

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. CAR WASH USA

- ❖ 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



6040 Mount Moriah Road, Memphis, TN 38115

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Table of Contents

Investment Highlights	4
Financial Analysis	5
Tenant Overview	6
Depreciation Benefits	7
Surrounding Area	8
Location Overview	9
Property Photo	10
Local Map	11
Regional Map	12
Demographics	13
Market Overview	14





Investment Highlights

PRICE: \$1,141,105 | CAP: 5.50% | RENT: \$62,761



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: \$1,141,105 | CAP: 5.50% | RENT: \$62,761



Property Description

Property	International Car Wash Group
Property Address	6040 Mt Moriah Rd
City, State, ZIP	Memphis, TN 38115
Year Built / Renovated	2014
Building Size (SF)	7,476 SF
Lot Size	+/- 2.17 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$1,141,105
CAP Rate	5.50%
Annual Rent	\$62,761
Price / SF	\$153
Rent / SF	\$8.39

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	\$62,761	\$5,230	-
Year 2	\$63,702	\$5,309	1.50%
Year 3	\$64,658	\$5,388	1.50%
Year 4	\$65,628	\$5,469	1.50%
Year 5	\$66,612	\$5,551	1.50%
Year 6	\$67,611	\$5,634	1.50%
Year 7	\$68,625	\$5,719	1.50%
Year 8	\$69,655	\$5,805	1.50%
Year 9	\$70,700	\$5,892	1.50%
Year 10	\$71,760	\$5,980	1.50%
Year 11	\$72,836	\$6,070	1.50%
Year 12	\$73,929	\$6,161	1.50%
Year 13	\$75,038	\$6,253	1.50%
Year 14	\$76,163	\$6,347	1.50%
Year 15	\$77,306	\$6,442	1.50%
Year 16	\$78,465	\$6,539	1.50%
Year 17	\$79,642	\$6,637	1.50%
Year 18	\$80,837	\$6,736	1.50%
Year 19	\$82,050	\$6,837	1.50%
Year 20	\$83,280	\$6,940	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 6040 Mount Moriah Road in Memphis, Tennessee. 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 \$62,761 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 7,476 rentable square feet and is situated on 2.17 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	\$62,761
Cap Rate	5.50%
Purchase Price	\$1,141,105
Loan Amount	\$741,718
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$49,220
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$60,859
Potential Tax Savings	\$22,518

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$62,761
Cap Rate	5.50%
Purchase Price	\$1,141,105
Loan Amount	\$741,718
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$49,220
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$23,407
Potential Tax Savings	\$8,661

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$62,761
Cap Rate	5.50%
Purchase Price	\$1,141,105
Loan Amount	\$741,718
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$49,220
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$912,884
Potential Tax Savings	\$337,767

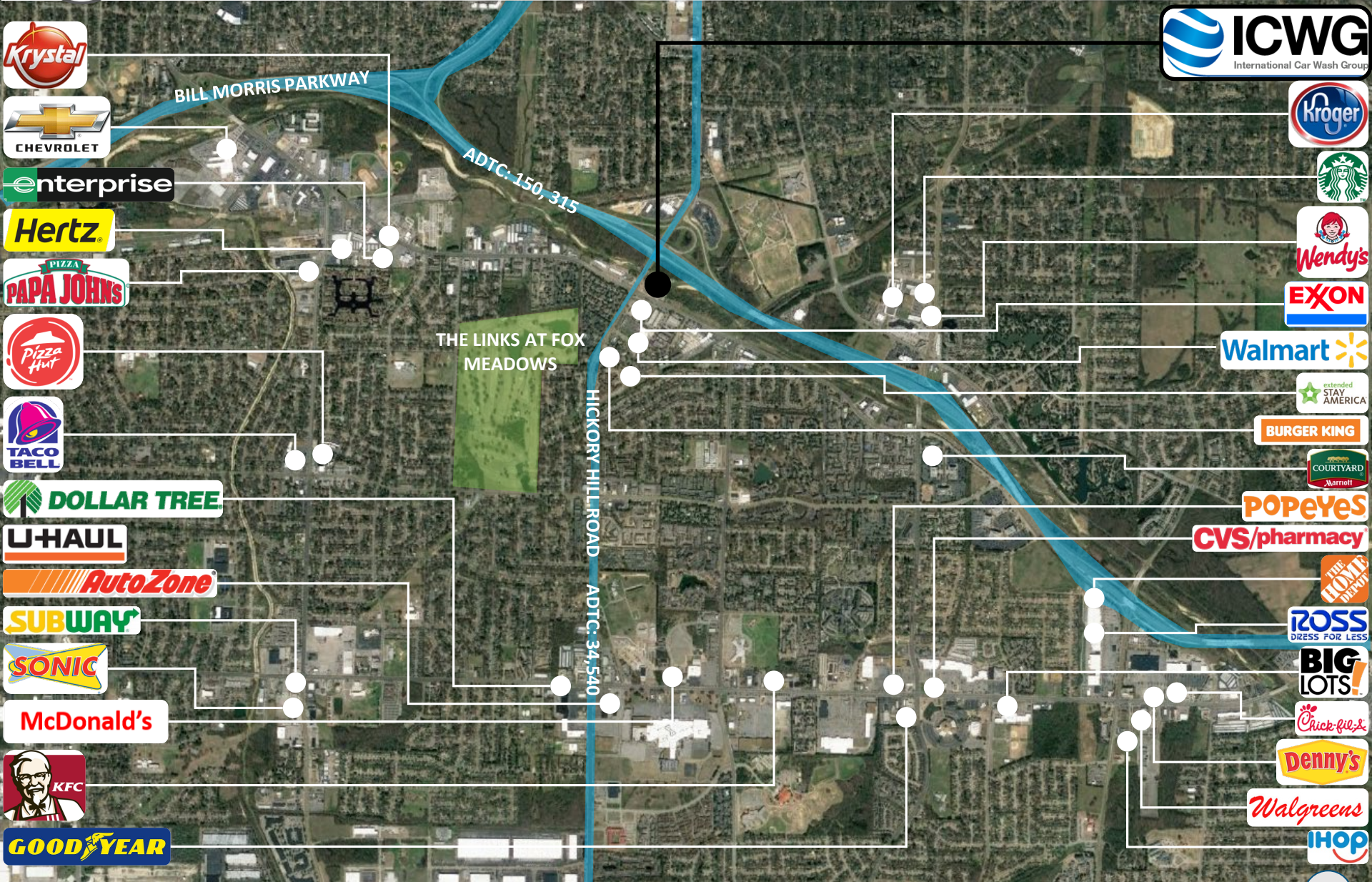
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$62,761
Cap Rate	5.50%
Purchase Price	\$1,141,105
Loan Amount	\$741,718
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$49,220
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: 6040 Mount Moriah Road, Memphis, TN 38115





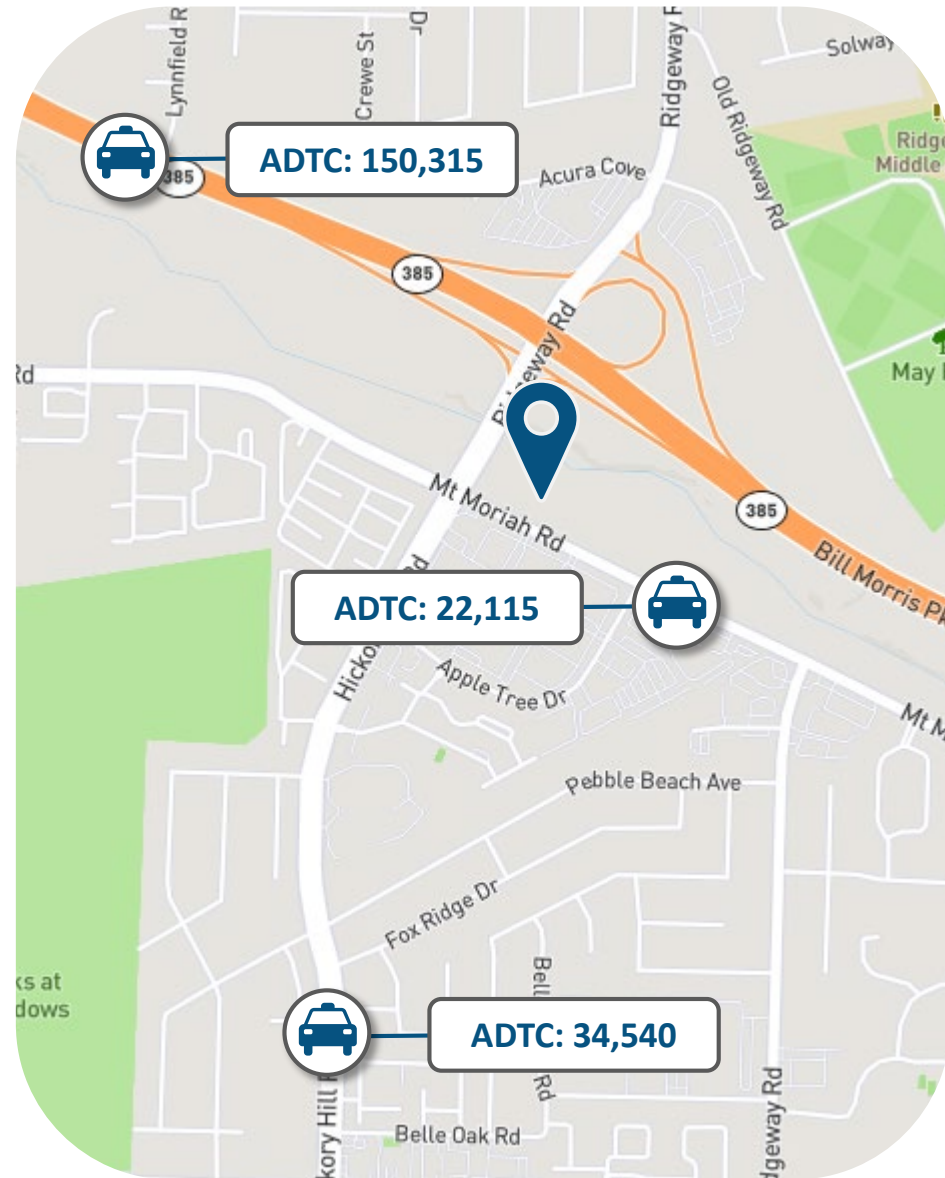
Location Overview

Property Address: 6040 Mount Moriah Road, Memphis, TN 38115

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 academic institutions. Major national tenants in the area include Walmart, Walgreens, Dollar Tree, Kroger, The Home Depot, CVS Pharmacy, Big Lots, Ross Dress For Less, McDonald's, Burger King, Starbucks, Chick-fil-A, Wendy's, Subway, Denny's, IHOP, Taco Bell, Pizza Hut, and many more. The property is also within immediate proximity of several hospitality accommodations. These include Extended Stay America, Courtyard by Marriott, Homewood Suites by Hilton, Hampton Inn, and many more. The subject property also benefits from its close proximity to several academic institutions, the most notable being the University of Memphis. The public university is approximately 10-miles from the subject property and is home to over 20,500 students. Methodist Le Bonheur Healthcare is also located less than three-miles from the subject property, which is a 422-bed general and surgical hospital. The subject property is approximately 10-miles from Memphis International Airport, which is the 2nd busiest cargo airport in the world with an annual passenger count of 4,419,541 in 2018.

The site is situated on Mount Moriah Road, which has an average daily traffic count of 22,115 vehicles. Mount Moriah Road runs parallel to Bill Morris Parkway and intersects Hickory Hill Road, which each bring an additional 150,315 and 34,540 vehicles into the immediate area per day, respectively. There are approximately 212,924 individuals within a five-mile radius of this property and 663,673 individuals within a ten-mile radius.

Memphis is a city located in Shelby County, Tennessee. Memphis is the largest city on the Mississippi River, the second most populous city in Tennessee, and the 25th largest city in the United States. Greater Memphis is the 42nd largest metropolitan area in the United States. Memphis is the anchor of West Tennessee and the greater Mid-South region. The city's central geographic location has been strategic to its business development. Located on the Mississippi River and intersected by five major freight railroads and two Interstate Highways, Memphis is ideally located for commerce in the transportation and shipping industry. Memphis is also the home of founders and pioneers of various American music genres, including Memphis soul, blues, gospel, rock n' roll, rap, and country music. Beale Street is a national historical landmark and shows the impact Memphis has had on American blues. This is a site that many visitors and natives come to Memphis to explore, as there are many restaurants, shops, museums and other landmarks located along the legendary street.





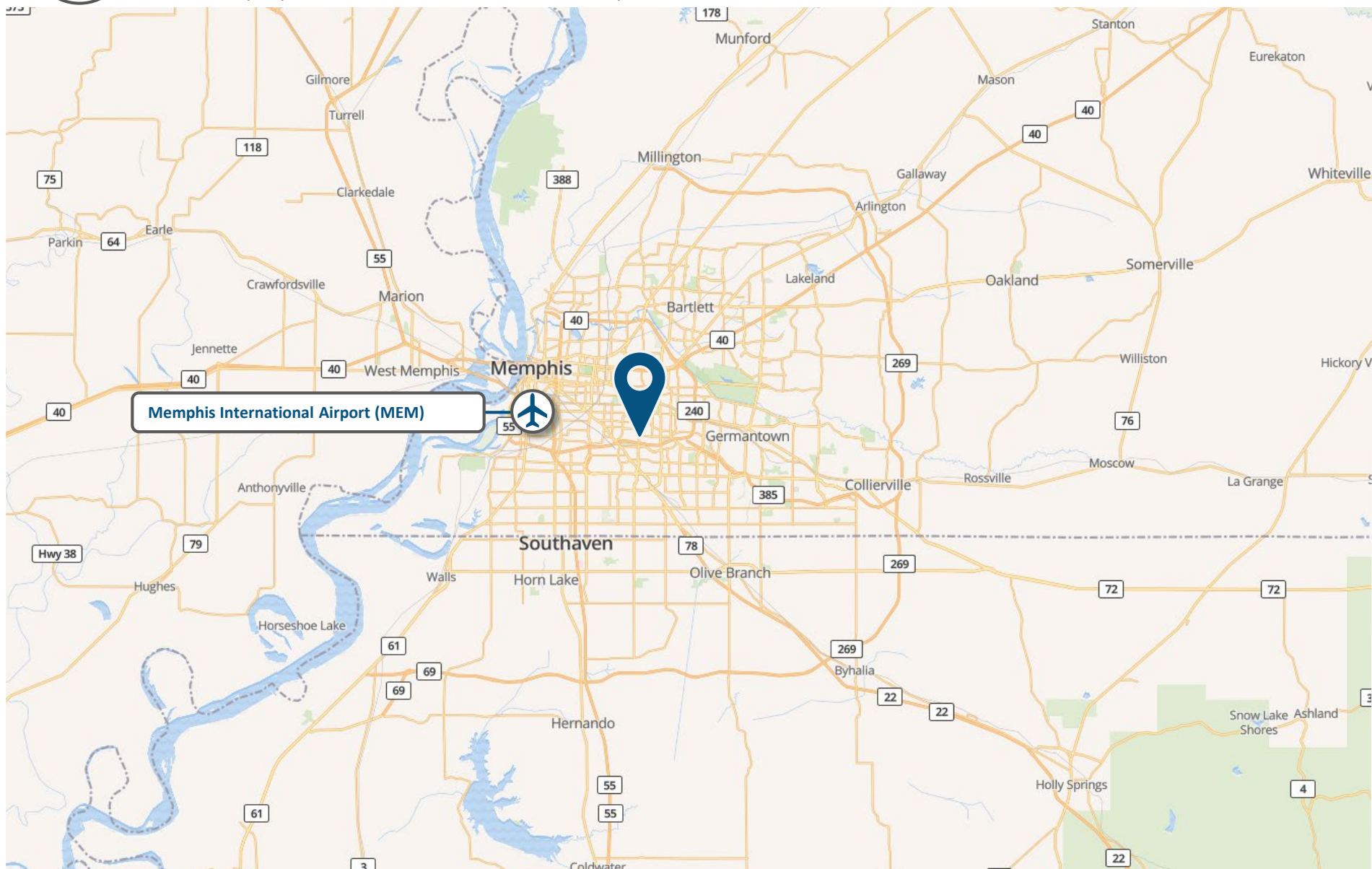
Property Photo





Local Map

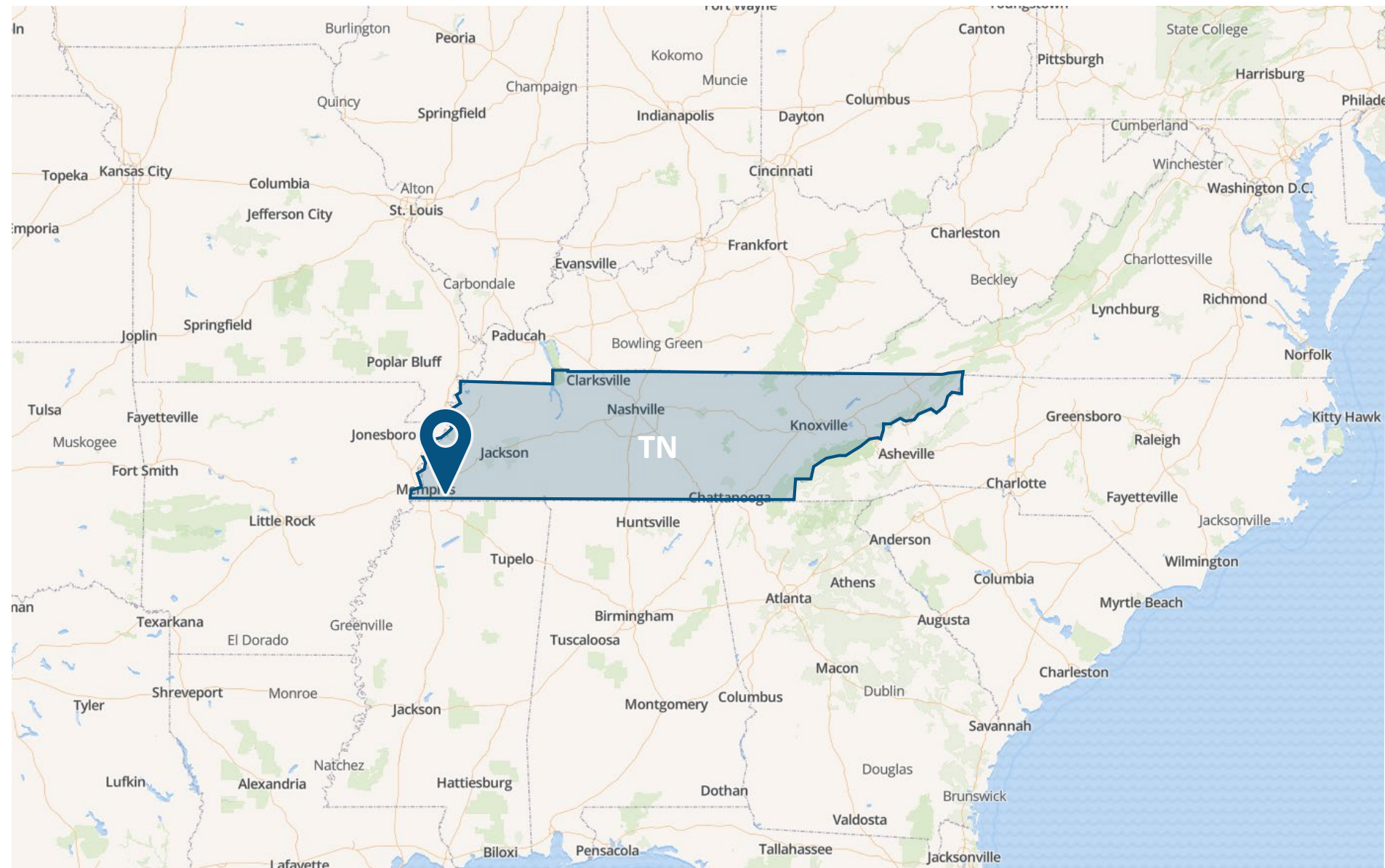
Property Address: 6040 Mount Moriah Road, Memphis, TN 38115





Regional Map

Property Address: 6040 Mount Moriah Road, Memphis, TN 38115





2023 Projection	99,077	213,701	684,544
2018 Estimate	100,065	212,924	663,673
2010 Census	98,693	209,160	645,398
2000 Census	99,731	207,606	617,991

INCOME

Average	\$68,595	\$79,361	\$77,350
Median	\$43,969	\$51,244	\$51,444
Per Capita	\$27,066	\$30,629	\$29,757

HOUSEHOLDS

2023 Projection	39,376	83,343	264,591
2018 Estimate	39,414	81,984	253,573
2010 Census	39,210	81,188	248,823
2000 Census	41,517	82,019	240,275

HOUSING

2018	\$127,920	\$149,374	\$153,862
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EMPLOYMENT

2018 Daytime Population	121,594	260,746	730,565
2018 Unemployment	4.36%	4.11%	4.34%
2018 Median Time Traveled	22 Mins	22 Mins	24 Mins

RACE & ETHNICITY

White	32.87%	37.08%	41.17%
Native American	0.03%	0.05%	0.04%
African American	57.54%	52.73%	49.32%
Asian/Pacific Islander	1.95%	2.52%	2.83%



Market Overview

City: Memphis | County: Shelby | State: Tennessee

Memphis, Tennessee

Memphis is a city located along the Mississippi River in southwestern Shelby County, Tennessee, United States. The 2017 city population was 652,230, making Memphis the largest city on the Mississippi River, the second most populous city in Tennessee, as well as the 25th largest city in the United States. Greater Memphis is the 42nd largest metropolitan area in the United States, with a population of 1,348,260 in 2017. The city is the anchor of West Tennessee and the greater Mid-South region, which includes portions of neighboring Arkansas and Mississippi. Memphis is the seat of Shelby County, the most populous county in Tennessee. As one of the most historic and cultural cities of the southern United States, the city features a wide variety of landscapes and distinct neighborhoods.

Since the civil rights era, Memphis has grown to become one of the nation's leading commercial centers in transportation and logistics. The city's largest employer is the multinational courier corporation FedEx, which maintains its global air hub at Memphis International Airport, making it the second-busiest cargo airport in the world. Today, Memphis is a regional center for commerce, education, media, art, and entertainment. The city has long had a prominent music scene, with historic blues clubs on Beale Street originating the unique Memphis blues sound during early 20th century. The city's music has continued to be shaped by a multi-cultural mix of influences across the blues, country, rock n' roll, soul, and hip-hop genres. Memphis barbecue has achieved international prominence, and the city hosts the World Championship Barbecue Cooking Contest, which attracts over 100,000 visitors to the city annually.

Major Employers

Employer	Estimated # of Employees
Methodist Le Bonheur Healthcare	6,700
American Pathology	5,008
Homewood Suites	4,775
Fedex	4,543
Baptist Memorial Hospital	4,010
Memphis Service Center	4,000
Carrier Corporation	3,430
Thomas & Betts International	3,281
Methodist Healthcare Memphis Hospital	3,049
International Paper	3,000
Accredo Health Incorporated	2,868



Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING

