

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



375 Commerce Drive, Versailles, Kentucky 40383

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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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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: \$3,215,825 | CAP: 5.75% | RENT: \$184,910



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 | Kroger, PetSmart, Save-a-Lot, Workout Anytime, Taco Bell, Jimmy John's, McDonalds, PNC, Subway, Wendy's, Starbucks, Burger King, Bojangles', KFC, Waffle House, and Many More
- ✓ Strong Traffic Counts | Over 20,319 Vehicles Per Day on Lexington Road
- ✓ Strong Demographics | Population Exceeds 104,688 Individuals within a Ten-Mile Radius
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$79,000 within a Five-Mile Radius
- ✓ Positive Real Estate Fundamentals | Within Twelve Miles of Lexington, Kentucky

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: \$3,215,825 | CAP: 5.75% | RENT: \$184,910



Property Description

Property	International Car Wash Group
Property Address	375 Commerce Drive
City, State, ZIP	Versailles, KY 40383
Building Size (SF)	4,256
Lot Size	+/- 1.50 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$3,215,825
CAP Rate	5.75%
Annual Rent	\$184,910
Rent / SF	\$43.45

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	\$184,910	\$15,409	-
Year 2	\$187,684	\$15,640	1.50%
Year 3	\$190,499	\$15,875	1.50%
Year 4	\$193,356	\$16,113	1.50%
Year 5	\$196,257	\$16,355	1.50%
Year 6	\$199,201	\$16,600	1.50%
Year 7	\$202,189	\$16,849	1.50%
Year 8	\$205,221	\$17,102	1.50%
Year 9	\$208,300	\$17,358	1.50%
Year 10	\$211,424	\$17,619	1.50%
Year 11	\$214,596	\$17,883	1.50%
Year 12	\$217,814	\$18,151	1.50%
Year 13	\$221,082	\$18,423	1.50%
Year 14	\$224,398	\$18,700	1.50%
Year 15	\$227,764	\$18,980	1.50%
Year 16	\$231,180	\$19,265	1.50%
Year 17	\$234,648	\$19,554	1.50%
Year 18	\$238,168	\$19,847	1.50%
Year 19	\$241,740	\$20,145	1.50%
Year 20	\$245,366	\$20,447	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 375 Commerce Drive in Versailles, KY. 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 \$184,910 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 4,256 rentable square feet and is situated on 1.50 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	\$184,910
Cap Rate	5.75%
Purchase Price	\$3,215,825
Loan Amount	\$2,090,286
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$138,711
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$171,511
Potential Tax Savings	\$63,459

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$184,910
Cap Rate	5.75%
Purchase Price	\$3,215,825
Loan Amount	\$2,090,286
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$138,711
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$65,966
Potential Tax Savings	\$24,407

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$184,910
Cap Rate	5.75%
Purchase Price	\$3,215,825
Loan Amount	\$2,090,286
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$138,711
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$2,572,660
Potential Tax Savings	\$951,884

Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$184,910
Cap Rate	5.75%
Purchase Price	\$3,215,825
Loan Amount	\$2,090,286
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$138,711
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: 375 Commerce Drive, Versailles, Kentucky 40383





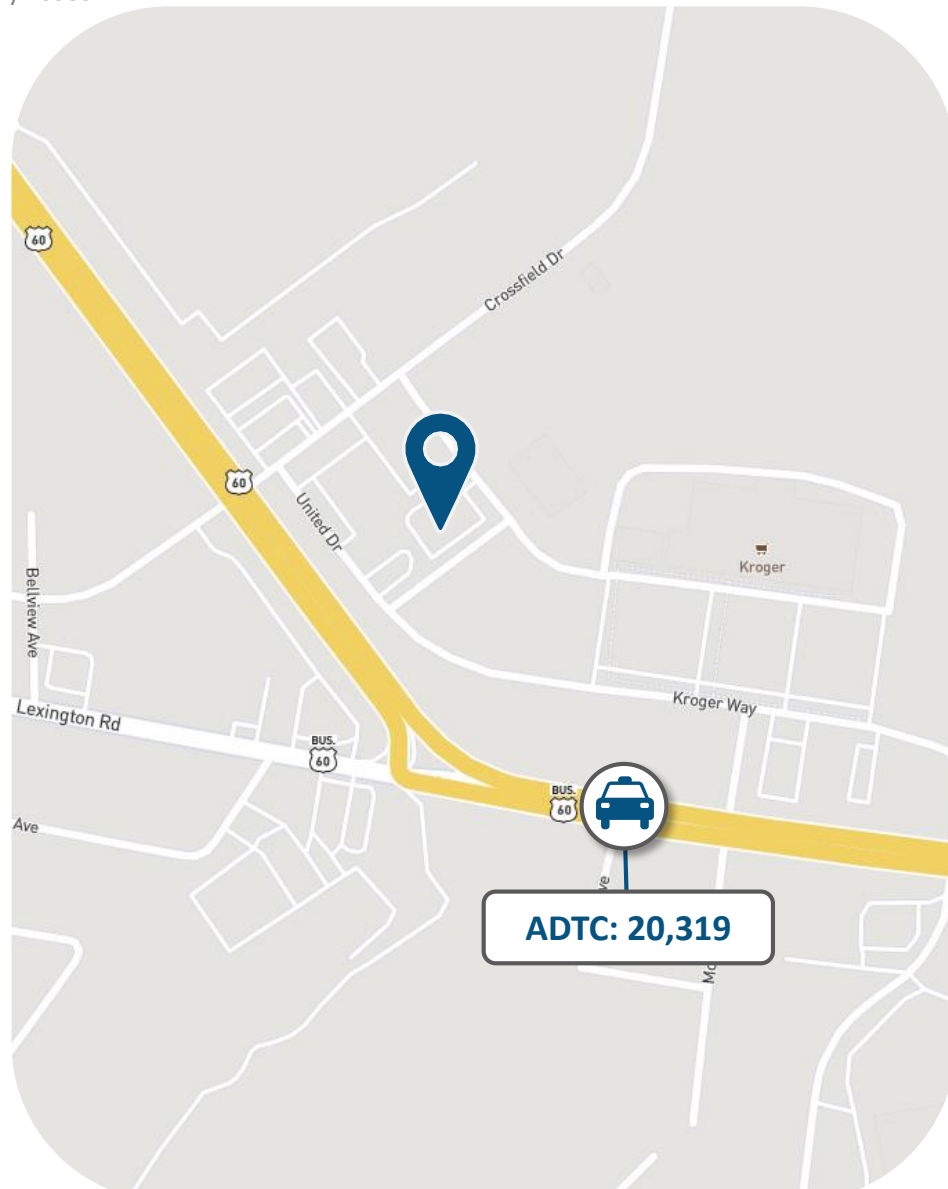
Location Overview

Property Address: 375 Commerce Drive, Versailles, Kentucky 40383

The subject Car Wash benefits from being well-positioned as an outparcel to a Holiday Inn Express & Suites surrounded by new development. Located in close proximity to the subject car wash are national and local tenants, shopping centers, and hospitals. National tenants include: Kroger, PetSmart, Save-a-Lot, Workout Anytime, Taco Bell, Jimmy John's, McDonalds, PNC, Subway, Wendy's, Starbucks, Burger King, Bojangles', KFC, Waffle House, and many more. The subject property benefits from being within a five-mile radius of several academic institutions. Most notable of these being Woodford County High School, the only public high school in Woodford County since 1963. Woodford County High School is located just over a mile from this Car Wash with a total enrollment exceeding 1,200 students.

The site is situated on Commerce Drive, which runs parallel to Lexington Road. Lexington Road boasts average daily traffic counts exceeding 20,319 vehicles. There are approximately 20,688 individuals residing within a five-mile radius and 104,688 individuals within a ten-mile radius. The subject Car Wash benefits from being located in an affluent suburban community. The average household income with a five-mile radius exceeds \$79,584.

Versailles is a home rule-class city in Woodford County, Kentucky located near Lexington. It is part of the Lexington-Fayette Metropolitan Statistical Area. Versailles and the rest of the Inner Bluegrass Region is a center for horse breeding and training for thoroughbred and standardbred racehorses, and saddlebred pleasure horses. Lexington, the "Horse Capital of the World," is located just under 12 miles from Versailles. Notable locations in the city include the Kentucky Horse Park, The Red Mile, and Keeneland race course, Rupp Arena, Transylvania University, the University of Kentucky, and Bluegrass Community and Technical College. Lexington has one of the nation's most stable economies. Lexington describes itself as having "a fortified economy, strong in manufacturing, technology, and entrepreneurial support, benefiting from a diverse, balanced business base." The city is home to several large corporations. Sizable employment is generated by four Fortune 500 companies: Xero, Lexmark International, Lockheed-Martin, and IBM. The city university ranks as the 9th largest economic company in the state of Kentucky, with an annual \$1.4 billion, and the College of Medicine within the University is the 21st largest company in the state.



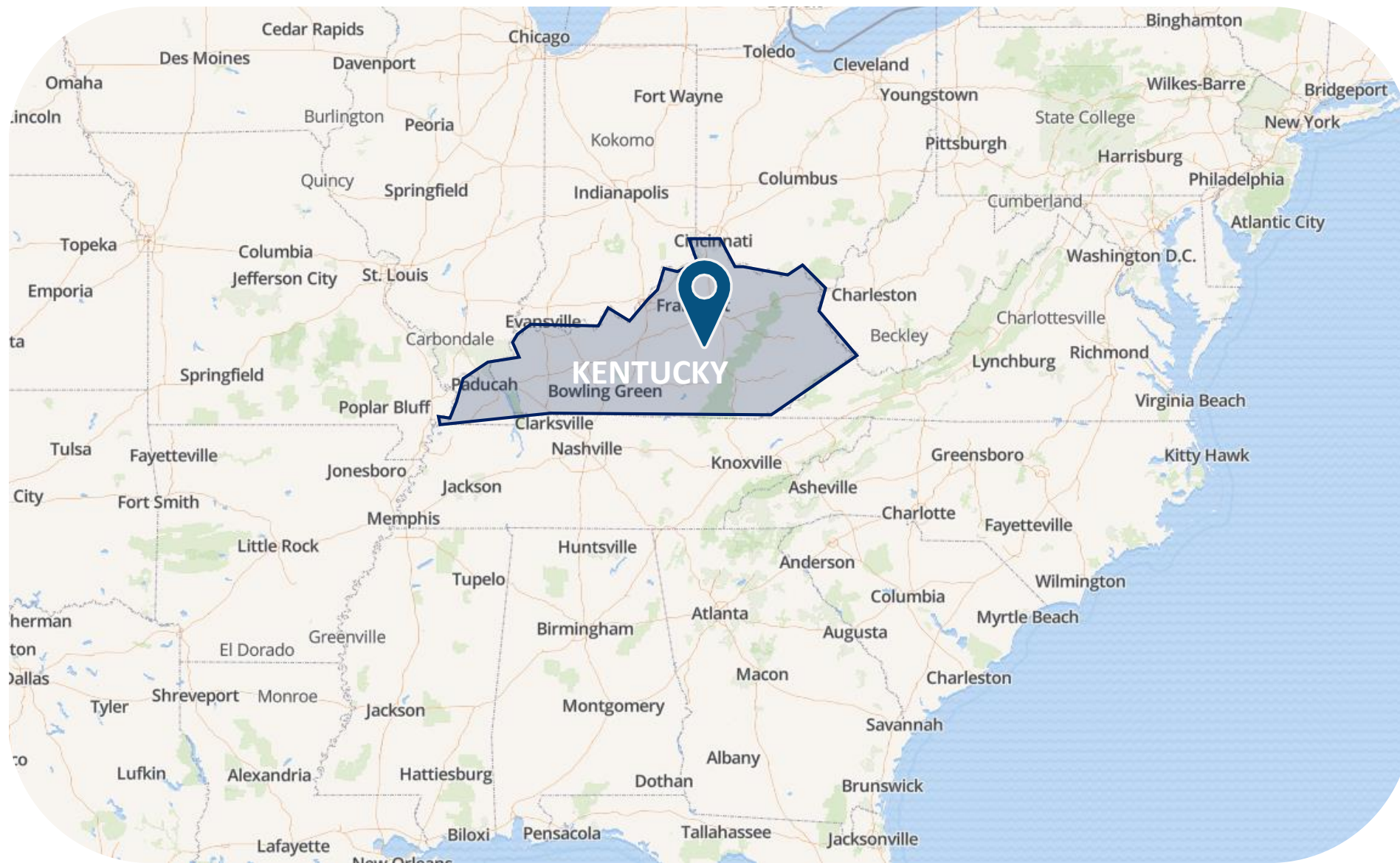


Marcus & Millichap



Regional Map

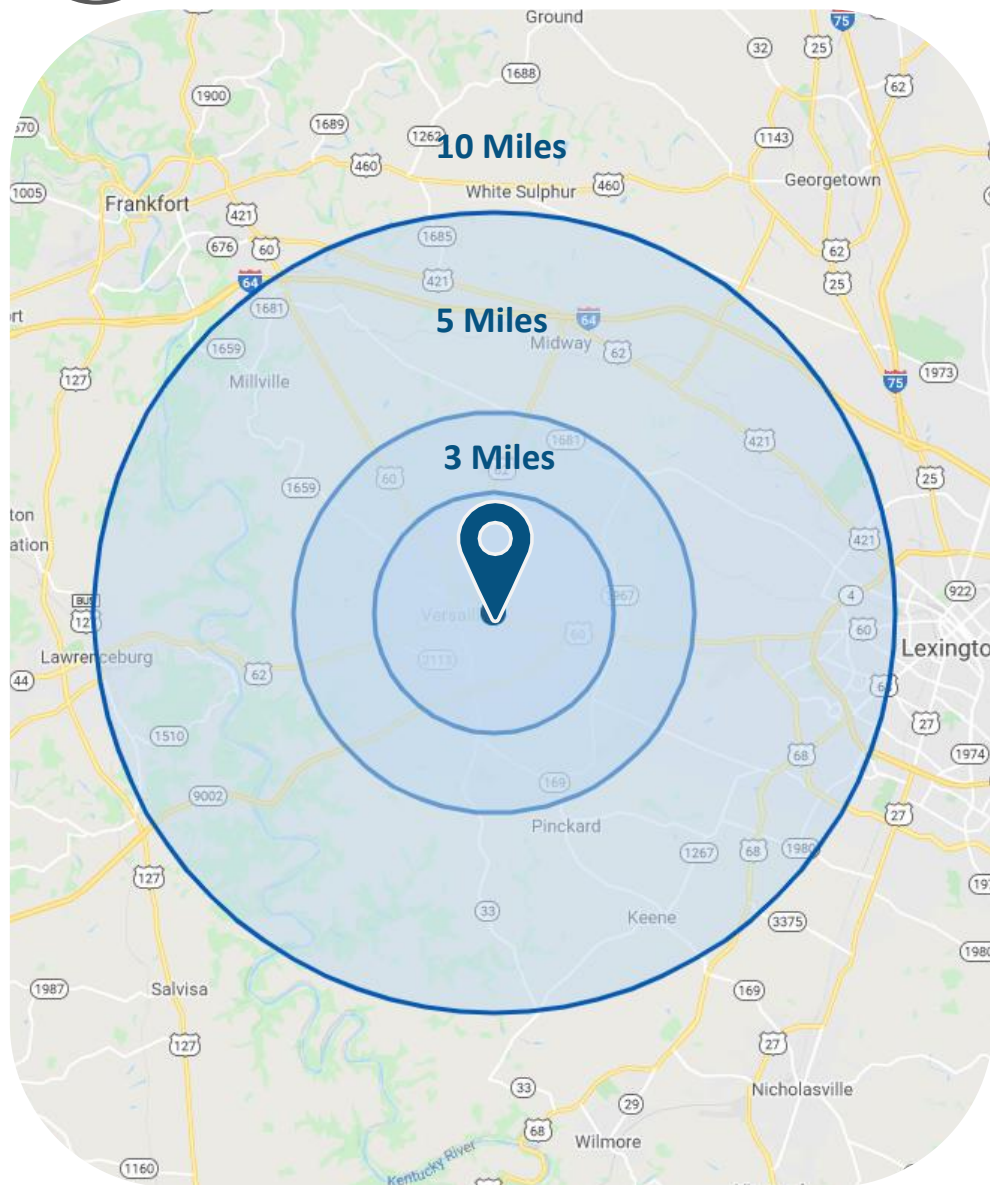
Property Address: 375 Commerce Drive, Versailles, Kentucky 40383





Demographics

Property Address: 375 Commerce Drive, Versailles, Kentucky 40383



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	18,837	21,678	112,101
2018 Estimate	18,026	20,688	104,688
2010 Census	16,993	19,535	97,684
2000 Census	15,372	17,855	83,221

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$76,443	\$79,584	\$89,998
Median	\$60,856	\$62,120	\$66,685
Per Capita	\$30,229	\$31,482	\$34,785

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	7,515	8,649	43,272
2018 Estimate	7,109	8,160	39,951
2010 Census	6,668	7,665	37,215
2000 Census	5,911	6,809	31,896

HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$199,300	\$208,618	\$209,832

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	18,265	20,727	98,288
2018 Unemployment	4.48%	4.75%	4.07%
2018 Median Time Traveled	23 Mins	23 Mins	24 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	87.75%	87.97%	82.43%
Native American	0.02%	0.04%	0.03%
African American	5.94%	5.70%	7.58%
Asian/Pacific Islander	0.74%	0.83%	3.13%



Market Overview

City: Versailles | County: Woodford | State: Kentucky

Lexington, Kentucky

Lexington is the second-largest city in Kentucky, the 60th-largest city in the United States, and by land area, the 28th-largest city in the United States. Known as the "Horse Capital of the World," it is the heart of the state's Bluegrass region. Lexington ranks 10th among US cities in college education rate, with 39.5% of residents having at least a bachelor's degree. It is the location of the Kentucky Horse Park, The Red Mile and Keeneland race courses, Rupp Arena, Transylvania University, the University of Kentucky, and Bluegrass Community and Technical College. Lexington has one of the nation's most stable economies. Lexington describes itself as having "a fortified economy, strong in manufacturing, technology, and entrepreneurial support, benefiting from a diverse, balanced business base". The Lexington Metro Area had an unemployment rate of 3.7% in August 2015, lower than many cities of similar size. In 2011 Lexington was ranked as the 4th-best city for "Businesses and Careers" by Forbes magazine, the 5th-best city for Young Professionals in 2008, and 6th-Best "Value Cities" in 2011 by Kiplinger.

The city is home to several large corporations. Sizable employment is generated by four Fortune 500 companies: Xerox, Lexmark International, Lockheed-Martin, and IBM. United Parcel Service, Trane, and Amazon.com, Inc. have large operations in the city, and Toyota Motor Manufacturing Kentucky is within the Lexington MSA. A Jif peanut butter plant located there produces more peanut butter than any other factory in the world. Notable corporate headquarters include: Lexmark International, a manufacturer of printers and enterprise software; Link-Belt Construction Equipment, a designer and manufacturer of telescopic and lattice boom cranes; A&W Restaurants, a restaurant chain known for root beer; Fazoli's, a fast-food Italian-style chain that has expanded to more than 20 states; Tempur Sealy International, a manufacturer of mattresses; Florida Tile, a manufacturer of porcelain and ceramic tile; and the Forcht Group of Kentucky, a holding company that employs more than 2,100 people across Kentucky.

Major Employers

Employer	Estimated # of Employees
General Lighting Division	680
Healtsound Cardinal	650
Kroger	648
FMC Lexington	560
MPS	509
Woodford County Board Educatn	500
McDonalds	410
Canteen Correctional Svc	402
Department of Detentions	402
Division Correctional Instn	402
Tele-Tech Company Inc	390



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EXCLUSIVE NET LEASE OFFERING

