

****Estimated 300% Cash on Cash Return (ROC)**

At the

\$5.00 / 5 Minute / Free Vacuum

EXPRESS Exterior Tunnel Carwash

To be constructed on leased land in Orange County, CA

Description of the Site		Comment
<p>“A” site in downstream position north of the major signalized intersection of “X” & “Y”; “plus features” include:</p> <ol style="list-style-type: none"> 1. 79,000 ADT traffic count; 2. 264’ frontage on “X” Blvd; plus 3. Multiple long term traffic generators. 		<p>Preferred types of “A” sites are:</p> <ol style="list-style-type: none"> 1. # 2 downstream 2. # 2 upstream 3. Far corner at secondary intersection 4. Far corner at signalized intersection if lot is big enough <p>Concept requires “A” site since impulse driven.</p>
Lot Size	45,302 SF	Minimum suggested is 45,000 SF
Frontage	264+ feet	Minimum suggested is 150’
Traffic Count	79,000 ADT	Minimum suggested is 30,000 ADT.
Capture Rate	1.5%	Normal is 0.5-1.5% of 24 hr traffic. High end chosen due to the absence of this type of carwash competition.
Capital Required to Develop this type of location		Comment
<ul style="list-style-type: none"> • Land Purchase • All equipment / computers complete • Building (simple block wall construction for 120’ tunnel) • Site work • Engineering / Architect (plans & 	<p>GroundLease 500,000</p> <p>600,000</p> <p>100,000</p> <p>50,000</p>	<p>ECW sites can cost \$50-\$125 SF in So.Calif</p>

permits)	28,000-	
• Sewage Fee	50,000	
	<u>5,000</u>	
• Misc. other fees		
Total	<u>\$1,305,000</u>	
Cash Down is 30% (\$391,500) for \$913,500 SBA loan @ 8% over 20 years	\$391,500	SBA may require 15%-25% cash down by borrower. Even 30%!!
“Seasoned Volume” Average # cars washed daily (79,000 ADT x 1.5%)	1185	Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.
# Washing Days per year	325	300 is normal nationally
Average ticket price	\$6.60	Market price runs \$6.50 -\$8.00
Annual Revenues	\$2,541,825	(1185 cars x 325 days x \$6.60)
Expenses at 40%	\$1,016,730	Much lower than full service due to very low labor cost. FS labor costs alone can be 40%.
EBITDA (cash flow before rent, real estate taxes & loan costs)	\$1,525,095	(before rent, real estate taxes & debt service payments)
LESS: Loan payments on a \$913,500 SBA loan @ 8% over 20 years run \$7,637 / mo; \$91,643 / year	\$91,643	Rate is \$8.36 per month per \$1000
LESS: Ground Rent & Property Taxes	\$228,000 \$32,121	(\$19,071 + 1% of \$1,305,000 w/ SWAG method)
EBITDA (net cash flow after debt service, rent & real estate taxes)	\$1,173,331	
Cash on Cash Return (ROC) (\$1,173,331 Net Cash Flow / \$391,500 cash invested)	300%	Cash on Cash returns for all types of carwashes usually run around 33% nationally.

** Source of above concept information: Fred Grauer, Executive V. P. – Investor Market, Conveyors, Ryko Manufacturing Company. Fred has over 50 years experience; is a former President of the International Car Wash Association; and is a second generation industry participant whose family has owned over 100 bays of self-serve and more than 70 tunnel carwashes.

The above location appears to represent a good opportunity for the following reasons:

- 1. May require only \$391,500 cash to develop the site; and**
- 2. The estimated return on cash (ROC) of 300% is well above that expected for most carwashes.**

EXPRESS Exterior Carwashes are very much in evidence in the Southern, Rocky Mountain, Midwestern and Eastern parts of the country. They were conceived of over ten years ago and now represent more than half the tunnel carwashes in the nation. Outside Southern California, they are a proven concept.

In Southern California, where traffic counts are generally much higher, the concept is just beginning to be noticed. Experienced operators and new to industry investors alike are now seeking viable locations for development using this proven concept.

Locations capable of generating exceptional results such as are documented at <http://www.4vqp.com/newhotstuff/expressexteriorcarwash.html> are VERY DIFFICULT to find. Most experienced commercial real estate brokers have no knowledge of the critically important factors associated with this type of land use. Furthermore, they tend to ignore many potential properties and only show buyers their own listings.

Jack Muellerleile does not take listings. He works exclusively for buyers. His experience includes 23 years with Big Oil and 20+ years on his own as a Petro-related consultant, investor and real estate broker. He may be contacted as follows:

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