

Estimated 141% Cash on Cash Return (ROC)

at the

*El Segundo \$5.00 / 5 Minute / Free Vacuum

EXPRESS Exterior Carwash

125 N. Sepulveda Blvd, El Segundo, CA 90045

as documented at <http://www.4vqp.com/newhotstuff/expressexteriorcarwash.html> .

Description of El Segundo Location	Subject Location	Comment
El Segundo 5 Minute EXPRESS Exterior Carwash at 125 N. Sepulveda Blvd, El Segundo, CA 90045 location type.	# 2 upstream from signalized intersection	Preferred types are: 1. # 2 downstream 2. # 2 upstream 3. Far corner at secondary intersection 4. Far corner at signalized intersection if lot is big enough Concept requires "A" site since impulse driven.
Lot Size	51,400 SF	Minimum suggested is 45,000 SF
Frontage	338'	Minimum suggested is 150'
Traffic Count	60,000 ADT	Minimum suggested is 30,000 ADT
Capture Rate	1.65%	Normal is 0.5-1.5% of 24 hr traffic
Capital Required to Develop this type of location		Comment
<ul style="list-style-type: none"> • Land (\$40* x 50,000 SF) • All equipment / computers complete • Building (simple block wall construction for 120' tunnel) • Site work • Engineering / Architect (plans & permits) • Sewage Fee • Misc. other fees <p style="text-align: right;">Total</p>	<p>\$2,000,000</p> <p>500,000</p> <p>600,000</p> <p>100,000</p> <p>50,000</p> <p>28,000-50,000</p> <p><u>5,000</u></p> <p><u>\$3,305,000</u></p>	Can cost \$25-\$75 SF in So.Calif.
* Includes 10% fee to buyer's broker		

Cash Down is 20% on \$2,645,000 SBA loan @ 8% over 20 years	\$660,000	SBA may require 15%-25% cash down by borrower. If land is leased, cash down may be reduced by \$200,000 and annual occupancy cost may drop nearly \$100,000 thereby boosting the potential return on cash invested (ROC).
“Seasoned Volume” Average # cars washed daily	960	Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.
# Washing Days per year	315	300 is normal nationally
Average ticket price	\$6.60	Market price runs \$6.50 -\$8.00
Annual Revenues	\$1,995,000	(960 cars x 315 days x \$6.50)
Expenses at 40%	\$798,000	Much lower than full service due to very low labor cost. FS labor alone can be 40%.
EBITDA (cash flow before real estate costs)	\$1,197,000	(before mortgage payments)
Mortgage payments on \$2,645,000 SBA loan @ 8% over 20 years run \$22,123 / mo; \$265,476 / year	\$266,000	Ground rent will run 8.5% - 10% / year. For a parcel valued at \$2,000,000, it will cost \$170,000 - \$200,000 NNN.
EBITDA (cash flow after real estate costs)	\$931,000	(after mortgage payments)
Cash on Cash Return (ROC) (\$931,000 / \$660,000)	141%	Cash on Cash returns for all types of carwashes usually run around 33% nationally.

***Source of information about the El Segundo EXPRESS Exterior CW: NS Corp Division Manager*

EXPRESS Exterior Carwashes are very much in evidence in the Southern and Eastern parts of the country. They were conceived of more than ten years ago. There, they are a proven concept.

In Southern California, where traffic counts are generally much higher, it 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 hereinabove 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 consultant and real estate broker. He may be contacted as follows:

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