

How Jack is compensated by his clients

I do not personally own or control the sites shown on my web site but they were available for acquisition on the day each was posted as examples on the EXPRESS Exterior Tunnel Carwash web page.

As you may already realize, potential high volume ECW sites are difficult to find, are very valuable to those with the savvy to realize the cash flow they may produce and, as such, are highly sought after. Southern California sites and those in most major metropolitan areas enjoy higher traffic counts than elsewhere. As such, it is not unusual for the washed car volumes to exceed 15,000 cars monthly when only a 1.0% capture rate is achieved. Some operators experience capture rates of 1.5% or even higher and wash 22,500 or more cars monthly. I specialize in locating and pre-qualifying sites for development as a high volume ECW (EXPRESS Exterior Tunnel Carwash).

After qualifying a client candidate financially and experience-wise, I sign him up as a consulting client (or in rare cases, as a brokerage client in California). Thereafter, we agree on a site criteria and I send him sites already known to me which meet or exceed that criteria. From that point forward, he is exposed to any newly identified site which meets or exceeds the criteria I was given. Elsewhere, I teach him how to find and pre-qualify sites for himself.

CONSULTING SERVICES (Nationwide & Internationally)

Working as a consultant, I am compensated at \$250 per hour vs. \$5,000.00 pre-paid retainers. When an acquisition takes place, I am paid a bonus equal to 6% of the sale price on a fee acquisition or 6% of the firm term rent commitment in the case of a lease. When the bonus payment is due, the client is credited for what has been paid me up to that point in time.

EXAMPLE (land purchase transaction):

- \$5,000 is wired to my account prior to the onset of services. This funds the first 20 hours of consulting services.
- \$5,000 is wired as often thereafter as is necessary to keep me on the payroll advising the client while a site is chosen and control is secured.
- \$5,000 added
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- \$20,000 - \$25,000 usually is sufficient in consulting fees to get the chosen property into escrow or under control by way of a long term ground lease.
- \$120,000 is the bonus calculated at 6% of the assumed \$2,000,000 sale price.
- <20,000> credit is given if \$20,000 in consulting fees have been paid to me up to that point in time.
- \$100,000 is the NET bonus amount the client places into escrow for release to me at the closing thereof.

BROKERAGE SERVICES (California sites)

After the first transaction is completed and I am paid in a timely manner, the client may choose to hire me as a real estate broker for the same type of work. Brokerage clients need not pay me the hourly rate. Brokerage clients guarantee me compensation at 6% of the sale price (or firm term rent commitment) payable through close of escrow or bilateral execution & delivery of the lease agreement plus satisfaction, removal or waiver of the lease contingencies. This obligation is credited by the amount I receive from the other side of the transaction, if anything.

EXAMPLE (long term ground lease transaction):

- \$216,000 is 6% of the rent commitment for a 20 year firm term lease at \$15,000 monthly (\$180,000 yearly) or \$3,600,000 for the 20 years.
- <75,000> assume this is received from the lessor
- \$141,000 is paid me by the brokerage client thereby satisfying his 6% guarantee.

If the above appeals to you, call me at 714.220.1806. I will be pleased to talk generally with you over the phone trying to answer your questions and to pre-qualify you as a client candidate. Once you are signed up as my client, we can get into specifics about anything you wish to discuss.

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