

****Estimated Potential Cash on Cash Return (ROC) of up to 83.6%**

For

**Redevelopment of a former Gas Station Property
[150' x 150' (22,500 SF) corner site] or other small lot
With an EXPRESS Exterior 80 ft. Tunnel Carwash Facility
Using the aggressive "\$5.00 / 5 Minute / Free Vacuum" Offer**

NOTE: EXHIBIT ASSUMES LAND OWNED IN FEE

Exhibit Depicts Results Possible with an 80 ft. Tunnel 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/ 1.0% Capture Rate	Better Results w/ 1.25% 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 1.0-1.5% of 24 hr total).	1.0%	1.25%	1.5%
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 (incl reclaim, vacuum & 2 pay stations) • Building (simple block wall tunnel, 2 RRs, manager's offc & mechanical equip room) • Site work • Engineering / Architect Zoning Expeditor (plans & permits) • Consulting Fee or Brokerage Fee Guarantee • Sewage Fee • Misc. other fees 	<p>\$500,000</p> <p>600,000</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>\$500,000</p> <p>600,000</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>\$500,000</p> <p>600,000</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 TOTAL with cost of land	\$1,445,000 1,500,000 \$2,945,000	\$1,445,000 1,500,000 \$2,945,000	\$1,445,000 1,500,000 \$2,945,000
Cash Down is 30% (\$883,500) for \$2,061,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down)	\$883,500	\$883,500	\$883,500
“Seasoned Volume” Average # cars washed daily (50,000 ADT x 1.0%; 1.25%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.	500	625	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)	\$1,072,500	\$1,340,625	\$1,608,750
Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%).	\$429,000	\$429,000	\$643,500
EBITDA (cash flow before real estate taxes & loan costs / payments)	\$643,500	\$804,375	\$965,250
LESS: Loan payments on a \$2,061,500 SBA loan @ 8% over 20 years run \$17,234 / mo; \$206,810 / year (Rate is \$8.36 per month per \$1000)	\$206,810	\$206,810	\$206,810
LESS: Ground Rent (Zero rent. Land is being bought) Property Taxes (w/ SWAG method)	N/A \$20,000	N/A \$20,000	N/A \$20,000
EBITDA (net cash flow after debt service & real estate taxes)	\$416,690	\$577,565	\$738,440
Cash on Cash Return (ROC) <ul style="list-style-type: none"> • Good Results: \$416,690 Net Cash Flow / \$883,500 cash invested = <u>47.2%</u> ROC) • Better Results: \$577,565 Net Cash Flow / \$883,500 cash invested = <u>65.4%</u> ROC) • Best Results: \$738,440 Net Cash Flow / \$883,500 cash invested = <u>83.6%</u> ROC) <p>Note: Cash on Cash returns for all types of carwashes usually run around 33% nationally.</p>	47.2% ROC Good Results w/ 1.0% Capture Rate	65.4% ROC Better Results w/ 1.5% Capture Rate	83.6% ROC Best Results w/ 1.5% Capture Rate

*** SOURCE: The above 80 ft. Tunnel Site Plan Design, Technical Information, Equipment & Building Costs, Design Benefits & Detriments contributed and / or approved by Chuck Persekian of NS Wash Systems at the request of J. R. / Jack Muellerleile who contributed the balance of the content and published this exhibit..*

The above location appears to represent a good opportunity for the following reasons:

- 1. May require only \$883,500 cash to develop the site; and***
- 2. With the absence of EXPRESS Exterior Tunnel Carwash competition, the potential estimated 83.6% 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 over 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, investor and real estate broker. He may be contacted as follows:

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DISCLAIMER: For budgeting purposes only. NS Wash Systems & J. R. / Jack Muellerleile make no representations or warranties regarding actual or potential car volume, sales volume, revenue, profits, or project costs that may be expected or earned from the operation of a carwash. Many factors impact on the development, operation, and profitability of a car wash operation which cannot be predicted or built into financial projections of future results.

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