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****Estimated Potential Cash on Cash Return (ROC) of up to 56.1%**

For

EXPRESS Exterior Tunnel Carwash on a 56,000 SF corner parcel

In Los Angeles County, CA

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

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

“A” site w/ 50,000 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 (plus 20 ft. alley of east side)	56,057 SF	56,057 SF	56,057 SF
Frontage (minimum suggested is 150’) Note: Site has frontage on all 4 sides.	162, 178, 261 & 295 feet	162, 178, 261 & 295 feet	162, 178, 261 & 295 feet
Traffic Count (Minimum suggested is 30,000 ADT).	50,346 ADT	50,346 ADT	50,346 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 	<p>\$550,000</p> <p>600,000</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p>	<p>\$550,000</p> <p>600,000</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p>	<p>\$550,000</p> <p>600,000</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p>

• Misc. other fees	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total equipment, building & soft costs + Land purchase	\$1,495,000 2,500,000	\$1,495,000 2,500,000	\$1,495,000 2,500,000
ESTIMATED TOTAL cost of project	\$3,995,000	\$3,995,000	\$3,995,000
Cash Down is 30% (\$1,198,500) for \$2,796,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down)	\$1,198,500	\$1,198,500	\$1,198,500
“Seasoned Volume” Average # cars washed daily (50,346 ADT x 1.0%; 1.25%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.	503	629	755
# 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 (503 or 629 or 755 cars x 325 days x \$6.60)	\$1,078,935	\$1,349,205	\$1,619,475
Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%).	\$431,574	\$539,682	\$647,790
EBITDA (cash flow before, real estate taxes & debt service / loan payments)	\$647,361	\$809,523	\$971,685
LESS: Loan payments on a \$2,796,500 SBA loan @ 8% over 20 years run \$23,379 / mo; \$280,545 / year (Rate is \$8.36 per month per \$1000)	\$280,545	\$280,545	\$280,545
LESS: Ground Rent – N/A; land is purchased			
Property Taxes (SWAG method – Existing \$4,196 + 1% of \$1,495,000)	\$19,000	\$19,000	\$19,000
EBITDA (net cash flow after rent, debt service & real estate taxes)	\$347,816	\$509,978	\$672,140
Cash on Cash Return (ROC)			
• Good Results: \$347,816 Net Cash Flow / \$1,198,500 cash invested = 29.0% ROC)	29.0%	42.6%	56.1%
• Better Results: \$509,978 Net Cash Flow / \$1,198,500 cash invested = 42.6% ROC)	ROC	ROC	ROC
• Best Results: \$672,140 Net Cash Flow / \$1,198,500 cash invested = 56.1% ROC)	Good	Better	Best
	Results	Results	Results
	w/ 1.0%	w/ 1.25%	w/ 1.5%
	Capture	Capture	Capture
	Rate	Rate	Rate

Note: Cash on Cash returns for all types of carwashes usually run around 33% nationally.			
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*** 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 \$1,198,500 cash to develop the site; and**
- 2. With the absence of EXPRESS Exterior Tunnel Carwash competition, the potential estimated 56.1% 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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