

****Estimated Potential Cash on Cash Return (ROC) of up to 246%**

At the

EXPRESS Exterior Tunnel Carwash

To be constructed on a 44,000 corner parcel in Orange County, CA

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

(NOTICE: This analysis assumes the land is leased.)

Description of Site	Good Results w/ 1.0% Capture Rate	Better Results w/ 1.25% Capture Rate	Best Results w/ 1.5% Capture Rate
<p>"A" site in upstream position just north of a major signalized intersection; "plus features" include:</p> <ol style="list-style-type: none"> 1. 79,000 ADT traffic count; 2. 200' frontage on Primary Blvd; 3. Access to / from 3 streets; plus 4. Multiple long term traffic generators. <p>Concept requires "A" site since impulse driven.</p>			
Lot Size – Minimum suggested is 43,560 SF	44,025 SF	44,025 SF	44,025 SF
Frontage (minimum suggested is 150') Note: Site has frontage on all 3 sides.	200 feet on Beach Blvd	200 feet on Beach Blvd	200 feet on Beach Blvd
Traffic Count (Minimum suggested is 30,000 ADT).	79,017 ADT	79,017 ADT	79,017 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 	\$550,000	\$550,000	\$550,000
<ul style="list-style-type: none"> • Building (simple block wall tunnel including two rest rooms, manager's office and mechanical equipment room) 	600,000	600,000	600,000
<ul style="list-style-type: none"> • Site work + demolition / removal of buildings 	200,000 100,000	200,000 100,000	200,000 100,000

<ul style="list-style-type: none"> • Engineering / Architect / Zoning Expeditor (plans & permits) • Consulting Fee or Brokerage Fee Guarantee • Sewage Fee • Misc. other fees 	90,000 28-50,000 <u>5,000</u>	90,000 28-50,000 <u>5,000</u>	90,000 28-50,000 <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</p>	\$1,595,000 N/A \$1,595,000	\$1,595,000 N/A \$1,595,000	\$1,595,000 N/A \$1,595,000
Cash Down is 30% (\$478,500) for \$1,116,500 SBA loan @ 8% over 20 years (SBA requires 15%-30% cash down)	\$478,500	\$478,500	\$478,500
“Seasoned Volume” Average # cars washed daily (79,017 ADT x 1.0%; 1.25%; 1.5%). Ramp-up period to reach “Seasoned Volume” may be +/- 12 months.	790	987	1185
# 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 (790 or 987 or 1185 cars x 325 days x \$6.60)	\$1,694,550	\$2,117,115	\$2,541,825
Expenses at 40% (Much lower than full service due to very low labor cost. FS labor costs alone can be 40%).	\$667,820	\$846,846	\$1,016,730
EBITDA (cash flow before rent, real estate taxes & debt service / loan payments)	\$1,026,730	\$1,270,269	\$1,525,095
LESS: Loan payments on a \$1,116,500 SBA loan @ 8% over 20 years run \$9,334 / mo; \$112,007 / year (Rate is \$8.36 per month per \$1000)	\$112,007	\$112,007	\$112,007
LESS: Ground Rent (\$.41 psf per month)	\$216,000	\$216,000	\$216,000
Property Taxes (SWAG method – Est. existing \$6,000 + 1% of \$1,495,000)	\$20,000	\$20,000	\$20,000
EBITDA (net cash flow after rent, debt service & real estate taxes)	\$790,730	\$1,046,255	\$1,177,088
<p>Cash on Cash Return (ROC)</p> <ul style="list-style-type: none"> • Good Results: \$790,730 Net Cash Flow / \$478,500 cash invested = 165.3% ROC • Better Results: \$1,046,255 Net Cash Flow / \$478,500 cash invested = 218.7% ROC • Best Results: \$1,177,088 Net Cash Flow / \$478,500 cash invested = 246.0% ROC <p>Note: Cash on Cash returns for all types of carwashes usually run around 33% nationally.</p>	<p>165.3% ROC</p> <p>Good Results w/ 1.0% Capture Rate</p>	<p>218.7% ROC</p> <p>Better Results w/ 1.25% Capture Rate</p>	<p>246.0% ROC</p> <p>Best Results w/ 1.5% Capture Rate</p>

*** 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 **\$478,500 cash** to develop the site; and*
- 2. The potential estimated **165.3%-246.0% return on cash (ROC)** 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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