

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK

DBA. Goo-Goo

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

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



OFFERING MEMORANDUM



2021 Sparkman Drive, Hunsville, AL 35810

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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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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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Investment Highlights

PRICE: \$1,777,304 | CAP: 5.75% | RENT: \$102,195



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 | Walmart, Popeyes, Taco Bell, Applebee's, Sonic, Wendy's, Dollar Tree, McDonald's, Pizza Hut, Wells Fargo, Arby's, Dollar General, Little Caesars, Murphy USA, Burger King, and Many More
- ✓ Robust Demographics | Population Exceeds 58,800 Individuals Within a Three-Mile Radius
- ✓ Strong Traffic Counts | Over 21,000 Vehicles Per Day on Sparkman Drive and 45,600 Vehicles Per Day on Memorial Parkway Northwest
- ✓ Strategic Asset Positioning | Directly Across from a Walmart Anchored Supercenter
- ✓ Positive Real Estate Fundamentals | Within One-Mile of Both the Huntsville Country Club and Lee High School with 775 Students

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: \$1,777,304 | CAP: 5.75% | RENT: \$102,195



Property Description

| | |
|--------------------|------------------------------|
| Property | International Car Wash Group |
| Property Address | 2021 Sparkman Drive |
| City, State, ZIP | Huntsville, AL 35810 |
| Building Size (SF) | 3,877 |
| Lot Size | +/- 1.77 Acres |
| Type of Ownership | Fee Simple |

The Offering

| | |
|----------------|-------------|
| Purchase Price | \$1,777,304 |
| CAP Rate | 5.75% |
| Annual Rent | \$102,195 |
| Rent / SF | \$26.36 |

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 | \$102,195 | \$8,516 | - |
| Year 2 | \$103,728 | \$8,644 | 1.50% |
| Year 3 | \$105,284 | \$8,774 | 1.50% |
| Year 4 | \$106,863 | \$8,905 | 1.50% |
| Year 5 | \$108,466 | \$9,039 | 1.50% |
| Year 6 | \$110,093 | \$9,174 | 1.50% |
| Year 7 | \$111,744 | \$9,312 | 1.50% |
| Year 8 | \$113,421 | \$9,452 | 1.50% |
| Year 9 | \$115,122 | \$9,593 | 1.50% |
| Year 10 | \$116,849 | \$9,737 | 1.50% |
| Year 11 | \$118,601 | \$9,883 | 1.50% |
| Year 12 | \$120,380 | \$10,032 | 1.50% |
| Year 13 | \$122,186 | \$10,182 | 1.50% |
| Year 14 | \$124,019 | \$10,335 | 1.50% |
| Year 15 | \$125,879 | \$10,490 | 1.50% |
| Year 16 | \$127,767 | \$10,647 | 1.50% |
| Year 17 | \$129,684 | \$10,807 | 1.50% |
| Year 18 | \$131,629 | \$10,969 | 1.50% |
| Year 19 | \$133,604 | \$11,134 | 1.50% |
| Year 20 | \$135,608 | \$11,301 | 1.50% |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 2021 Sparkman Drive, Huntsville, 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 \$102,195 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 3,877 rentable square feet and is situated on 1.77 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 | \$102,195 |
| Cap Rate | 5.75% |
| Purchase Price | \$1,777,304 |
| Loan Amount | \$1,155,247 |
| LTV | 65.00% |
| Interest Rate | 4.45% |
| Amortization | 25 |
| Debt Service | \$76,662 |
| Depreciable Basis for Improvements | 80.00% |
| Useful Life | 15 |
| Federal Tax Rate | 37.00% |
| Year 1 Depreciation | \$94,790 |
| Potential Tax Savings | \$35,072 |

Standard Depreciation

| Assumptions | |
|------------------------------------|-------------|
| Asset Type | QSR |
| Ownership | Fee Simple |
| Rent | \$102,195 |
| Cap Rate | 5.75% |
| Purchase Price | \$1,777,304 |
| Loan Amount | \$1,155,247 |
| LTV | 65.00% |
| Interest Rate | 4.45% |
| Amortization | 25 |
| Debt Service | \$76,662 |
| Depreciable Basis for Improvements | 80.00% |
| Useful Life | 39 |
| Federal Tax Rate | 37.00% |
| Year 1 Depreciation | \$36,458 |
| Potential Tax Savings | \$13,489 |

Bonus Depreciation

| Assumptions | |
|------------------------------------|-------------|
| Asset Type | Car Wash |
| Ownership | Fee Simple |
| Rent | \$102,195 |
| Cap Rate | 5.75% |
| Purchase Price | \$1,777,304 |
| Loan Amount | \$1,155,247 |
| LTV | 65.00% |
| Interest Rate | 4.45% |
| Amortization | 25 |
| Debt Service | \$76,662 |
| Depreciable Basis for Improvements | 80.00% |
| Useful Life | 1 |
| Federal Tax Rate | 37.00% |
| Year 1 Depreciation | \$1,421,843 |
| Potential Tax Savings | \$526,082 |

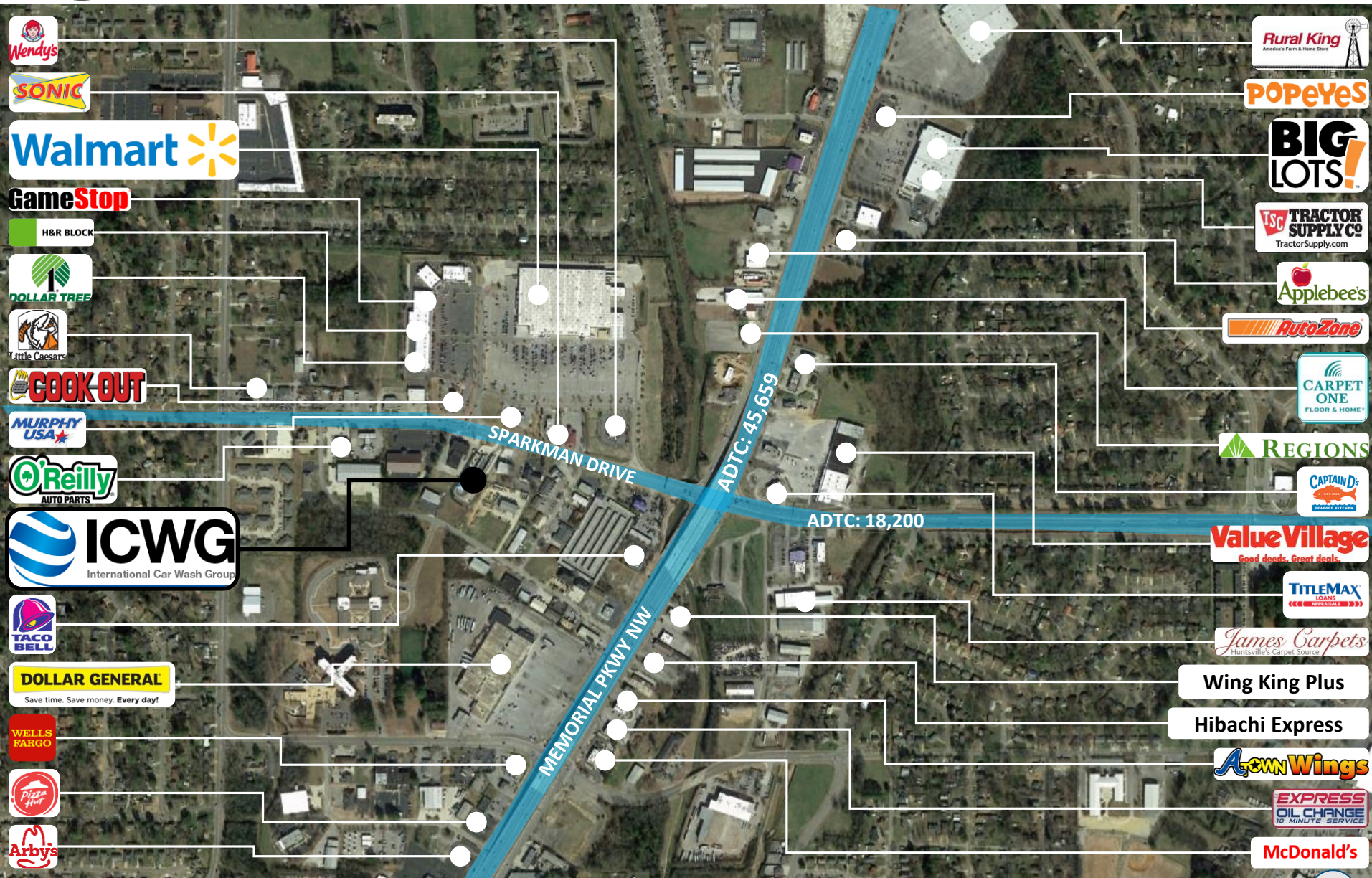
Ground Lease

| Assumptions | |
|------------------------------------|-------------|
| Asset Type | QSR |
| Ownership | Ground Only |
| Rent | \$102,195 |
| Cap Rate | 5.75% |
| Purchase Price | \$1,777,304 |
| Loan Amount | \$1,155,247 |
| LTV | 65.00% |
| Interest Rate | 4.45% |
| Amortization | 25 |
| Debt Service | \$76,662 |
| 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: 2021 Sparkman Drive, Hunstville, AL 35810





Location Overview

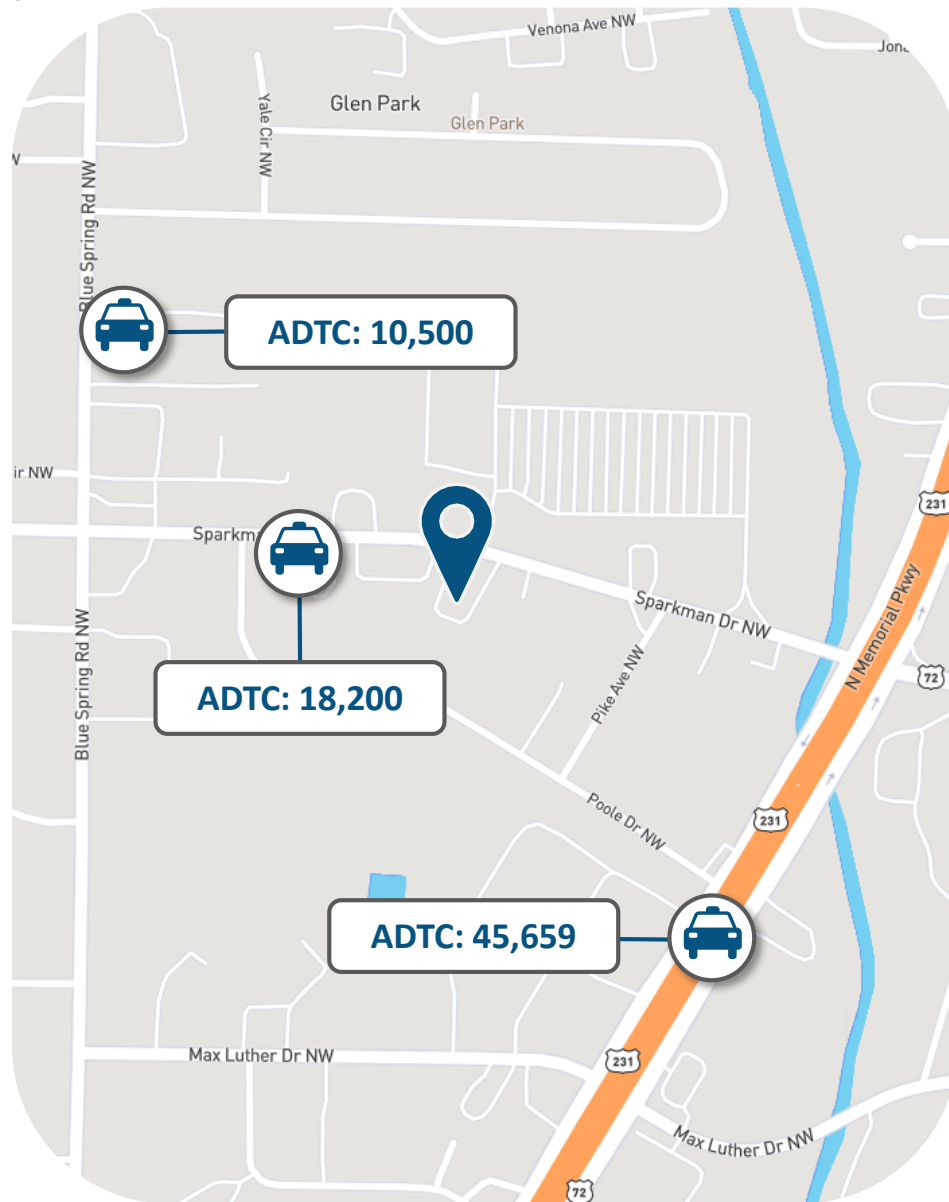
Property Address: 2021 Sparkman Drive, Huntsville, AL 35810



The subject International Car Wash Group property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants. Major national tenants in the area include Walmart, Dollar Tree, Dollar General, Big Lots, Tractor Supply Co., AutoZone, Regions Bank, H&R Block, Taco Bell, Cook Out, Pizza Hut, Arby's, McDonalds, Applebee's, as well as many more. Additionally, this car wash benefits from its close proximity to Oakwood University. The private university is less than 4-miles from the subject property and is home to over 1,600 students. Huntsville International Airport is also located less than 15-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 on Sparkman Drive, which experiences average daily traffic counts upwards of 18,200 vehicles. Sparkman Drive intersects with Memorial Parkway Northwest and Blue Spring Rd NW which brings an additional 45,600 and 10,500 vehicles into the immediate area per day, respectively. There are approximately 58,800 individuals within a three-mile radius of this property and 105,477 individuals within in 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





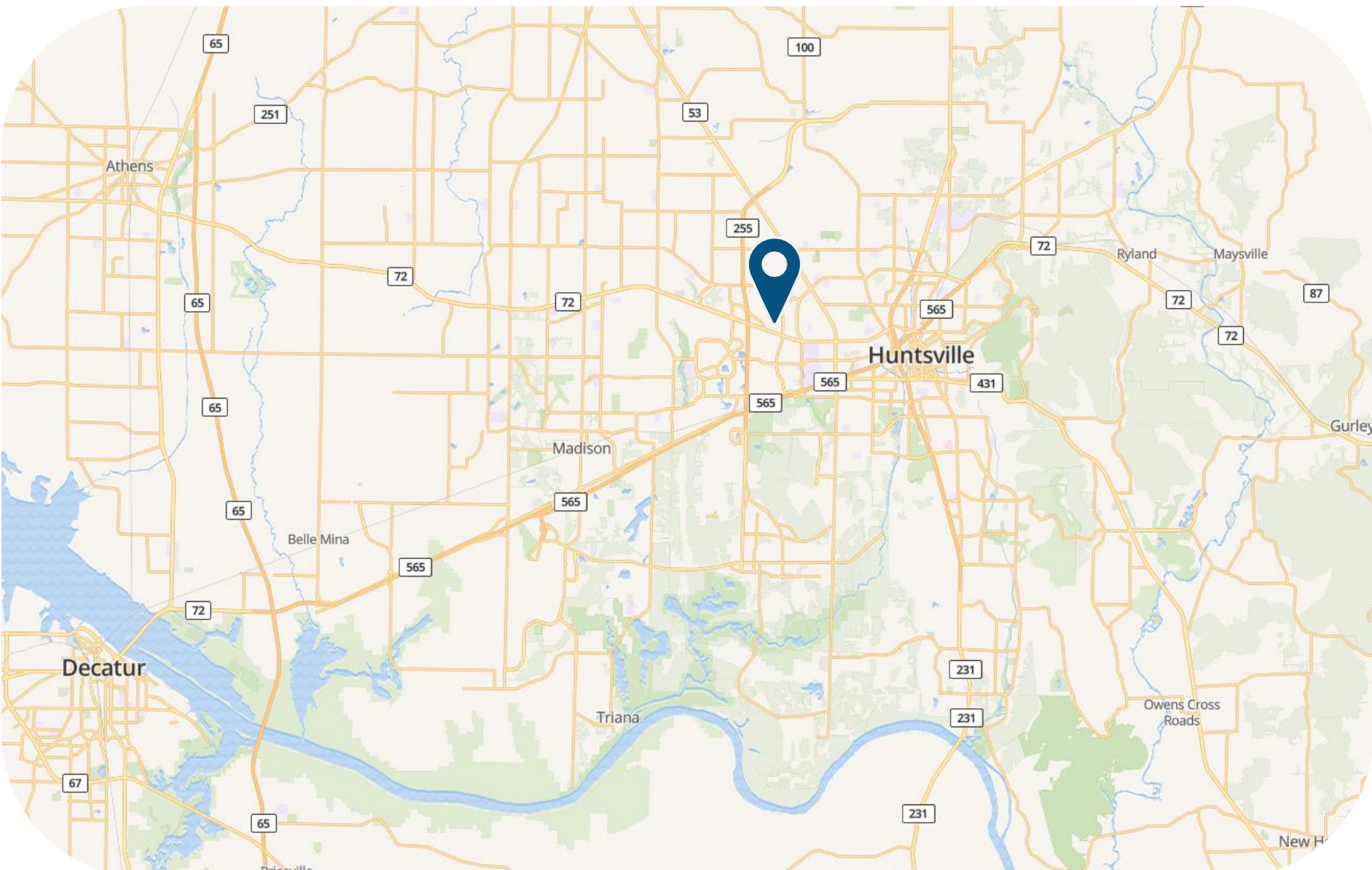
Surrounding Area Photos





Local Map

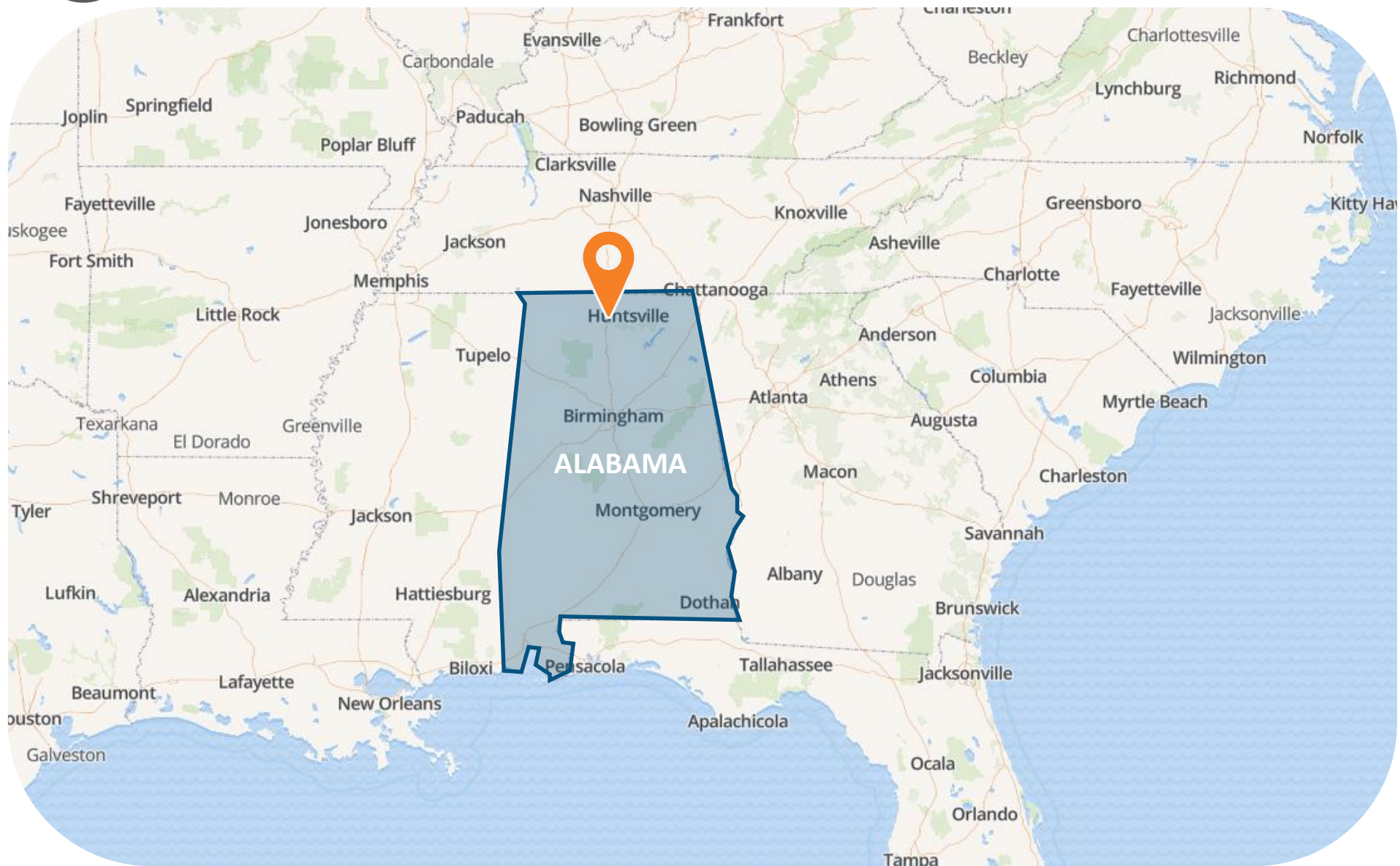
Property Address: 2021 Sparkman Drive, Huntsville, AL 35810





Regional Map

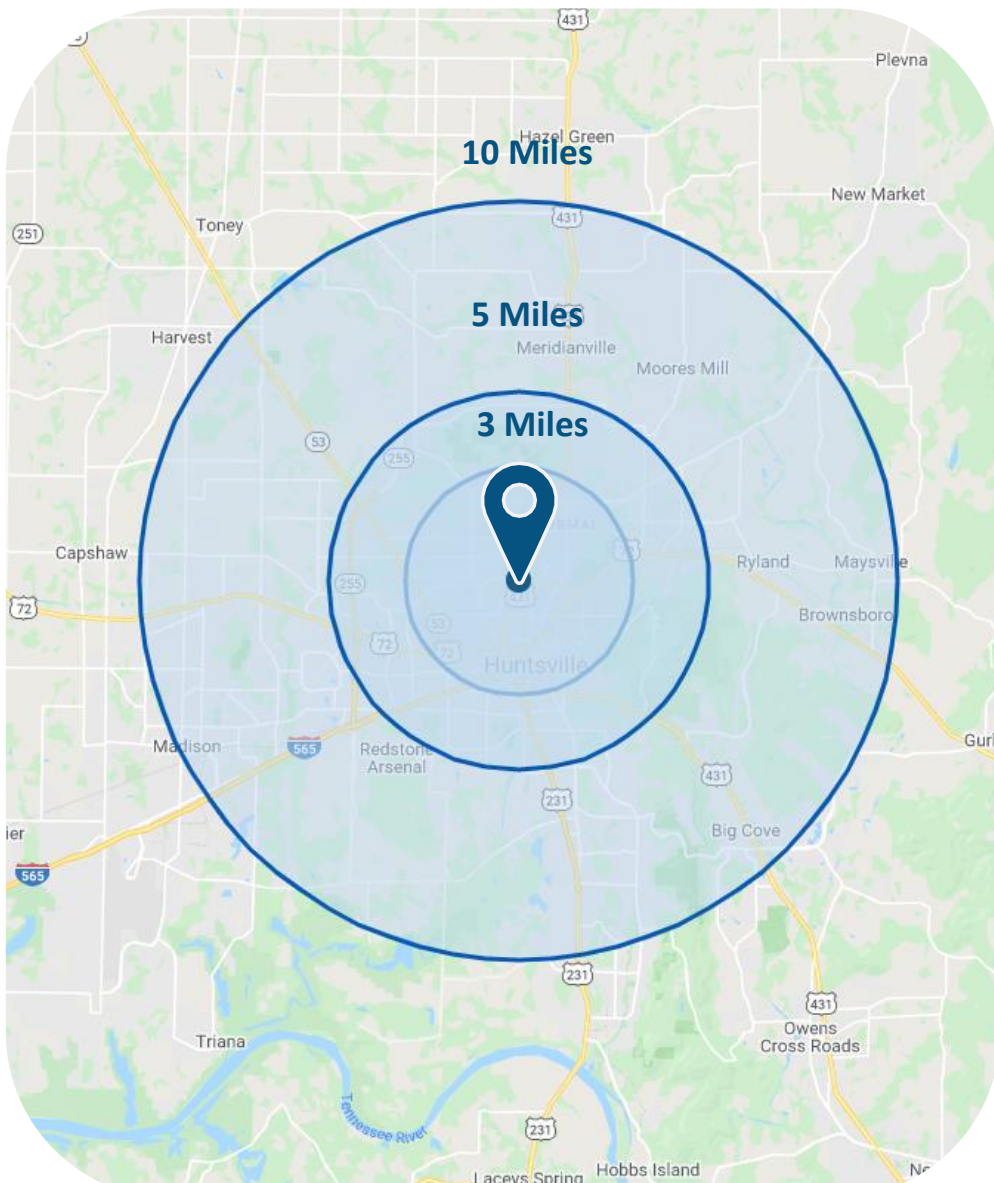
Property Address: 2021 Sparkman Drive, Huntsville, AL 35810





Demographics

Property Address: 2021 Sparkman Drive, Huntsville, AL 35810



POPULATION

| | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2022 Projection | 58,861 | 105,757 | 275,034 |
| 2017 Estimate | 58,820 | 105,477 | 261,107 |
| 2010 Census | 58,057 | 102,968 | 242,283 |
| 2000 Census | 59,311 | 99,985 | 206,651 |

INCOME

| | 3 Miles | 5 Miles | 10 Miles |
|------------|----------|----------|----------|
| Average | \$52,883 | \$60,594 | \$84,560 |
| Median | \$34,370 | \$37,358 | \$59,830 |
| Per Capita | \$22,360 | \$26,176 | \$35,001 |

HOUSEHOLDS

| | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2022 Projection | 24,275 | 45,038 | 113,792 |
| 2017 Estimate | 24,019 | 44,379 | 107,126 |
| 2010 Census | 23,625 | 43,152 | 98,995 |
| 2000 Census | 24,177 | 42,037 | 83,602 |

HOUSING

| | 3 Miles | 5 Miles | 10 Miles |
|------|----------|-----------|-----------|
| 2017 | \$98,326 | \$120,696 | \$186,948 |

EMPLOYMENT

| | 3 Miles | 5 Miles | 10 Miles |
|---------------------------|---------|---------|----------|
| 2017 Daytime Population | 81,001 | 158,161 | 335,790 |
| 2017 Unemployment | 7.45% | 6.34% | 4.42% |
| 2017 Median Time Traveled | 19 Mins | 18 Mins | 21 Mins |

RACE & ETHNICITY

| | 3 Miles | 5 Miles | 10 Miles |
|------------------------|---------|---------|----------|
| White | 34.95% | 45.52% | 62.37% |
| Native American | 0.07% | 0.11% | 0.11% |
| African American | 58.33% | 45.74% | 28.99% |
| Asian/Pacific Islander | 0.87% | 1.47% | 2.61% |



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

AL Broker of Record:

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