

Tenant Description

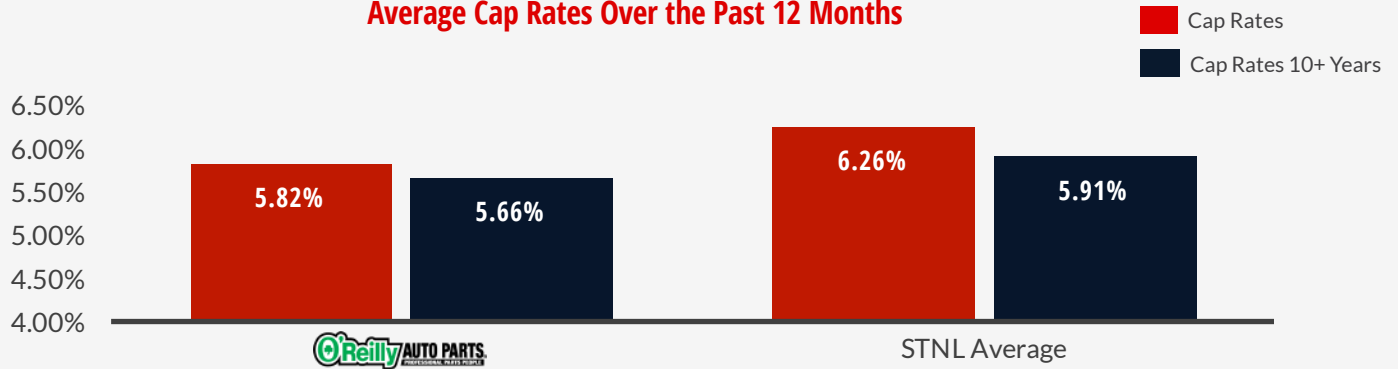
O'Reilly Automotive is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States. O'Reilly Automotive has been successful selling products to both do-it-yourself ("DIY") and professional service provider customers. They were founded in 1957 by the father-son team of Charles F. and Charles H. O'Reilly in Springfield, MO. In 1993, O'Reilly went public under the symbol ORLY. Today, O'Reilly operates over 5,000 stores across 47 states. O'Reilly is growing rapidly, opening 190 stores in 2017 and plans to open 200 during 2018.

Net Lease Overview

O'Reilly Automotive stores make great net lease assets because of their leases, locations, and internet-resistant nature of their business. O'Reilly typically signs 15 - 20 year corporately guaranteed leases with rental increases during the primary term. Their leases may leave investors with landlord responsibilities, such as roof and structure. O'Reilly's BBB credit rating provides for an investment grade guarantee behind the leases.

O'Reilly tends to operate in locations with strong real estate fundamentals. O'Reilly considers factors such as population density, economic strength and growth, nearby auto repair facilities, and traffic count. These aspects of property help ensure the success of new stores. O'Reilly will typically cluster stores in order to maximize the effect of initial promotional programs and achieve economies of scale.

Average Cap Rates Over the Past 12 Months



Auto parts has and will remain resistant to the 'Amazon Effect'. O'Reilly's technically-proficient 'Professional Parts People' provide an advantage over internet retailers. This personal interaction will help customers find the right parts for any job and create a loyal customer base.

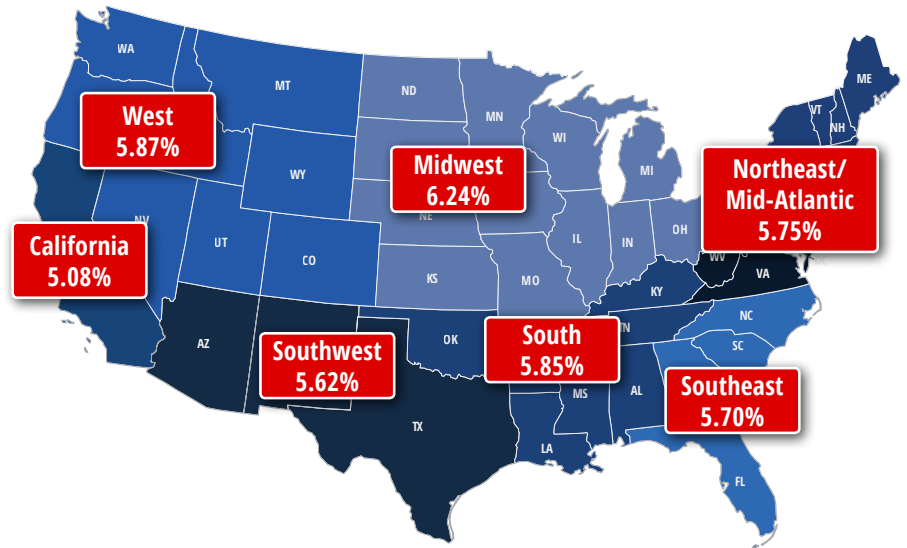


Tenant	Average Cap Rate	Stock Symbol	S&P Credit Rating	Moody's Credit Rating
O'Reilly Automotive	5.82%	ORLY	BBB	Baa1
Advance Auto Parts	6.88%	AAP	BBB-	Baa2
AutoZone	5.33%	AZO	BBB	Baa1
Average	6.01%			

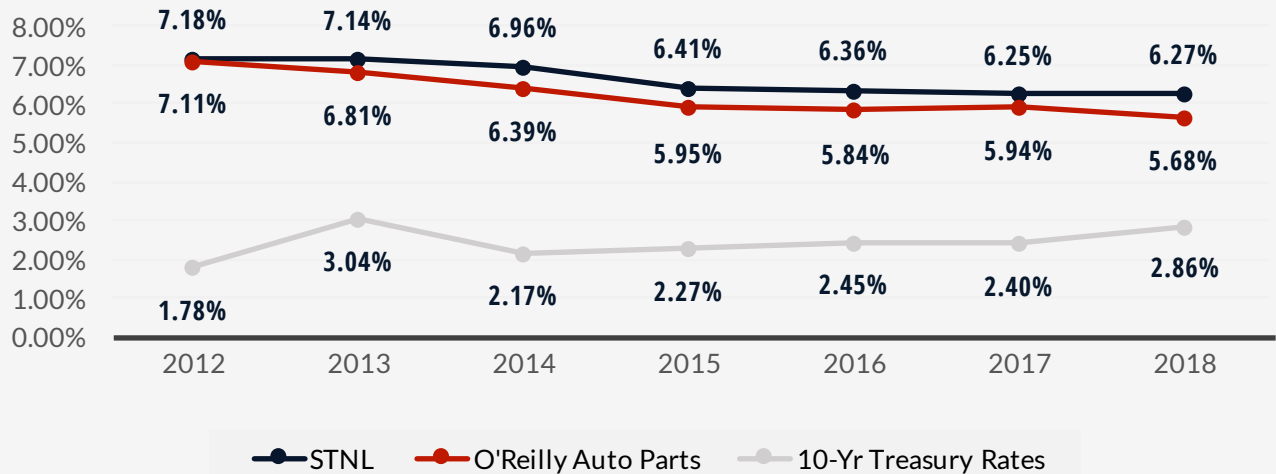
The O'Reilly and the other leading auto parts retailers have strong credit. All three are in the investment grade range.

Average Regional Cap Rate

At 5.08%, California had the lowest average cap rate in the nation, this is due to the high demand for properties in California. The Midwest had the highest average cap rate.



STNL Cap Rates vs O'Reilly Auto Parts Cap Rates vs 10-Yr Treasury Rates



O'Reilly properties have typically sold slightly below the single tenant net lease (STNL) average.

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DISCLOSURES: As part of our market research, we collect sales price, cap rate, and lease years remaining for all publicly advertised and sold STNL properties. a) We are not able to capture 100% of the off-market transactions that occur; however the nature of off-market typically limits their value as true market comps. b) Sources include public records, sales announcements, Calkain sales, and appraiser obtained sales amongst others. c) Our collection process, while thorough, is not all encompassing and there may be biases in the data as it relates to geography, tenancy, or brokers involved in the transaction. d) Public records often lag behind when transactions actually close, months in some cases. e) In sectors with a skew of greater than |2|, we have replaced the mean with the median to better describe these sectors. Consequently the data supplied here for any given quarter is likely to miss a material amount of transactions that actually closed in it.