

****Estimated Potential Cash on Cash Return (ROC) of up to 53.8%**

For

EXPRESS Exterior Tunnel Carwash on a 1.75 acre (76,000 SF) land parcel

In Orange County, CA

Using the aggressive “\$5.00 / 5 Minute / Free Vacuum” Offer

(NOTICE: This analysis assumes the land is purchased.)

| “A” site w/ 79,000 ADT Traffic Count. | Good Results w/ 1.0% Capture Rate | Better Results w/ 1.25% Capture Rate | Best Results w/ 1.5% Capture Rate |
|--|---|---|---|
| Lot Size (irregular shape w/ 188’ frontage) | 76,000 SF | 76,000 SF | 76,000 SF |
| Frontage (minimum suggested is 150’) | 188 feet | 188 feet | 188 feet |
| Traffic Count (Minimum suggested is 30,000 ADT). | 79,000 ADT | 79,000 ADT | 79,000 ADT |
| Capture Rate (normal is 1.0-1.25-1.5% of 24 hr total). | 1.0% | 1.25% | 1.5% |
| Estimated Capital Required to Develop this type of location | Good Results w/ 1.0% Capture Rate | Better Results w/ 1.25% Capture Rate | Best Results w/ 1.5% Capture Rate |
| <ul style="list-style-type: none"> • All equipment / computers complete • Building (simple block wall tunnel including two rest rooms, manager’s office and mechanical equipment room) • Site work • Engineering / Architect / Zoning Expeditor (plans & permits) • Consulting Fee or Brokerage Fee Guarantee • Sewage Fee • Misc. other fees | \$550,000 600,000 100,000 100,000 90,000 28-50,000 <u>5,000</u> | \$550,000 600,000 100,000 100,000 90,000 28-50,000 <u>5,000</u> | \$550,000 600,000 100,000 100,000 90,000 28-50,000 <u>5,000</u> |

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| Total equipment, building & soft costs + Land purchase ESTIMATED TOTAL cost of project | \$1,495,000 5,000,000 \$6,495,000 | \$1,495,000 5,000,000 \$6,495,000 | \$1,495,000 5,000,000 \$6,495,000 |
| Cash Down is 30% (\$1,948,500) for \$4,546,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down) | \$1,948,500 | \$1,948,500 | \$1,948,500 |
| “Seasoned Volume” Average # cars washed daily (79,000 ADT x 1.0%; 1.25%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months. | 790 | 987 | 1185 |
| # Washing Days per year (300 is normal nationally) | 325 | 325 | 325 |
| Average ticket price (Market average ticket price runs \$6.50 -\$8.00) | \$6.60 | \$6.60 | \$6.60 |
| Annual Revenues (790 or 987 or 1185 cars x 325 days x \$6.60) | \$1,694,550 | \$2,117,115 | \$2,541,825 |
| Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%). | \$677,820 | \$846,846 | \$1,016,730 |
| EBITDA (cash flow before real estate taxes & debt service / loan payments) | \$1,016,730 | \$1,270,269 | \$1,525,095 |
| LESS: Loan payments on a \$4,546,500 loan @ 8% over 20 years run \$ 38,009/ mo; \$456,105 / year (Rate is \$8.36 per month per \$1000) | \$456,105 | \$456,105 | \$456,105 |
| LESS: Ground Rent – N/A, land is purchased | N/A | N/A | N/A |
| Property Taxes (SWAG method) | \$20,000 | \$20,000 | \$20,000 |
| EBITDA (net cash flow after debt service & real estate taxes) | \$540,625 | \$794,164 | \$1,048,990 |
| Cash on Cash Return (ROC) <ul style="list-style-type: none"> • Good Results: \$540,625 Net Cash Flow / \$1,948,500 cash invested = 27.7% ROC) • Better Results: \$794,164 Net Cash Flow / \$1,948,500 cash invested = 40.8% ROC) • Best Results: \$1,048,990 Net Cash Flow / \$1,948,500 cash invested = 53.8% ROC) | 27.7% ROC | 40.8% ROC | 53.8% ROC |
| Note: Cash on Cash returns for all types of carwashes usually run around 33% nationally. | Good Results w/ 1.0% Capture Rate | Better Results w/ 1.25% Capture Rate | Best Results w/ 1.5% Capture Rate |

** Source of above concept information: Site Plan Design, Technical information, Equipment & Building Costs by NS Wash Systems at the request of J. R. / Jack Muellerleile who contributed the balance of the content.

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

- 1. May require only **\$1,948,500 cash** to develop the site with extra land for development as a **PHASE II project**; and*
- 2. With the absence of EXPRESS Exterior Tunnel Carwash competition, the potential estimated **53.8% return on cash (ROC)** of 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 more than 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 & Carwash Industry consultant and real estate broker. He may be contacted as follows:

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