

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. Car Wash USA

- ❖ 20-Year Sale-Leaseback
- ❖ Corporate Guarantee
- ❖ #1 Car Wash Operator Globally

- ❖ Absolute Triple-Net (NNN) Lease
- ❖ More Than 900 Locations
- ❖ Accelerated Depreciation



OFFERING MEMORANDUM



1675 Union Ave, Memphis, TN 38104

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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: \$4,775,074 | CAP: 5.75% | RENT: \$274,567



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 is Subject to a 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:** This Property Qualifies for 15 Year Accelerated Depreciation

About the Location

- ✓ **Dense Retail Corridor** | The Home Depot, Cash Saver, The Fresh Market, CVS Pharmacy, Walgreens, Kroger, Starbucks, Chick-fil-A, KFC, Pizza Hut, Panera Bread, Smoothie King, Chipotle Mexican Grill, IHOP, Burger King, Five Guys, McDonald's, and Many More
- ✓ **Heavily Trafficked Area** | Union Ave and Madison Ave | Average Daily Traffic Counts Exceeding 35,000 and 12,000 Vehicles, Respectively
- ✓ **Robust Demographics** | Population Exceeds 221,793 Individuals Within a 5-Mile Radius
- ✓ **Compelling Location Fundamentals** | Located in Memphis | The Second Most Populous City in Tennessee

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 135 locations, making it the country's second largest operator.
- ✓ **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: \$4,775,074 | CAP: 5.75% | RENT: \$274,567



Property Description

Property	International Car Wash Group
Property Address	1675 Union
City, State, ZIP	Memphis, TN
Building Size (SF)	2,190
Lot Size	+/- 0.68 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$4,775,074
CAP Rate	5.75%
Annual Rent	\$274,567
Rent / SF	\$125.37

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	1.5% Annually
Options to Renew	Four (4), Five (5) Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$274,567	\$22,881	-
Year 2	\$278,685	\$23,224	1.50%
Year 3	\$282,866	\$23,572	1.50%
Year 4	\$287,109	\$23,926	1.50%
Year 5	\$291,415	\$24,285	1.50%
Year 6	\$295,786	\$24,649	1.50%
Year 7	\$300,223	\$25,019	1.50%
Year 8	\$304,727	\$25,394	1.50%
Year 9	\$309,297	\$25,775	1.50%
Year 10	\$313,937	\$26,161	1.50%
Year 11	\$318,646	\$26,554	1.50%
Year 12	\$323,426	\$26,952	1.50%
Year 13	\$328,277	\$27,356	1.50%
Year 14	\$333,201	\$27,767	1.50%
Year 15	\$338,199	\$28,183	1.50%
Year 16	\$343,272	\$28,606	1.50%
Year 17	\$348,421	\$29,035	1.50%
Year 18	\$353,648	\$29,471	1.50%
Year 19	\$358,952	\$29,913	1.50%
Year 20	\$364,337	\$30,361	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1675 Union Ave in Memphis, TN. 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 \$274,567 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 2,190 rentable square feet and is situated on 0.68 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 135 locations, making it the country's second largest operator. 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

COUNTRIES

14

WEBSITE

ICWG.COM

FOUNDED

2014

LOCATIONS

890+

HEADQUARTERS

**Centennial,
Colorado**

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.



Roark Capital Group Acquires International Car Wash Group

Atlanta, GA (October 4, 2017) – Roark Capital Group, an Atlanta-based private equity firm focused on multi-unit consumer businesses, announced today that its affiliate has closed on the previously announced acquisition of UK-based International Car Wash Group from TDR Capital LLP.

ICWG is the largest car wash operator in the world, washing more than 35 million cars every year through more than 900 locations in 14 countries across Europe, the United States, and Australia. Founded in Germany in 1965, the Company has solidified its position as the international market leader, developing an extensive network of more than 750 car wash locations across Europe and more than 100 car wash locations in the U.S. ICWG's focus on express-service style operations appeals to a broad base of consumers seeking a quick and high-quality wash at an affordable price.

Ezra Field, Senior Managing Director and Chief Investment Officer at Roark, said, "ICWG's quick conveyor car wash model provides high-quality washes at an affordable price point that is attractive to today's consumers who demand convenience and value."

Roark focuses on franchised and multi-unit business models in the retail, restaurant, consumer and business services sectors. Since inception, affiliates of Roark have invested in 61 franchise/multi-unit brands which collectively generate \$25 billion in annual system revenues from 28,000 locations in 50 states and 78 countries. Roark's current brands include Anytime Fitness, Arby's, Atkins Nutritionals, Batteries Plus Bulbs, CKE Restaurants (the owner of Carl's Jr. and Hardee's), Corner Bakery, Driven Brands (the owner of Maaco, Meineke, CARSTAR, 1-800-Radiator and Take 5 Oil Change), Drybar, FOCUS Brands (the owner of Auntie Anne's Pretzels, Carvel Ice Cream, Cinnabon, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky's), Great Expressions Dental Centers, Il Fornaio, Jimmy John's, Jim 'N Nick's, Massage Envy, Miller's Ale House, Naf Naf Grill, Orangetheory Fitness, Pet Retail Brands (the owner of Pet Supermarket and Pet Valu), Primrose Schools and Waxing the City. For more information, please visit www.roarkcapital.com.



Depreciation Benefits

Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$274,567
Cap Rate	5.75%
Purchase Price	\$4,775,074
Loan Amount	\$3,103,798
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,967
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$254,671
Potential Tax Savings	\$94,228

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$274,567
Cap Rate	5.75%
Purchase Price	\$4,775,074
Loan Amount	\$3,103,798
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,967
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$97,950
Potential Tax Savings	\$36,242

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$274,567
Cap Rate	5.75%
Purchase Price	\$4,775,074
Loan Amount	\$3,103,798
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,967
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,820,059
Potential Tax Savings	\$1,413,422

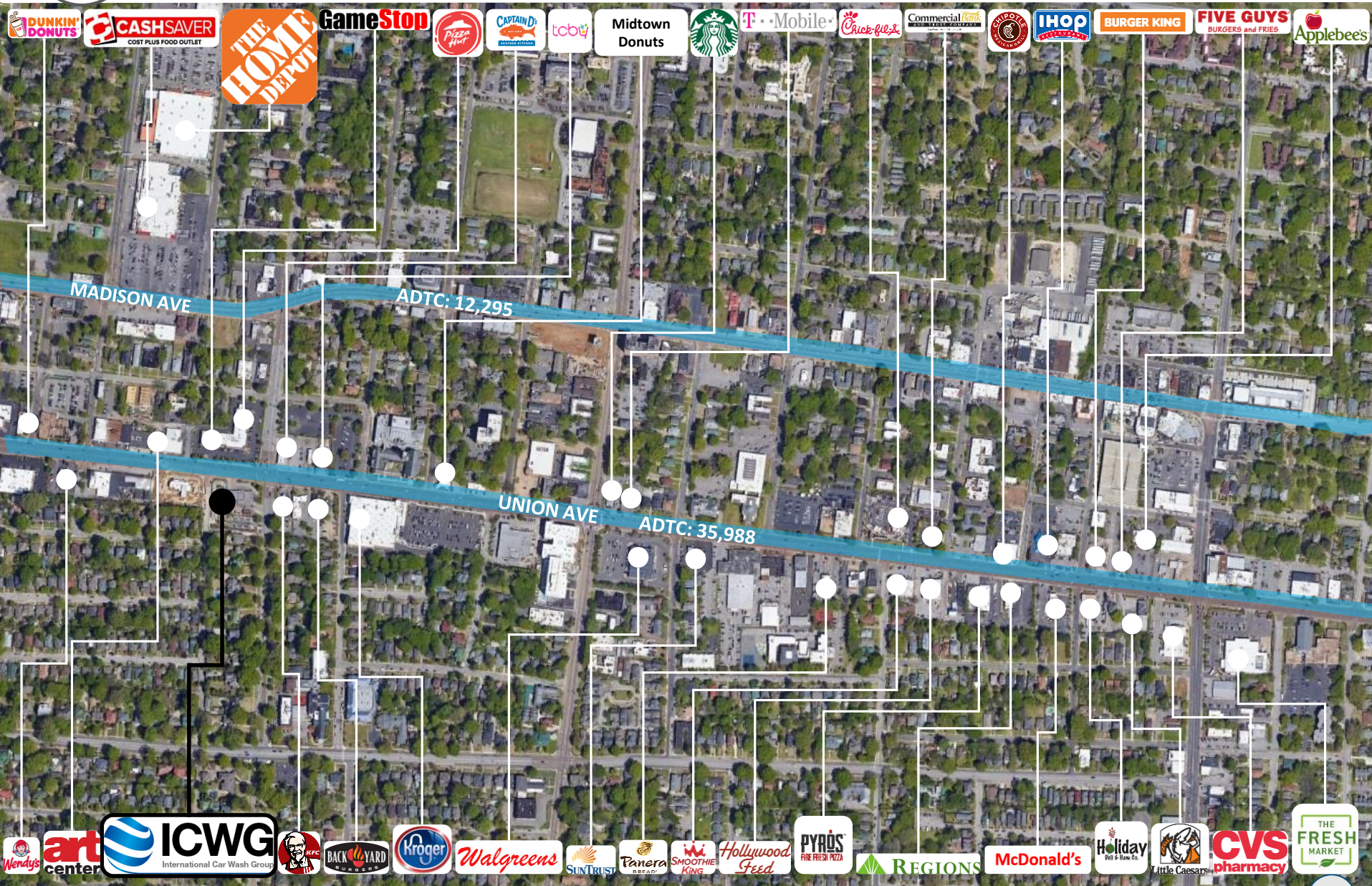
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$274,567
Cap Rate	5.75%
Purchase Price	\$4,775,074
Loan Amount	\$3,103,798
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$205,967
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: 1675 Union Ave, Memphis, TN 38104





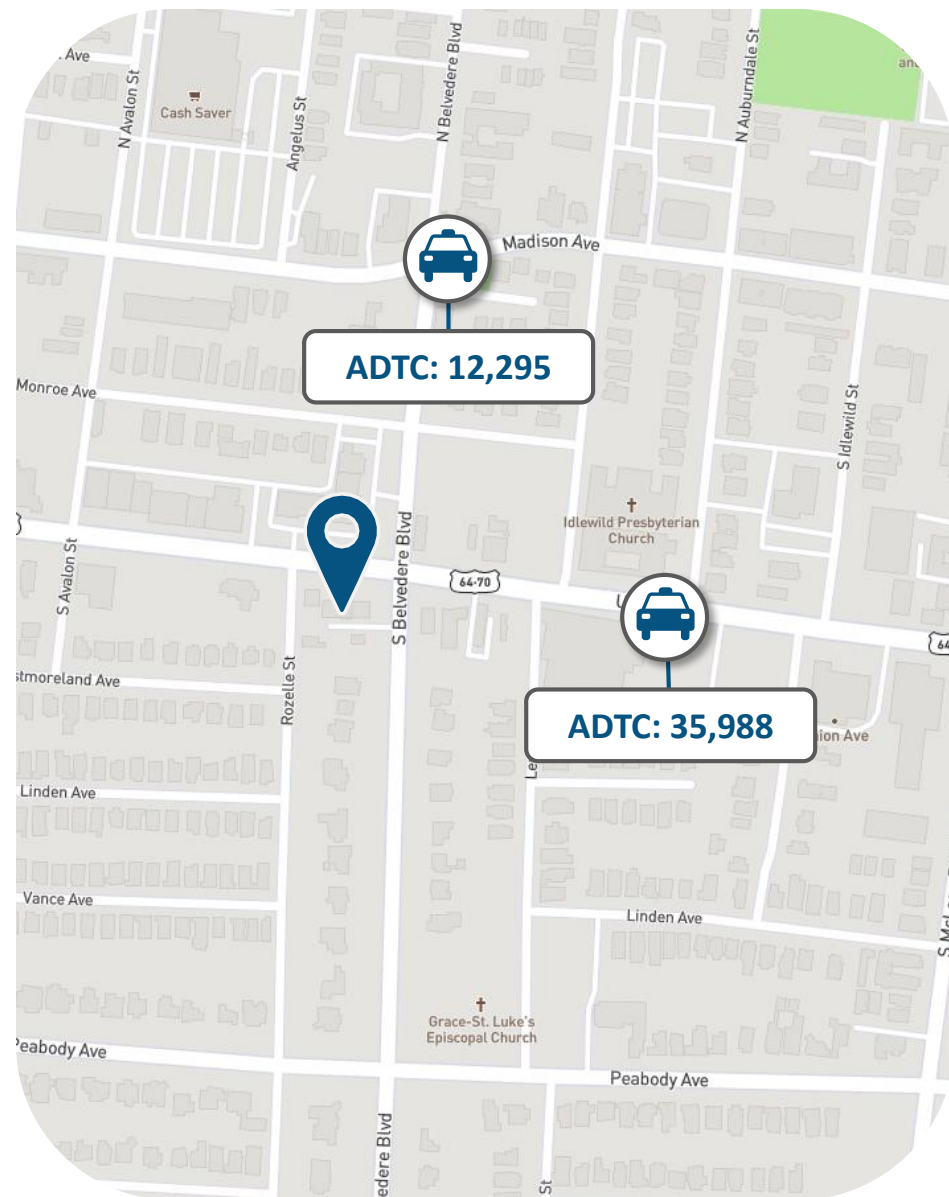
Location Overview

Property Address: 1675 Union Ave, Memphis, TN 38104

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 surrounding area include: The Home Depot, Cash Saver, The Fresh Market, CVS Pharmacy, Walgreens, Kroger, Starbucks, Chick-fil-A, KFC, Pizza Hut, Panera Bread, Smoothie King, Chipotle Mexican Grill, IHOP, Burger King, Five Guys, McDonald's, as well as many more. The subject car wash is located one-mile from Methodist University Hospital, the largest hospital in the Methodist Healthcare system with over 617-beds. This International Car Wash Group property benefits from being located within a five-mile radius of several academic institutions. Most notable of these being University of Memphis, a public research university with enrollment exceeding 22,000 students. Memphis International Airport is located just over six-miles from the subject property. Memphis International Airport is the world's second busiest cargo airport.

The site is situated on the hard corner of Union Ave and S Belvedere Blvd. Union Ave boasts average daily traffic counts exceeding 35,988 vehicles per day. Running parallel to Union Ave is Madison Ave which brings an additional 12,295 vehicles into the immediate area daily. There are more than 116,008 individuals residing within a three-mile radius of the subject property and 221,793 individuals within a five-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





Surrounding Area Photos





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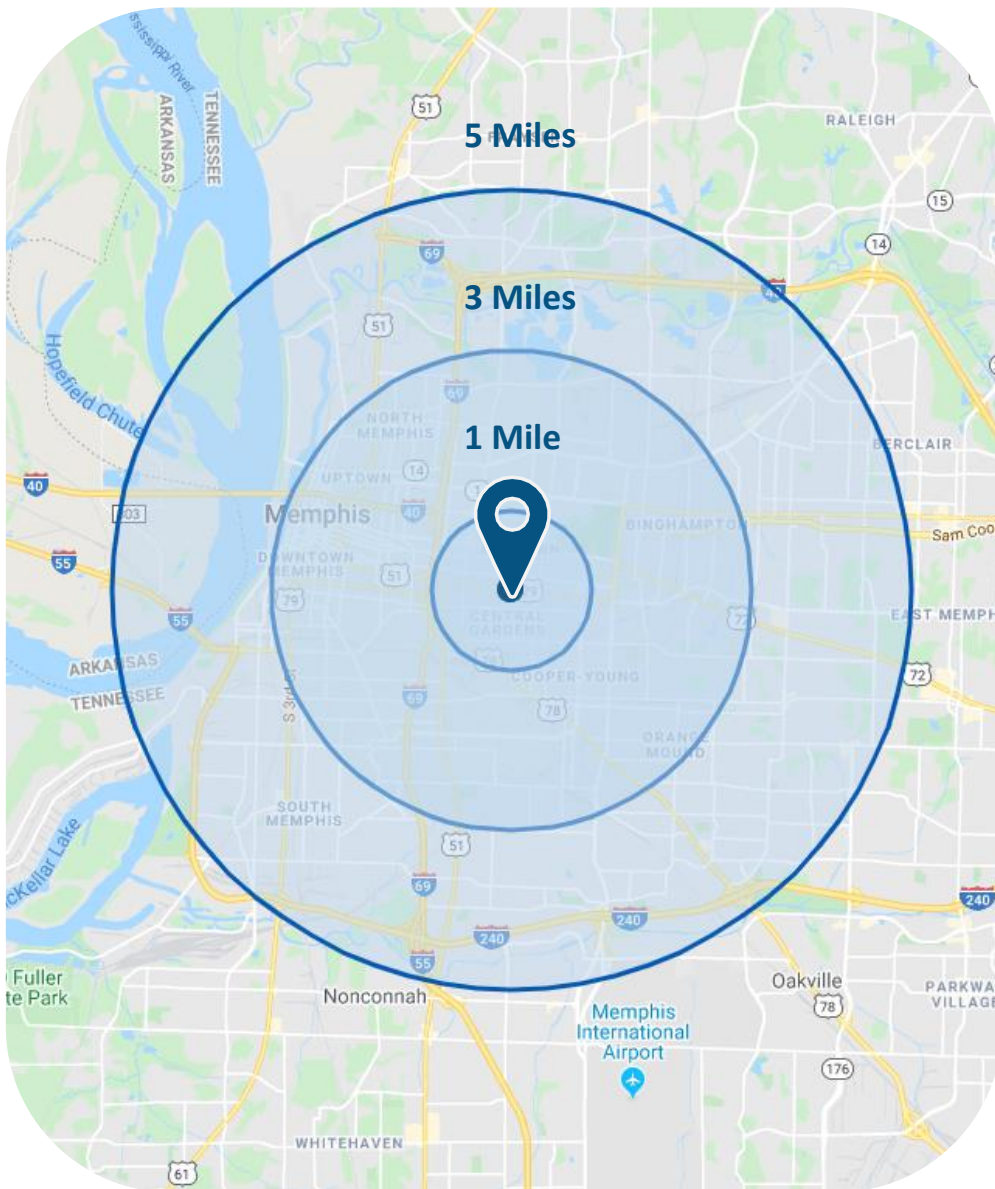
Property Address: 1675 Union Ave, Memphis, TN 38104





Demographics

Property Address: 1675 Union Ave, Memphis, TN 38104



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	16,918	112,486	216,262
2018 Estimate	17,020	116,008	221,793
2010 Census	16,872	113,075	216,834
2000 Census	18,139	130,919	245,974

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$75,523	\$51,324	\$53,864
Median	\$44,280	\$27,996	\$29,934
Per Capita	\$40,415	\$22,152	\$22,612

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	8,872	47,980	90,552
2018 Estimate	8,873	48,544	91,120
2010 Census	8,921	47,671	89,642
2000 Census	9,690	53,432	99,364

HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$223,019	\$105,723	\$89,805

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	28,548	186,848	301,703
2018 Unemployment	4.24%	8.38%	7.61%
2018 Median Time Traveled	20 Mins	23 Mins	23 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	64.42%	24.76%	25.96%
Native American	0.03%	0.02%	0.03%
African American	27.77%	70.42%	67.59%
Asian/Pacific Islander	3.08%	1.45%	1.71%



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.





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EXCLUSIVE NET LEASE OFFERING

