance Auto Parts currently features an S&P credit rating of BBB- making this a very stable asset for any investment portfolio with added stability arising from the approximately 90% renewal rate that Advance Auto is known for. While Cheboygan is not a large market, this property is ideally located within a strong retail corridor that features major tenants Wal-Mart, Dunham's, Sears Home Store, McDonald's, Walgreen's and many other national, and local establishments.

### TENANT OVERVIEW

Advance Auto Parts is a leader in the automotive aftermarket, and we have more than 78 years of grease, grime and grit under our fingernails to prove it. Not only do we sell quality, affordable parts, but we also sell confidence. We have over 3,500 stores and more than 51,000 of the best-equipped Team Members in the business to help you get the right part and find the best answers to all your repair questions.

Based in Roanoke, Virginia, Advance Auto Parts, Inc. is a leading automotive aftermarket retailer in the United States, based on sales and store count. They are a member of the Fortune 500 and Forbes Magazine named them the best-managed company in the retail sector in 2005. They operate more than 3,400 stores in 39 continental states, Puerto Rico and the Virgin Islands and the company employs more than 49,000 friendly and knowledgeable Team Members. The company sells automotive parts, accessories, batteries and maintenance items and gives customers access to thousands of parts that are available on a same-day or overnight basis at "ready-to-go" low prices. Our stores' primary customer is the "Do-it-yourselfer" (DIY), but also serve the professional installer market "Do-it-for-me" or (DIFM).

For the 2010 fiscal year Advance Auto Parts continued its success in the after market parts industry as the company experienced total sales increases of 11% during the fourth quarter and for the year, the company saw sales grow by 9.5% overall. Throughout 2010, Advance Auto Parts opened an additional 148 stores, including 38 Autopart International stores. As of January 1, 2011, the company's total store count was 3,563 with the company expecting to add an additional 120-140 stores during 2011.

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**LOCATION OVERVIEW**

**Cheboygan, MI**

Cheboygan is a city in Cheboygan County, Michigan which is located at the northernmost point in the lower peninsula region of the state, near the Mackinaw Bridge. As can be expected by the name, the city is also the county seat of Cheboygan County. The city is at the mouth of the Cheboygan River on Lake Huron making it an excellent destination for travelers looking for some fun in the water during the summer months. Cheboygan is located just to the southeast of the intersection of US-23 and I-75, the two most traveled roadways in Northern Michigan as they connect the remainder of the state with the popular vacation destinations which can be found in the area surrounding the Mackinaw Bridge. In fact, Cheboygan is just 15 miles southeast of the intersection of the two prominent roadways and their intersection point which is Mackinaw City. Other important roadways in the area are M-27, which runs from the city along the north shore of Mullett Lake to I-75 at Indian River. The M-27 corridor in Cheboygan is the area's primary retail corridor as many retailers and businesses can be found in the area looking to take advantage of the strong traffic counts along the roadway.

It is easy to understand why the area is such a tourist attraction, primarily during the summer months, as millions make the long drive north to take advantage of the vast stretches of beach and shoreline as well as the multitude of other outdoors activities ranging from camping to hiking to water sports and everything in between. Cheboygan County is located along the north shore of the Huron Shores Heritage Route which connects visitors to the area with everything from a 62-mile bike ride on North Central State Trail to traveling the 38 mile inland waterway from Lake Huron to Crooked Lake to visiting one of Cheboygan's many lighthouses and the ever popular Mackinaw Bridge.

From an economic standpoint, the largest employer in the city is Cheboygan Memorial Hospital, located just minutes steps from the subject property, which employs nearly 500 area residents. In addition to the area hospital the local school district and county government also play influential roles in the economic outlook of the community. Outside of government, the largest private employers are Roman Engineering— a metal fabricator, Wal-Mart (whose store is located just behind the subject property), and Tube Fab Roman Engineering—each of which employ nearly 200.



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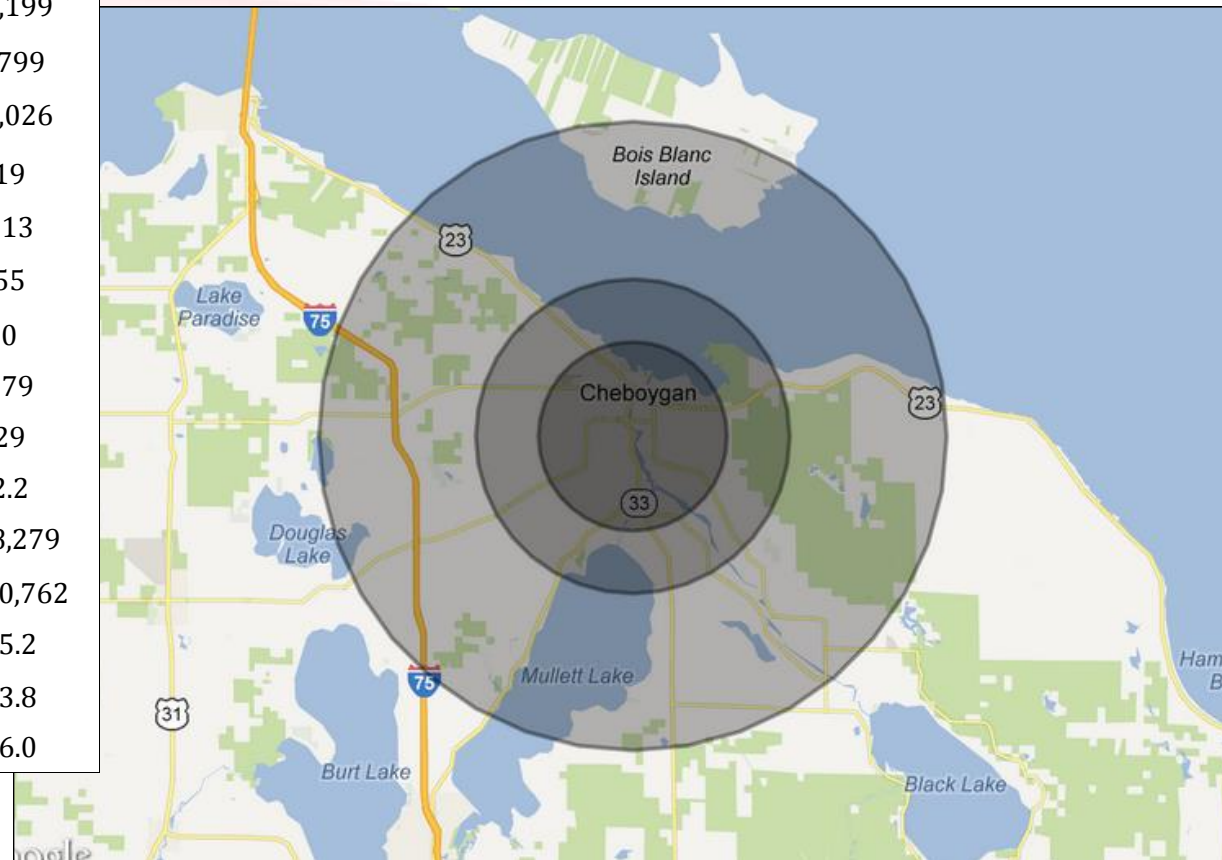
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**DEMOGRAPHICS**

	<b><u>1 Mile</u></b>	<b><u>3 Miles</u></b>	<b><u>5 Miles</u></b>
Total Population	5,333	9,451	15,199
Total Number of Household	2,386	4,241	6,799
Population White	4,874	8,657	14,026
Population Black	0	3	19
Population Hispanic	28	58	113
Population Asian	18	30	55
Population Pacific Islander	0	0	0
Population American Indian	143	255	379
Population Other	8	17	29
Persons Per Household	2.2	2.2	2.2
Average Household Income	\$43,894	\$44,424	\$48,279
Average House Value	\$116,395	\$127,998	\$160,762
Average Age	42.3	42.8	45.2
Average Age Male	40.7	41.2	43.8
Average Age Female	43.5	43.9	46.0



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**Advance Auto Parts**

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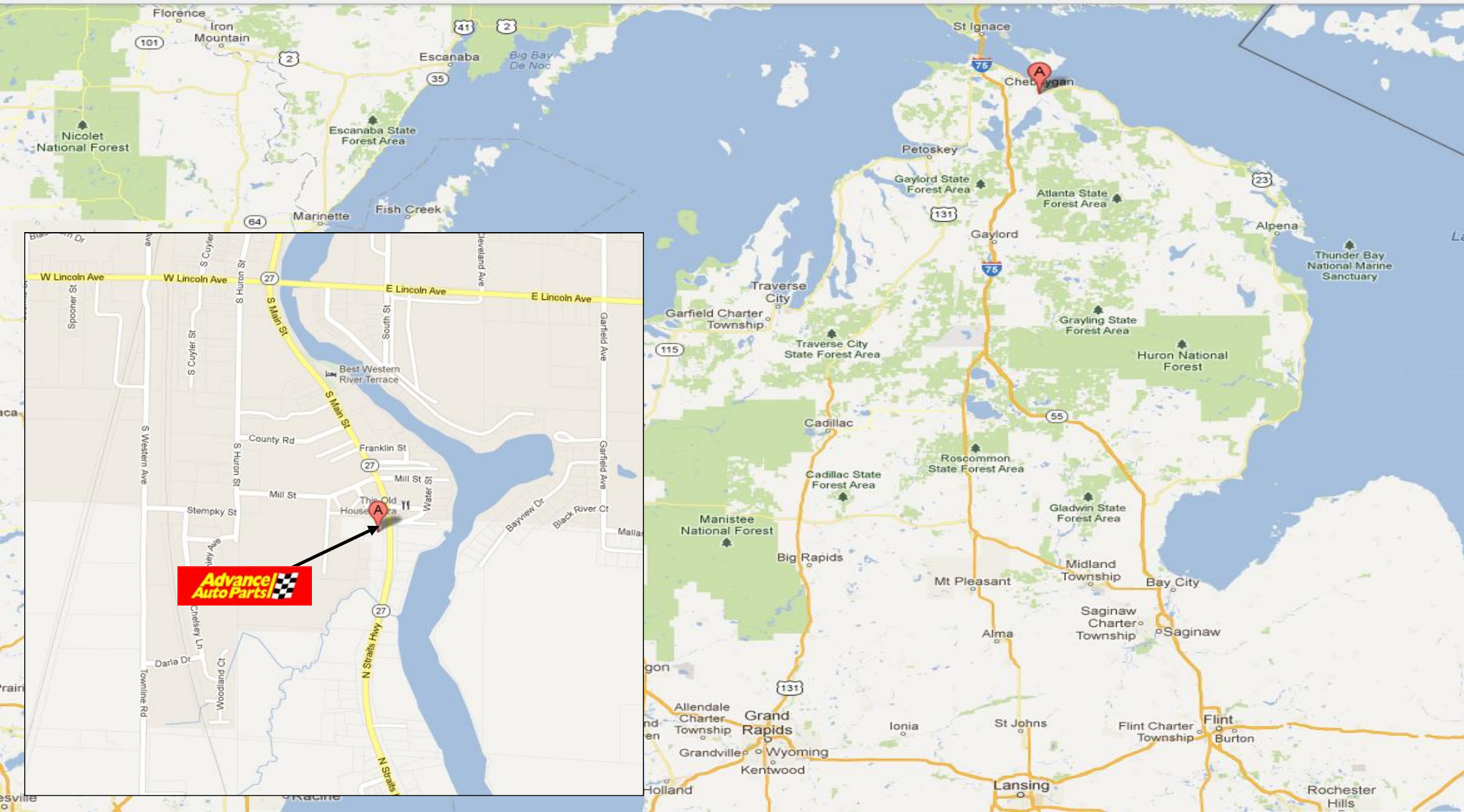
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- Portfolios & Corporate Sale-Leaseback Transactions (Burger King, Arby's, Tutor Time, Taco Bell, Wendy's, etc.)
- Multi-Tenant Retail Centers & Medical Office (Anchored or Unanchored - 5,000 - 1,000,000 SF)

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