

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. Goo Goo

- ❖ 20-Year Sale-Leaseback
- ❖ 1.50% Annual Rental Increases
- ❖ #1 Car Wash Operator Globally
- ❖ Absolute Triple-Net (NNN) Lease
- ❖ Corporate Guarantee; More Than 900 Locations
- ❖ Qualifies for Bonus & Accelerated Depreciation



OFFERING MEMORANDUM



1419 Waddell Drive, Huntsville, AL 35806

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The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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Investment Highlights

PRICE: \$3,702,556 | CAP: 6.00% | RENT: \$222,153



About the Investment

- ✓ **20-Year Triple-Net (NNN) Sale-Leaseback:** At Closing the Tenant Will Execute a Brand New 20-Year Absolute Triple-Net Lease. The Lease Will Have No Landlord Responsibilities
- ✓ **Corporate Guarantee:** The Lease will be subject to Corporate Guarantee by International Car Wash Group Ltd. (UK) "ICWG" and the More Than 900 Locations Across Europe, Australia and the U.S.
- ✓ **Accelerated Depreciation:** The Properties Qualify for 15-Year Accelerated Depreciation as well as Bonus Depreciation
- ✓ **Rental Increases:** The Lease will Include 1.50% Annual Rental Increases

About the Tenant / Brand

- ✓ The World's Largest Car Wash Company: ICWG Was Founded In 1965 And Is Now The World's Largest Car Wash Operator, Washing More Than 35 Million Cars Every Year
- ✓ In August 2015, ICWG Entered the U.S. Market and Now Operates More Than 150 U.S. Locations, Making It One of the Country's Largest Operators.
- ✓ Favorable Industry Trends: In the U.S., the Percentage of Drivers That Wash Their Vehicle at a Professional Car Wash has Increased from 47% in 1994 to 72% in 2014.





Financial Analysis

PRICE: \$3,702,556 | CAP: 6.00% | RENT: \$222,153



Property Description

Property	International Car Wash Group
Property Address	1419 Waddell Drive
City, State, ZIP	Huntsville, AL 35806
Year Built / Renovated	2006
Building Size (SF)	3,304 SF
Lot Size	+/- 1.36 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$3,702,556
CAP Rate	6.00%
Annual Rent	\$222,153

Lease Summary

Property Type	Net-Leased Car Wash
Guarantor	International Car Wash Group Ltd. (UK)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually
Options to Renew	Four, Five -Year Tenant Renewal Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$222,153	\$18,513	-
Year 2	\$225,486	\$18,790	1.50%
Year 3	\$228,868	\$19,072	1.50%
Year 4	\$232,301	\$19,358	1.50%
Year 5	\$235,785	\$19,649	1.50%
Year 6	\$239,322	\$19,944	1.50%
Year 7	\$242,912	\$20,243	1.50%
Year 8	\$246,556	\$20,546	1.50%
Year 9	\$250,254	\$20,855	1.50%
Year 10	\$254,008	\$21,167	1.50%
Year 11	\$257,818	\$21,485	1.50%
Year 12	\$261,685	\$21,807	1.50%
Year 13	\$265,611	\$22,134	1.50%
Year 14	\$269,595	\$22,466	1.50%
Year 15	\$273,639	\$22,803	1.50%
Year 16	\$277,743	\$23,145	1.50%
Year 17	\$281,909	\$23,492	1.50%
Year 18	\$286,138	\$23,845	1.50%
Year 19	\$290,430	\$24,203	1.50%
Year 20	\$294,787	\$24,566	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1419 Waddell Drive, Alabama. The tenant will enter into a brand new, 20-year triple-net (NNN) lease upon close of escrow with absolutely no landlord responsibilities. The base annual rent will be \$222,153 and will be subject to 1.50% annual rental escalations throughout the base term as well as the four, five-year tenant renewal option periods. The lease will have a corporate guarantee. International Car Wash Group operates more than 900 locations throughout the United States and Internationally. The property is 3,304 rentable square feet and is situated on 1.36 acres.



Tenant Overview

About International Car Was Group

ICWG is the world's largest car wash company currently operating in 14 countries around the globe, washing more than 35 million cars every year through a network of more than 900 locations. In August 2015, ICWG entered the U.S. market and now operates more than 150 locations, making it one of the country's largest operators. ICWG is led by an experienced team of car wash and investment professionals committed to delivering value, both for their customers and investors. The team is focused on developing and growing ICWG through a combination of market expansion, continuous innovation and investment. The sites are committed to delivering unparalleled service with consistent wash quality to each customer.

The Company has grown significantly in recent years through acquisitions, opening new sites in existing markets, investing in an extensive refurbishment program and expanding its international presence.

TENANT NAME

ICWG

FOUNDED

1965

COUNTRIES

14

LOCATIONS

900+

WEBSITE

ICWG.COM

HEADQUARTERS

**Centennial, CO &
London England**

Key Brands

ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.

CARWASH USA

Acquired by ICWG in 2015, Car Wash USA Express now consists of over 60 sites covering Alabama, Arkansas, Colorado, Georgia, Ohio, Mississippi, Tennessee and Texas. It is currently the largest express exterior car wash in the Mid-South offering a wash that takes just 3 minutes, coupled with free vacuums.

GOO-GOO

Since 1945 Goo-Goo 3 Minute Express Wash has met the needs of the driving public by giving customers a quality carwash with fast, economical, great service. As one of the oldest car wash brands in the United States, Goo-Goo has led the way by developing the concept to meet the needs of the driving public for over 60 years. Acquired by ICWG in July 2017, there are over 50 express wash outlets in seven states primarily in the southern United States and Ohio.

SUPERSONIC

Supersonic Car Wash was founded in Ogden, Utah in 1959 and was Utah's only full service car wash at the time. Supersonic now has both full-service and express exterior locations in Salt Lake, Utah and Weber Counties. Acquired by ICWG in August 2015, Supersonic provides additional opportunities to grow within the state of Utah with a number of locations already identified.





Depreciation Benefits

Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$222,153
Cap Rate	6.00%
Purchase Price	\$3,702,556
Loan Amount	\$2,406,661
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$159,706
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$197,470
Potential Tax Savings	\$73,064

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$222,153
Cap Rate	6.00%
Purchase Price	\$3,702,556
Loan Amount	\$2,406,661
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$159,706
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$75,950
Potential Tax Savings	\$28,101

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$222,153
Cap Rate	6.00%
Purchase Price	\$3,702,556
Loan Amount	\$2,406,661
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$159,706
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$2,962,045
Potential Tax Savings	\$1,095,957

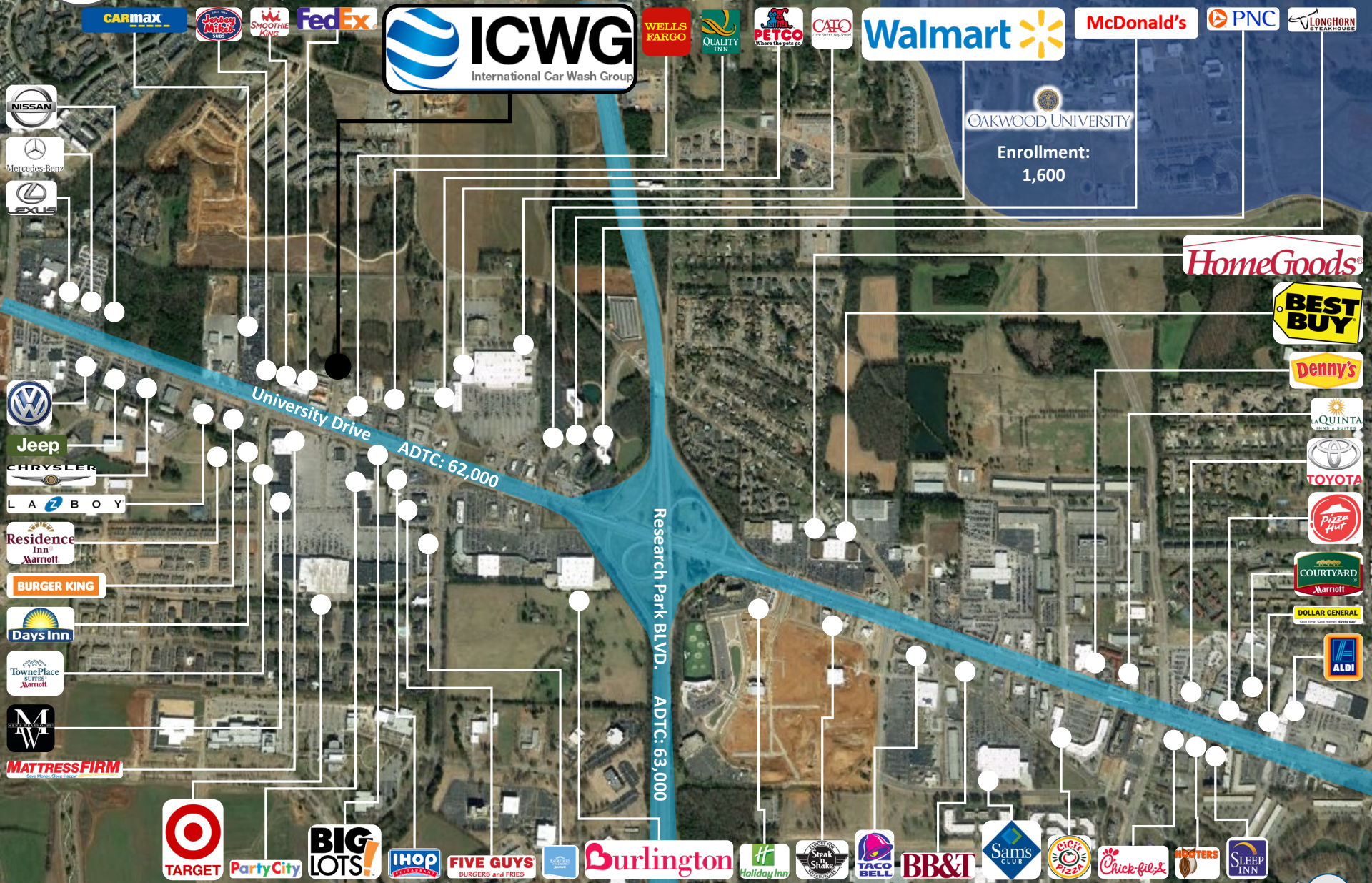
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$222,153
Cap Rate	6.00%
Purchase Price	\$3,702,556
Loan Amount	\$2,406,661
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$159,706
Depreciable Basis for Improvements	0.00%
Useful Life	0
Federal Tax Rate	37.00%
Year 1 Depreciation	\$0
Potential Tax Savings	\$0



Surrounding Area

Property Address: 1419 Waddell Drive, Huntsville, AL 35806





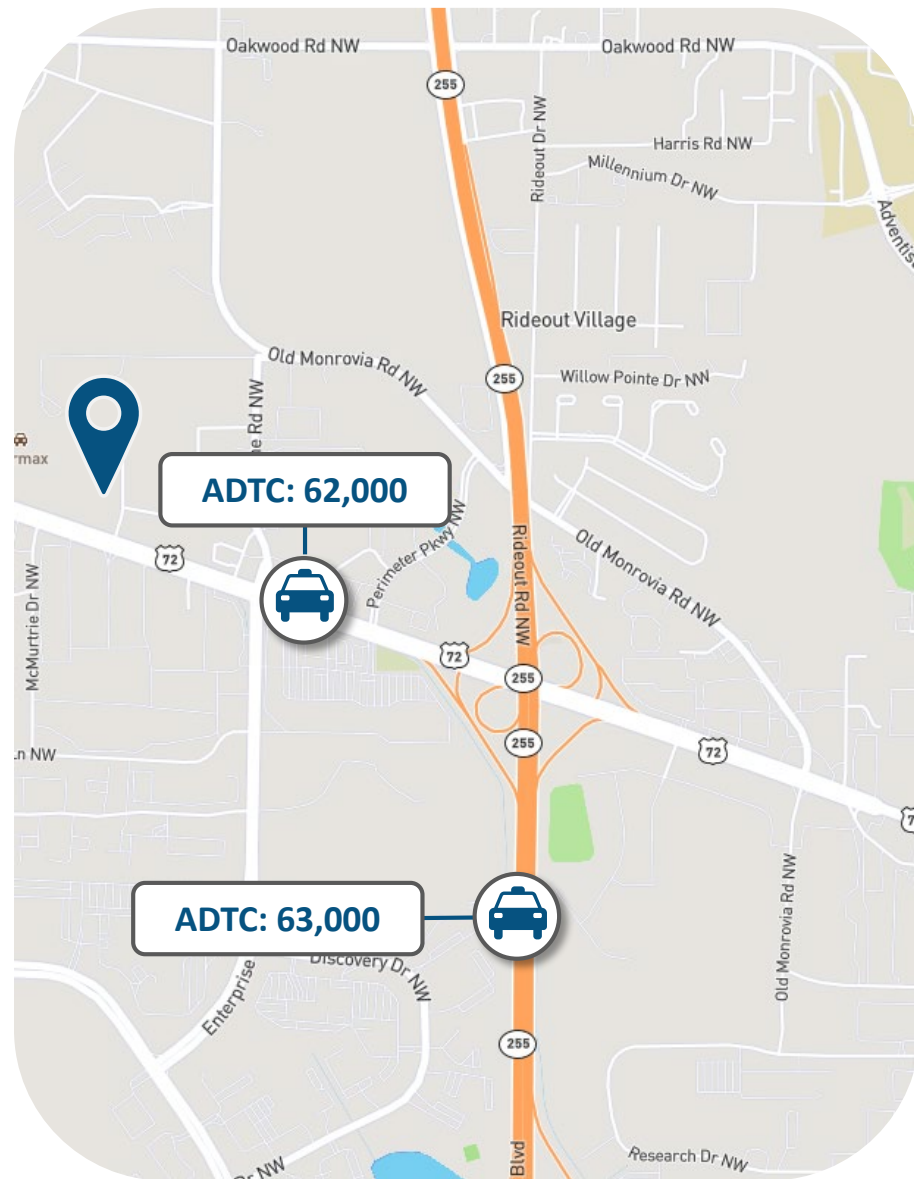
Location Overview

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The subject Car Wash benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, hospitality accommodations, and schools. Major national tenants in the area include Walmart, Sam's Club, HomeGoods, Best Buy, Burlington Coat Factory, McDonald's, Target, Aldi, Chick-fil-A, and many more. The property is also within immediate proximity of several hospitality accommodations. These include, Courtyard by Marriott, Sleep Inn, Days Inn, Quality Inn, Residence Inn by Marriott, La Quinta Inn and more. Additionally, this car wash benefits from its close proximity to Oakwood University. The private university is less than 2.5-miles from the subject property and is home to over 1,600 students. Huntsville International Airport is also located less than 12-miles from the subject property, which serves over 1,200,000 passengers each year. In recent months, the airport has seen monthly passenger increases of 23 percent.

The site is situated just off University Drive, which has an average daily traffic count of 62,000 vehicles. University Drive intersects with Research Park Boulevard which has an annually daily traffic count of 63,000. There are approximately 36,000 individuals within a three-mile radius of this property and 111,000 individuals within a five-mile radius.

Huntsville is the third-largest city in Alabama and is the largest city in the five-county Huntsville-Decatur-Albertville, Alabama Combined Statistical area. Huntsville's main economic influence is derived from aerospace and military technology. Redstone Arsenal, Cummings Research Park (CRP), and Nasa's Marshal Space Flight Center comprise the main hubs for the area's technology-driven economy. CRP is the second-largest research park in the United States and fourth-largest in the world. The city remains the center for the rocket-population research in NASA and the Army. Public transit in Huntsville is run by the city's department of Parking and Public Transportation. The Huntsville Shuttle runs 11 fixed routes throughout the city, mainly downtown and to the major shopping areas. The Huntsville International Airport is served by several regional national carriers including Delta, United Airlines, and American Airlines. Visitors to the city will find activities that celebrate Huntsville's rich history, as well as attractions that highlight the city's scientific side. At the Alabama Constitution Village, villagers in period clothing take time from their daily chores to guide you through eight reconstructed Federal style buildings. Younger visitors will love the 150 hands-on activities at the Sci-Quest Hands-on Science Center and older kids will learn what it takes to be an astronaut at the U.S. Space and Rocket Center.





Property Photo





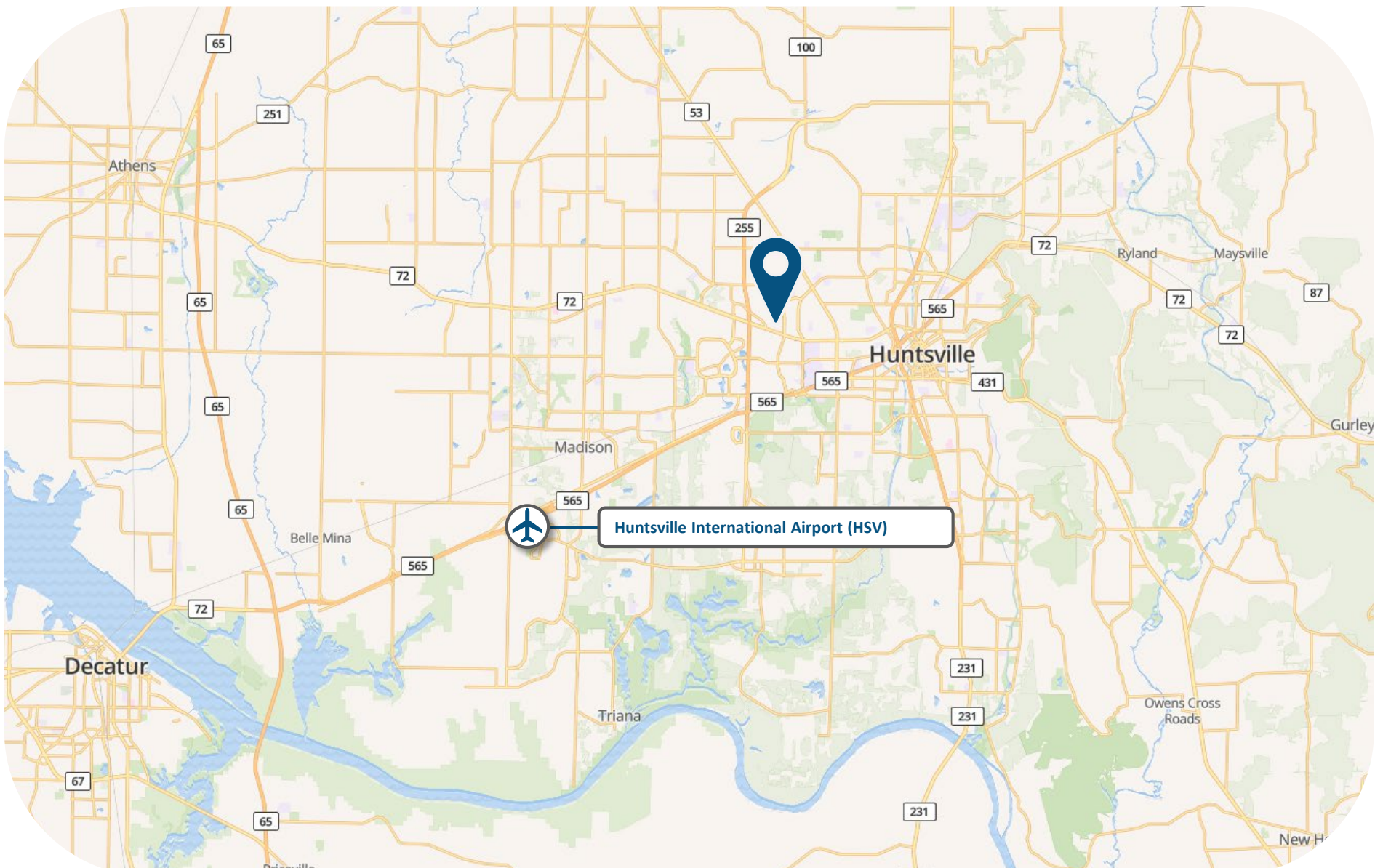
Surrounding Area Photos





Local Map

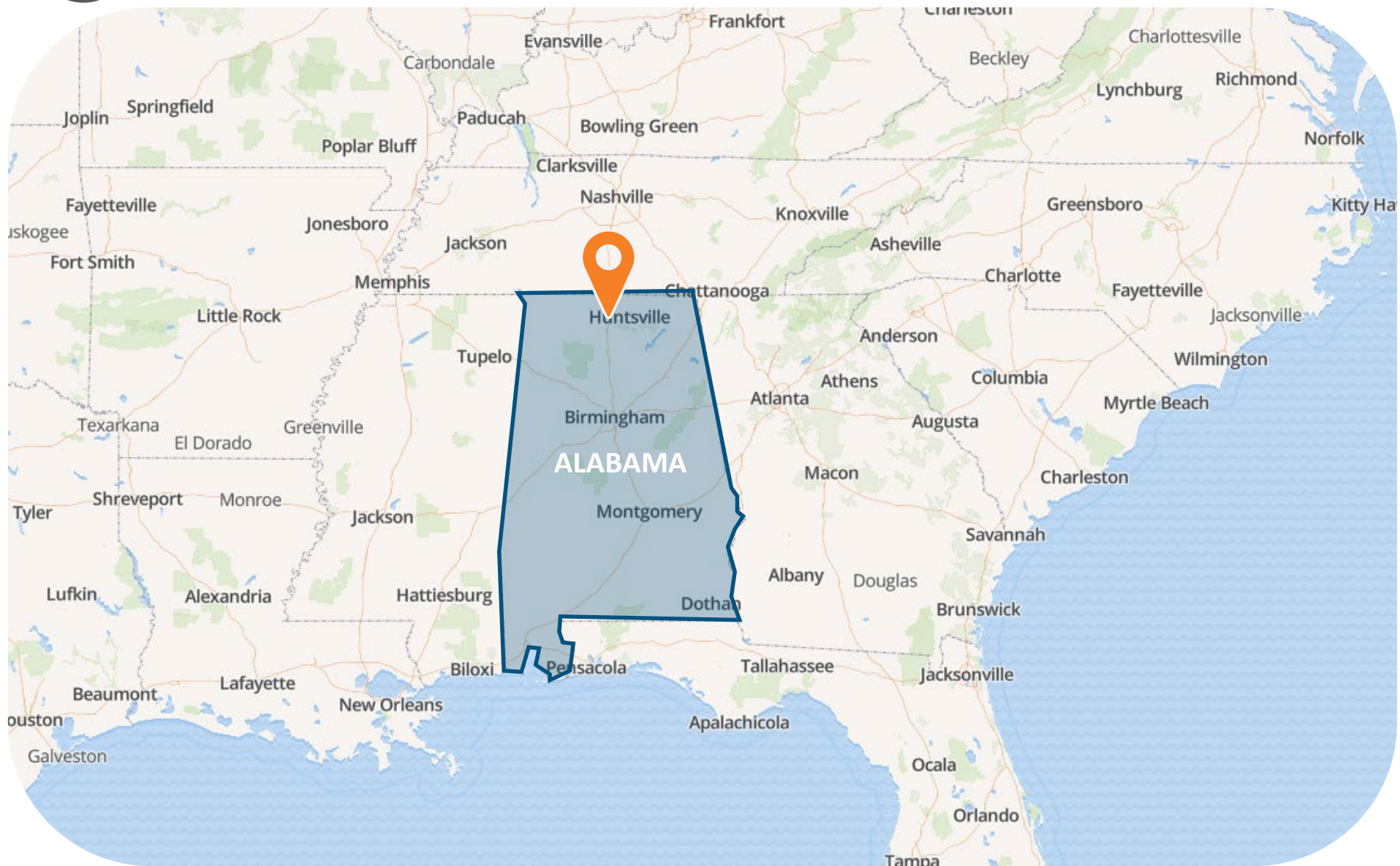
Property Address: 1419 Waddell Drive, Huntsville, AL 35806





Regional Map

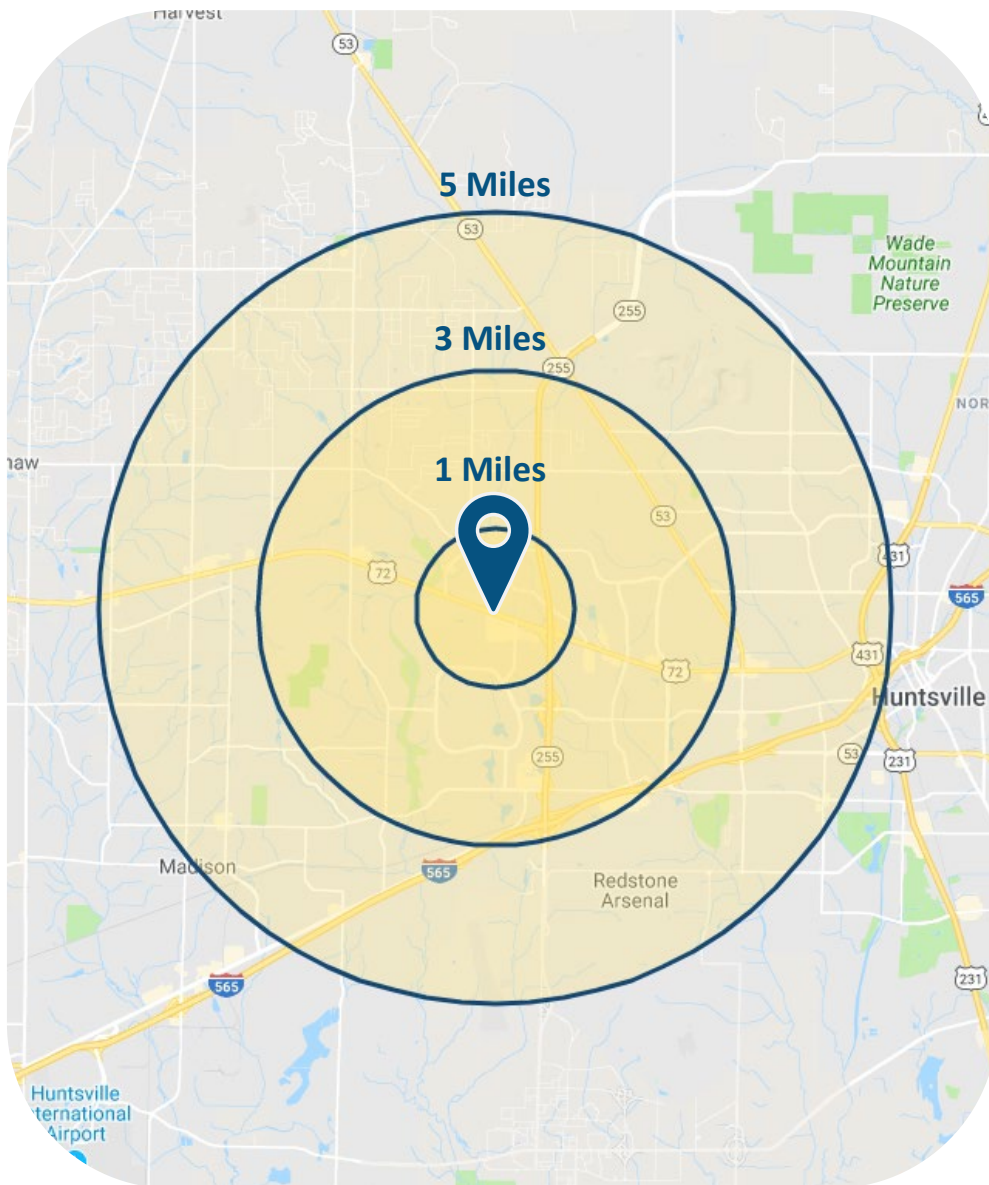
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Demographics

Property Address: 1419 Waddell Drive, Huntsville, AL, 35806



POPULATION

	1 Miles	3 Miles	5 Miles
2023 Projection	6,295	39,839	118,359
2018 Estimate	5,989	36,914	111,824
2010 Census	4,798	32,465	102,694
2000 Census	2,988	24,024	84,130

INCOME

	1 Miles	3 Miles	5 Miles
Average	\$66,544	\$80,422	\$79,128
Median	\$51,378	\$55,059	\$54,988
Per Capita	\$35,609	\$35,689	\$32,824

HOUSEHOLDS

	1 Miles	3 Miles	5 Miles
2023 Projection	3,303	17,798	49,078
2018 Estimate	3,099	16,159	45,886
2010 Census	2,437	14,004	41,804
2000 Census	1,603	9,807	34,139

HOUSING

	1 Miles	3 Miles	5 Miles
2018	\$170,740	\$188,005	\$174,860

EMPLOYMENT

	1 Miles	3 Miles	5 Miles
2018 Daytime Population	27,537	71,346	154,362
2018 Unemployment	4.78%	4.42%	4.21%
2018 Median Time Traveled	17 Mins	18 Mins	19 Mins

RACE & ETHNICITY

	1 Miles	3 Miles	5 Miles
White	39.03%	48.18%	51.67%
Native American	0.29%	0.20%	0.16%
African American	51.13%	41.65%	38.05%
Asian/Pacific Islander	4.75%	3.86%	3.52%



Market Overview

City: Huntsville | County: Madison | State: Alabama

Huntsville, Alabama



Huntsville is a city in the Appalachian region of northern Alabama and is the county seat of Madison County. Huntsville is the third-largest city in Alabama and is the largest city in the five-county Huntsville-Decatur-Albertville, AL Combined Statistical area. Huntsville's main economic influence is derived from aerospace and military technology. Redstone Arsenal, Cummings Research Park (CRP), and Nasa's Marshal Space Flight Center comprise the main hubs for the area's technology-driven economy. CRP is the second-largest research park in the United States and fourth-largest in the world. The city remains the center for the rocket-population research in NASA and the Army. Public transit in Huntsville is run by the city's department of Parking and Public Transportation. The Huntsville Shuttle runs 11 fixed routes throughout the city, mainly downtown and to the major shopping areas. The Huntsville International Airport is served by several regional national carriers including Delta, United Airlines, and American Airlines.

Visitors to the city will find activities that celebrate Huntsville's rich history, as well as attractions that highlight the city's scientific side. At the Alabama Constitution Village, villagers in period clothing take time from their daily chores to guide you through eight reconstructed Federal style buildings. Younger visitors will love the 150 hands-on activities at the Sci-Quest Hands-on Science Center and older kids will learn what it takes to be an astronaut at the U.S. Space and Rocket Center. Looking for outings with a cultural flair? Landmarks such as the Huntsville Botanical Garden and Huntsville Museum of Art are must sees. The National Trust for Historic Preservation named Huntsville to its "America's Dozen Distinctive Destinations for 2010" list.

Major Employers

Employer	Estimated # of Employees
Janus Global Operations LLC	2,321
Saic	2,100
Earthlink Business	2,000
United States Department of Army	1,654
Landers McLarty Chevrolet	1,500
Dynetics Inc	1,470
Dynamics Research Corporation	1,448
General Dynamics Mission Systems	1,200
Contracting Department	900
University of Alabama In Huntsville	842
Madison Hospital	791



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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