

03.09.15 Los Angeles Metropolitan Area

Jack's Sanitized List of

Available, prequalified, new-to-industry, EXPRESS Exterior Tunnel CW Sites

w/ size, type, zoning, traffic count, % Latino in trade area, Estimated Potential Annual Gross Revenues &

'Seasoned' Washed Car Volumes (WCV) at capture rates of 1.0%, 1.25% & 1.5%

NOTE: Exact addresses and decision-critical site details are only made available to clients already under contract.

Jack's Site #	County in which site is located; Land purchase (w/ Price psf) or Ground lease w/ annual rent; Average Daily Traffic Count Zoned for Tunnel Carwash?	Size & Type	% L A T I N O	Est. potential gross revenues at 'seasoned' washed car volume with 1.5% capture rate*	WCV @ 1.0% Capture Rate	WCV @ 1.25% Capture Rate	WCV @ 1.5% Capture Rate
<u>123</u>	Orange County; Land Purchase (\$66 psf); 70,000 ADT Yes, w/ <u>Minor</u> C.U.P.	71,000 SF Upstream	17.1	\$2,250,000	227K	284K	341K
<u>159</u>	Orange County; Ground Lease (\$96,000 NNN / yr.); 71,000 ADT Yes, w/ <u>C.U.P.</u>	47,000 SF Upstream	39.7	\$2,284,000	230K	288K	346K
<u>163</u>	Los Angeles County; Land Purchase (\$26 psf); 59,000 ADT Yes, w/ <u>C.U.P.</u>	57,000 SF Corner - "T" intersect.	72.5	\$1,898,000	191K	239K	287K
<u>167</u>	San Bernardino County; Land Purchase (\$23 psf net to seller); 44,800 ADT Yes w/ <u>Minor</u> C.U.P.	65,000 SF Corner	66.8	\$1,441,000	145K	182K	218K
<u>195</u>	Orange County; Land Purchase (\$65 psf); 51,000 ADT Yes, <u>without</u> a C.U.P.	58,000 SF Corner	16.9	\$1,658,000	167K	209K	251K
<u>201</u>	Los Angeles County; Ground Lease (\$240,000 NNN/ yr.); possible JV deal w/ experienced candidate. 56,106 ADT Yes, w/ <u>C.U.P.</u>	56,183 SF Corner	74.7	\$1,801,000	182K	227K	273K
<u>202</u>	Orange County; Either Land Purchase (\$50 psf) or Ground Lease (\$277,596 NNN / yr.); 59,000 ADT Yes, w/ <u>C.U.P.</u>	56,628 SF Upstream	52.8	\$1,898,000	191K	239K	287K
<u>203</u>	Los Angeles County Land purchase (\$73.00 psf) 61,000 ADT CW permitted "by right" (no C.U.P. required)	43,769 Corner	44.0	\$1,962,675	198K	247K	297K
<u>207</u>	Los Angeles County; Land, entitlements, building permits, construction drawings purchase (\$78.13 psf); or lease at \$8500 NNN / mo = \$102,000 NNN / yr. w/ \$90,000 paid up front for entitlements, drawings, etc. 71,300 ADT N/A, all entitlements are in hand.	24,000 SF Corner (fwy. on-off ramps)	40.8	\$3,500,000 \$2,293,000 \$1,875,000 = <u>bottom</u> sale price. \$325,000 pymt w/ lease	237K	289K	347K

				\$90,000 = bottom price for entitlements if lease deal.			
<u>209</u>	Orange County; Ground Lease (\$125,000 NNN / yr.) 44,600 ADT Not as is. Yes, w/ C.U.P. & "Development Agreement"	22,400 SF Corner	15.9	\$1,435,000	144K	181K	217K
<u>210</u>	Orange County; Ground Lease (\$125,000 NNN / yr.) 85,300 ADT Yes, w/ C.U.P. & "Development Agreement"	22,473 SF Corner w/ off site access on both sides	57.2	\$2,743,000	277K	346K	415K
<u>212</u>	Los Angeles County Land purchase (\$81 psf - PMPA situation) 63,000 ADT Yes, w/ C.U.P.	22,230 SF Corner	92.1	\$2,031,000	205K	256K	307K
<u>160</u>	Los Angeles County Ground Lease (\$108,000 NNN / yr.) 57,000 ADT Yes, w/ C.U.P.	23,866 SF Corner	35.7	\$1,862,000	185K	231K	282K
<u>214</u>	Riverside County <u>Operating</u> EXPRESS Exterior CW with land 43,700 ADT 2012 Gross Receipts: \$407,296 2013 Gross Receipts: \$447,131 2014 Monthly Gross Receipts: +/- \$40,000	21,000 SF Corner	49.3	\$1,704,000	142K	177K	213K
<u>216R</u>	Los Angeles County Sale or Lease <u>TURNKEY</u> , modern, ready-to-open EXPRESS Exterior Tunnel Carwash on leased land. Redevelopment to be done by Seller / Landlord and delivered to Buyer / Lessee at close of escrow. <u>3 Acquisition Scenarios:</u> 1.) Price: \$1,850,000 / for Turnkey w/ Lease Rate: \$12,000 NNN monthly 2.) Price: \$600,000 Key Money w/ Lease Rate: \$12,000 NNN monthly & buyer converts it to ECW 3.) \$4.0 Mil. buys it "as is" incl. land & entitlements. Buyer does the ECW conversion. 45,000 ADT All entitlements gathered by Seller / Landlord.	20,000 SF usable. Corner lot.	31.5	\$1,872,000	146K	182K	234K
<u>221</u>	Orange County Ground Lease (\$150,000 NNN / yr.) 56,900 ADT Yes, w/ C.U.P.	48,000 SF Corner lot	52.5	\$1,800,000	184K	227K	273K
<u>228</u>	Orange County - Private + 1 Ground Lease (\$360,000 NNN / yr.) 80,000 ADT OK, w/ C.U.P.	21,000 SF Corner lot	37.0	\$3,185,000	260K	325K	390K
<u>229</u>	Los Angeles County - Client Exclusive/Private Land Purchase Price: \$2.0 Mil. LOI (\$42.49/SF + \$500,000 Key	35,000 SF Corner lot	60.0 Est.	\$2,559,000	243K	304K	365K

	Money) 75,000 ADT OK, w/ C.U.P.						
<u>143R</u>	Orange County Land purchase 98,000 SF - \$3,500,000 (\$36/SF) 35,000 ADT OK, w/ C.U.P. but city wants mixed use development.	98,000 SF Corner lot	N/A	\$1,218,000	116K	145K	174K
<u>231</u>	Orange County Land purchase 38,000 SF - \$2.5 Mil. - (\$66/SF) 83,000 ADT OK, w/ C.U.P.	38,000 SF Corner lot	66.8	\$2,670,000	269K	337K	404K
<u>233</u>	Los Angeles Metropolitan Area Purchase of two (2) high washed car volume Express Exterior Tunnel Carwashes - 1 w/ land, the other w/ favorable long term ground lease. Firm Sale Price \$10.5 Mil.	Released to qualified buyers under contract.	TBD	EBITDA in 2014 was approx. \$1,200,000 washing +/- 44,000 cars/mo.	N/A	N/A	N/A

* Calculation Used to arrive at "Estimated potential gross revenues at 'seasoned' washed car volume with 1.5% capture rate:
ADT Traffic Count x 1.5% capture rate x 325 wash days per year x \$6.60 average ticket

Note: Land prices vary widely from \$23 psf to \$81 psf (includes one at \$78 psf offered with entitlements, drawings, etc. ready to build).

DISCLAIMER: Calculations hereinabove are for budgeting purposes only. J. R. / Jack Muellerleile, Vincent James, Ltd. & Echo Sources, Inc. make no representations or warranties regarding actual or potential car volume, sales volume, revenue, profits, or project costs that may be expected or earned from the operation of a carwash. Many factors impact on the development, operation, and profitability of a car wash operation which cannot be predicted or built into financial projections of future results.

See more below.

SAMPLE NEW CONSULTING CLIENT ACTION ITEMS LIST

Suggested Strategy for Goal Achievement

Goal: Develop 5-8 new-to-industry EXPRESS Exterior Tunnel Carwash (ECW) units in 10 years.

Recommended Right Actions (partial list designed to get unit #1 on stream)

1. Complete a crash course on the carwash industry with a tight focus on the EXPRESS Exterior Tunnel Carwash model.
2. Meet key people who can shorten your learning curve and provide needed support on an ongoing basis.
3. Select a carwash equipment manufacturer.
4. Select a specialty debt capital loan agent or broker if debt capital is to be used.
5. Create your site criteria / learn how to identify a potentially high washed car volume site.
6. Analyze new-to-industry sites found by client.
7. Analyze potential existing Full Service Carwash conversion To EXPRESS Exterior sites found by client.
8. Locate & qualify potential high washed car volume sites.
9. Package your candidacy for presentation to decision makers (seller, landlord, lender, city officials, etc.)

10. Select site for development.
11. Hire an architect with experience doing ECW site plans, C.U.P. applications (if required by zoning), construction plans, construction supervision.
12. Negotiate acquisition of the land in fee or via a long term ground lease.
13. Process debt capital application(s), if any.
14. If necessary, hire an experienced Zoning Expeditor (PR firm) to lead your entitlements gathering team if same are required by the zoning.
15. Apply for jurisdictional entitlements if required by the zoning.
16. Obtain needed permissions (if required by the zoning) and building permits.
17. Bid out the construction project.
18. Choose an experienced, bondable (financial & performance) general contractor.
19. Build the facilities.
20. Install and test the carwash & vacuum equipment, computers, etc.
21. Complete some carwash training.
22. Conduct pre-opening activities (bank account, professional web site creation, employees selection, opening day events, etc.).
23. Obtain your certificate of occupancy from the jurisdictional authority.
24. Open for business.
25. Repeat much of the above process for the 2nd unit.
26. After have 6 months with the 'seasoned' washed car volume on the books, refinance the whole thing if want to obtain debt capital to fund the development of unit #2.

Jack's Compensation as Consultant or Real Estate Broker

Jack's Compensation as your consultant includes the following:

1. \$250 / hour against pre-paid, non-refundable retainers via wire transfer;
2. Reimbursement of overnight travel expenses, if any; and
3. \$100,000 bonus payable at closing if client chooses to acquire a site located by consultant. No bonus if client locates his own site. (NOTE: It is possible to greatly reduce the cost of the bonus by adding a Buyer / broker Agreement prior to acquiring control of the targeted property. See additional comment in #4 below.).

Jack's Compensation as your real estate broker includes the following for qualified candidates:

1. Zero payments per hour;
2. Zero prepaid retainers;
3. Reimbursement of overnight travel expenses, if any;
4. Guaranteed 6% - 10% negotiable commission paid at closing with credit for anything received from Client while working on the case as his/her consultant and/or from Seller/Landlord at closing; and
5. \$100,000 minimum commission per transaction.

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