

****Estimated Potential Cash on Cash Return (ROC) of up to 84.4%**

For

**Redevelopment of a former Gas Station Property
[150' x 150' (22,500 SF) corner site] or other small lot
With an EXPRESS Exterior Twin-Tunnel Carwash Facility
Using the aggressive “\$5.00 / 5 Minute / Free Vacuum” Offer**

NOTE: EXHIBIT ASSUMES LAND IS PURCHASED / OWNED IN FEE

| Exhibit Depicts Results Possible with ECW Design Solution created for the small lot typical of the corner gas station site built in the 1960s. Presumed is an “A” site on the far corner of a signalized intersection (concept requires “A” site since impulse driven). | Good Results w/ 0.75% Capture Rate | Better Results w/ 1.0% Capture Rate | Best Results w/ 1.5% Capture Rate |
|---|---|--|--|
| Lot Size | 22,500 SF | 22,500 SF | 22,500 SF |
| Frontage (minimum suggested is 150') | 150 feet | 150 feet | 150 feet |
| Traffic Count (minimum suggested is 30,000 ADT). | 50,000 ADT | 50,000 ADT | 50,000 ADT |
| Capture Rate (normal is 0.75-1.5% of 24 hr total). | 0.75% | 1.0% | 1.5% |
| Capital Required to Develop this type of location | Good Results w/ 0.75% Capture Rate | Better Results w/ 1.0% Capture Rate | Best Results w/ 1.5% Capture Rate |
| <ul style="list-style-type: none"> All equipment / computers complete (\$4700 / ft.) Building (simple block wall twin conveyors – 52' inside & 65' outside; \$4273 / ft.) Site work Engineering / Architect Zoning Expeditor (plans & permits) Consulting Fee or Brokerage Fee Guarantee Sewage Fee | \$550,000 | \$550,000 | \$550,000 |
| | 500,000 | 500,000 | 500,000 |
| | 100,000 | 100,000 | 100,000 |
| | 100,000 | 100,000 | 100,000 |
| | 90,000 | 90,000 | 90,000 |
| | 28-50,000 | 28-50,000 | 28-50,000 |

| | | | |
|--|---|--|--|
| • Misc. other fees | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> |
| Total equipment, building & soft costs + Land purchase TOTAL with cost of land | \$1,395,000 <u>1,500,000</u> \$2,895,000 | \$1,395,000 <u>1,500,000</u> \$2,895,000 | \$1,395,000 <u>1,500,000</u> \$2,895,000 |
| Cash Down is 30% (\$868,500) for \$2,026,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down) | \$868,500 | \$868,500 | \$868,500 |
| “Seasoned Volume” Average # cars washed daily (50,000 ADT x 0.75%; 1.0%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months. | 375 | 500 | 750 |
| # Washing Days per year (300 is normal nationally) | 325 | 325 | 325 |
| Average ticket price (Market price runs \$6.50 -\$8.00) | \$6.60 | \$6.60 | \$6.60 |
| Annual Revenues (375 or 500 or 750 cars x 325 days x \$6.60) | \$804,375 | \$1,072,500 | \$1,608,750 |
| Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%). | \$330,000 | \$429,000 | \$643,500 |
| EBITDA (cash flow before rent, real estate taxes & loan costs / payments) | \$474,375 | \$643,500 | \$965,250 |
| LESS: Loan payments on a \$2,026,500 SBA loan @ 8% over 20 years run \$16,942 / mo; \$203,298/ year (Rate is \$8.36 per month per \$1000) | \$203,298 | \$203,298 | \$203,298 |
| LESS: Ground Rent & Property Taxes (1% of project w/ SWAG method) | \$ N/A \$28,550 | \$ N/A \$28,550 | \$ N/A \$28,550 |
| EBITDA (net cash flow after rent, debt service & real estate taxes) | \$242,527 | \$411,652 | \$733,402 |
| Cash on Cash Return (ROC) • Low Results: \$242,527 Net Cash Flow / \$868,500 cash invested = <u>27.9%</u> ROC) • Better Results: \$411,652 Net Cash Flow / \$868,500 cash invested = <u>47.4%</u> ROC) • Best Results: \$733,402 Net Cash Flow / \$868,500 cash invested = <u>84.4%</u> ROC) Note: Cash on Cash returns for all types of well located & operated carwashes usually run about 33% nationally. | 27.9% ROC Good Results w/ 0.75% Capture Rate | 47.4% ROC Better Results w/ 1.0% Capture Rate | 84.4% ROC Best Results w/ 1.5% Capture Rate |

*** Source of above concept information: TWIN-TUNNEL Site Plan Design, Technical information, Equipment & Building Costs by SONNY'S – "The Car Wash Factory" 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 \$868,500 cash to develop the site; and***
- 2. With the absence of EXPRESS Exterior Tunnel Carwash competition, the potential estimated 84.4% 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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