

****Estimated Potential Cash on Cash Return (ROC) of up to 248.9%**

For

**EXPRESS Exterior Tunnel Carwash retrofitted into EXISTING 14,000 SF BUILDING
on a 55,800 SF land parcel (273' x 175')**

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

(NOTICE: This analysis assumes the land and the existing building are leased.)

“A” site w/ 52,930 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 (273' x 175')	55,800 SF	55,800 SF	55,800 SF
Frontage (minimum suggested is 150')	273 feet	273 feet	273 feet
Traffic Count (Minimum suggested is 30,000 ADT).	52,930 ADT	52,930 ADT	52,930 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 – REMODELING existing building • Engineering / Architect / Zoning Expeditor (plans & permits) • Consulting Fee or Brokerage Fee Guarantee • Sewage Fee • Misc. other fees 	<p>\$550,000</p> <p>N/A - Using existing building</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p> <p><u>5,000</u></p>	<p>\$550,000</p> <p>N/A -Using existing building</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p> <p><u>5,000</u></p>	<p>\$550,000</p> <p>N/A -Using existing building</p> <p>100,000</p> <p>100,000</p> <p>90,000</p> <p>28-50,000</p> <p><u>5,000</u></p>

Total equipment, building & soft costs + Land purchase (N/A – Land is leased in this case) ESTIMATED TOTAL cost of project	\$895,000 N/A <u>\$895,000</u>	\$895,000 N/A <u>\$895,000</u>	\$895,000 N/A <u>\$895,000</u>
Cash Down is 30% (\$268,500) for \$626,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down)	\$268,500	\$268,500	\$268,500
“Seasoned Volume” Average # cars washed daily (52,930 ADT x 1.0%; 1.25%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.	529	661	793
# 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 (529 or 661 or 793 cars x 325 days x \$6.60)	\$1,314,705	\$1,417,845	\$1,700,985
Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%).	\$525,882	\$567,138	\$680,394
EBITDA (cash flow before rent, real estate taxes & debt service / loan payments)	\$788,823	\$850,707	\$1,020,591
LESS: Loan payments on a \$626,500 SBA loan @ 8% over 20 years run \$5,238 / mo; \$62,856 / year (Rate is \$8.36 per month per \$1000)	\$62,856	\$62,856	\$62,856
LESS: Ground & Improvements Rent (\$1.50 psf x 14,000 RSF building = \$21,000 NNN per month)	\$252,000	\$252,000	\$252,000
Property Taxes – Existing amount	\$37,190	\$37,190	\$37,190
EBITDA (net cash flow after rent, debt service & real estate taxes)	\$436,777	\$716,534	\$763,230
Cash on Cash Return (ROC) <ul style="list-style-type: none"> • Good Results: \$436,777 Net Cash Flow / \$268,500 cash invested = 162.6% ROC • Better Results: \$498,661 Net Cash Flow / \$268,500 cash invested = 185.7% ROC • Best Results: \$668,545 Net Cash Flow / \$268,500 cash invested = 248.9% ROC 	<u>162.6%</u> ROC Good Results w/ 1.0% Capture Rate	<u>185.7%</u> ROC Better Results w/ 1.25% Capture Rate	<u>248.9%</u> ROC Best Results w/ 1.5% Capture Rate
Note: Cash on Cash returns for all types of carwashes usually run around 33% nationally.			

*** 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 \$268,500 cash to develop the site; and***
- 2. With the absence of EXPRESS Exterior Tunnel Carwash competition, the potential estimated 248.9% 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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