

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



1305 E Imhoff Road, Norman, OK 73071

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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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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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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.



Table of Contents

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





Investment Highlights

PRICE: \$4,300,000 | CAP: 5.75% | RENT: \$247,250



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 Urban Infill | Walmart, CVS Pharmacy, McDonald's, Starbucks, Dollar General, Taco Bell, Papa John's, Domino's, and More
- ✓ Robust Demographics | Population Exceeds 99,000 Individuals Within a Five-Mile Radius | Projected to Continue Growing
- ✓ Affluent Community | Average Income Within a Ten-Mile Radius is Nearly \$84,000
- ✓ Compelling Location Fundamentals | Less Than Two Miles from University of Oklahoma | Over 31,500 Students Enrolled | Nearly 3,000 Faculty Members
- ✓ Strong Real Estate Fundamentals | Located 25 Miles South of Downtown Oklahoma City

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: \$4,300,000 | CAP: 5.75% | RENT: \$247,250



Property Description

Property	International Car Wash Group
Property Address	1305 E Imhoff Road
City, State, ZIP	Norman, OK 73071
Year Built / Renovated	2019
Building Size (SF)	5,472
Lot Size	+/- 1.03 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$4,300,000
CAP Rate	5.75%
Annual Rent	\$247,250

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, Five-Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$247,250	\$20,604	-
Year 2	\$250,959	\$20,913	1.50%
Year 3	\$254,723	\$21,227	1.50%
Year 4	\$258,544	\$21,545	1.50%
Year 5	\$262,422	\$21,869	1.50%
Year 6	\$266,358	\$22,197	1.50%
Year 7	\$270,354	\$22,529	1.50%
Year 8	\$274,409	\$22,867	1.50%
Year 9	\$278,525	\$23,210	1.50%
Year 10	\$282,703	\$23,559	1.50%
Year 11	\$286,944	\$23,912	1.50%
Year 12	\$291,248	\$24,271	1.50%
Year 13	\$295,617	\$24,635	1.50%
Year 14	\$300,051	\$25,004	1.50%
Year 15	\$304,552	\$25,379	1.50%
Year 16	\$309,120	\$25,760	1.50%
Year 17	\$313,757	\$26,146	1.50%
Year 18	\$318,463	\$26,539	1.50%
Year 19	\$323,240	\$26,937	1.50%
Year 20	\$328,089	\$27,341	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 1305 E Imhoff Road, Norman, OK. 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 \$247,250 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 5,472 rentable square feet and is situated on 1.03 acres.



Tenant Overview

About International Car Wash Group

International Car Wash 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 950 locations. In August 2015, ICWG entered the U.S. market and now operates more than 200 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.

Key United States 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. 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. Acquired by ICWG in August 2015, Supersonic provides additional opportunities to grow within the state of Utah with a number of locations already identified.

FOUNDED:

1965

LOCATIONS:

950+

COUNTRIES:

14

WEBSITE:

ICWG.COM

HEADQUARTERS:

Centennial, CO & London England



Driven Brands Announces Acquisition of International Car Wash Group

CHARLOTTE, N.C. – AUGUST 05, 2020

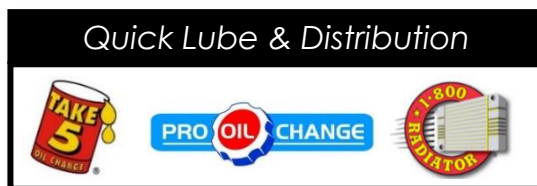
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive aftermarket services company by location count in North America.

Driven is a portfolio company of Roark Capital and has completed more than 35 acquisitions over the past five years. In addition to ICWG, Driven’s portfolio includes Take 5 Oil Change, Meineke Car Care Centers, Automotive Training Institute, Maaco, CARSTAR, ABRA, Uniban, 1-800-Radiator & A/C and PH Vitres d’Autos.

“We are excited to officially welcome ICWG to our growing family of brands,” said Jonathan Fitzpatrick, Chief Executive Officer of Driven Brands. “The team at ICWG should be incredibly proud of the company they’ve helped create, and we look forward to building on their success and accelerating long-term growth at ICWG.”

Driven Brands™, headquartered in Charlotte, NC, is the parent company of some of North America’s leading automotive service brands including Take 5 Oil Change, Meineke Car Care Centers, Automotive Training Institute, Maaco, CARSTAR, 1-800-Radiator & A/C in addition to several other reputable brands. As a result of the ICWG acquisition, Driven Brands has more than 4,000 centers across 15 countries, and combined, all businesses generate approximately \$3.8 billion in system-wide sales and service over 50 million vehicles annually.

<u>Facts on Driven:</u>	15 countries	4,000 brand locations	130 years of service	\$3.8 Billion system wide sales
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(1) https://www.prweb.com/releases/driven_brands_announces_acquisition_of_international_car_wash_group/prweb17304453.htm



Depreciation Benefits

Accelerated Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$247,250
Cap Rate	5.75%
Purchase Price	\$4,300,000
Loan Amount	\$2,795,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,476
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$229,333
Potential Tax Savings	\$84,853

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$247,250
Cap Rate	5.75%
Purchase Price	\$4,300,000
Loan Amount	\$2,795,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,476
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$88,205
Potential Tax Savings	\$32,636

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$247,250
Cap Rate	5.75%
Purchase Price	\$4,300,000
Loan Amount	\$2,795,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,476
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,440,000
Potential Tax Savings	\$1,272,800

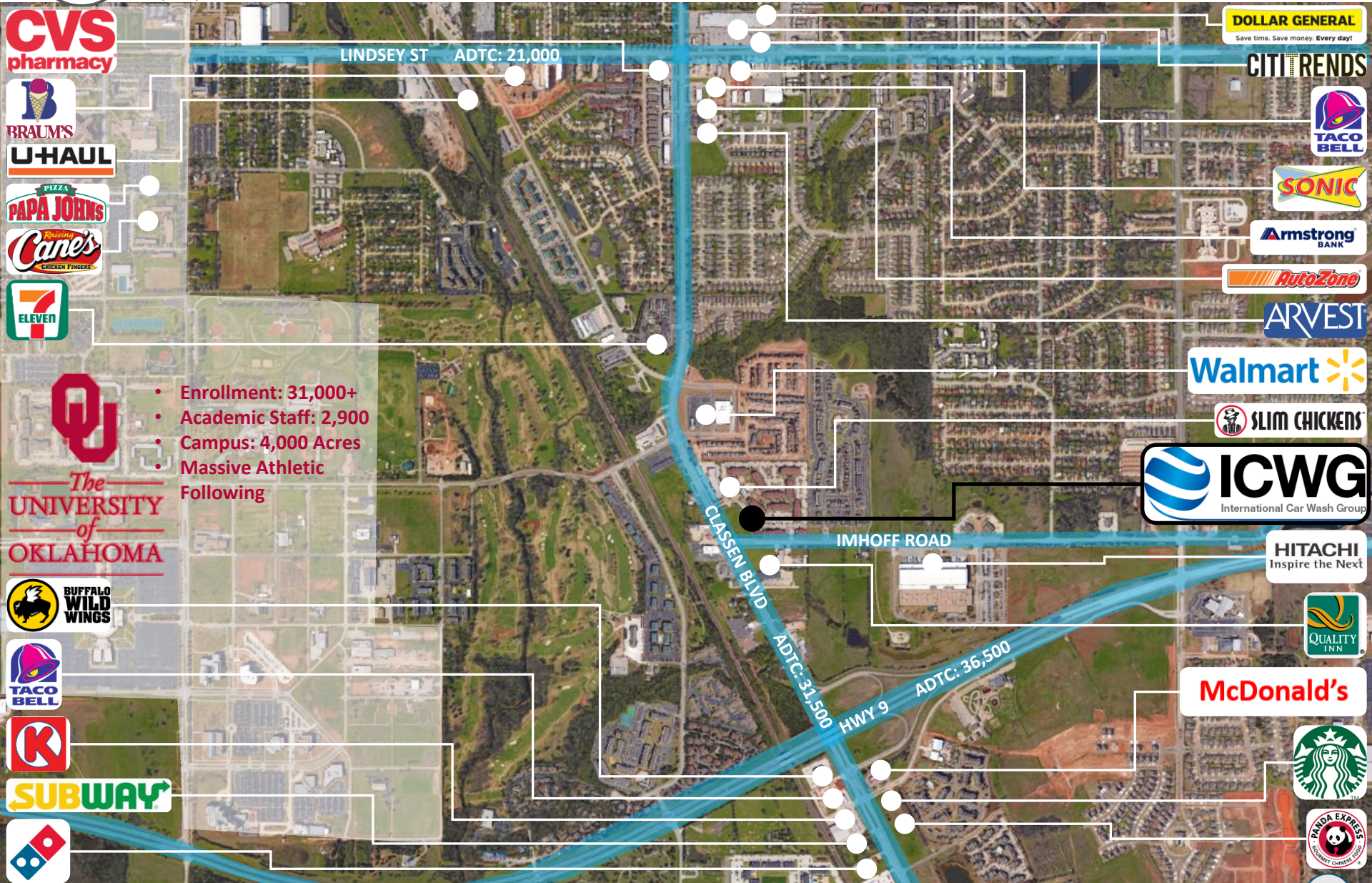
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$247,250
Cap Rate	5.75%
Purchase Price	\$4,300,000
Loan Amount	\$2,795,000
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,476
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: 1305 E Imhoff Road, Norman, OK 73071





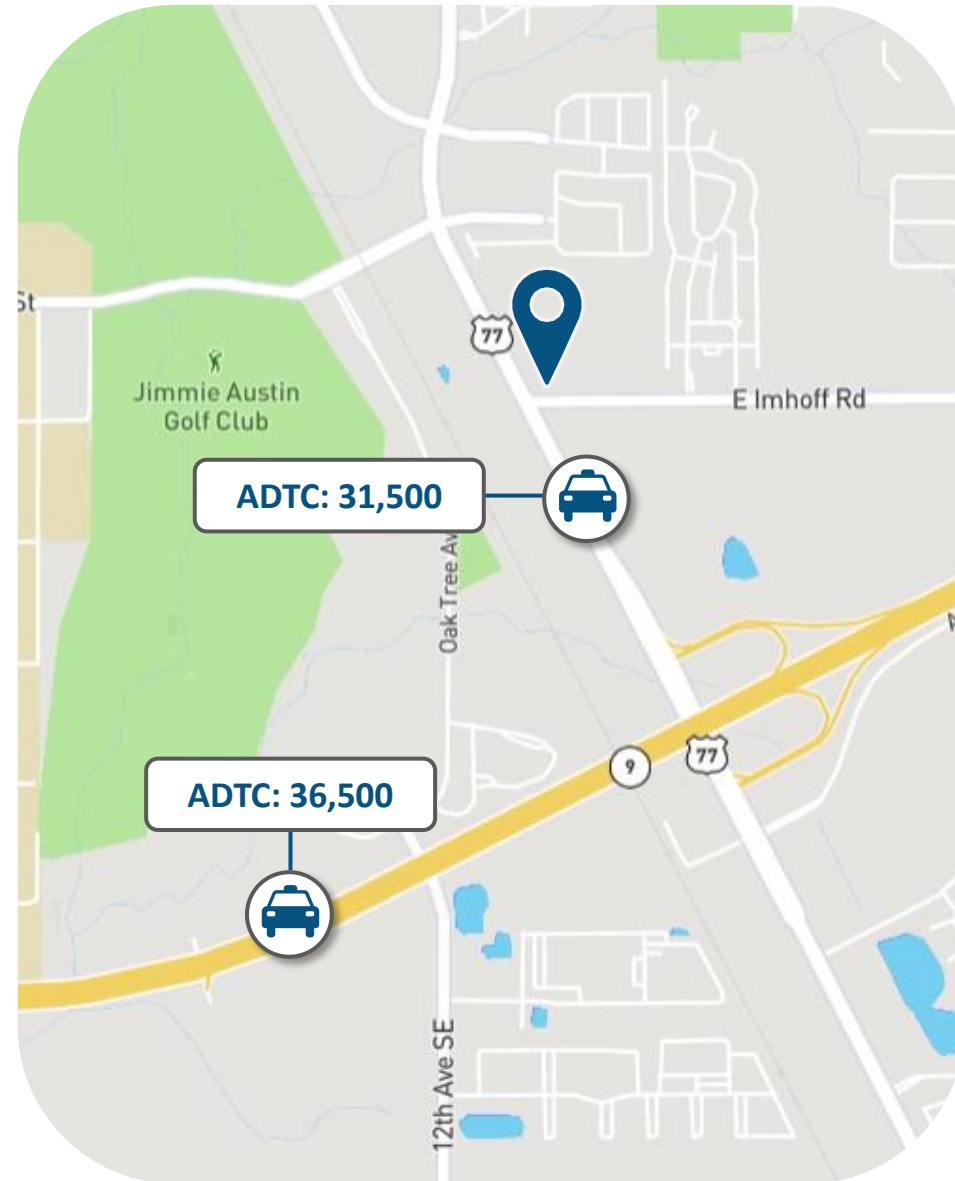
Location Overview

Property Address: 1305 E Imhoff Road, Norman, OK 73071

The subject Car Wash benefits from being well-positioned in a dense urban infill consisting of national and local tenants, shopping centers, hospitality accommodations, and academic institutions. Major national tenants in the area include Walmart, CVS Pharmacy, McDonald's, Starbucks, Dollar General, Taco Bell, Papa John's, Domino's and many more. The subject property greatly benefits from being located less than two mile from the University of Oklahoma. The University has over 31,500 students enrolled and has nearly 3,000 faculty members. The school offers 152 baccalaureate programs, 160 master's programs, 75 doctorate programs, and 20 majors at the first professional level. The subject property is also less than two miles from the University's Basketball and Football arenas, which have capacities of 11,500 and 86,000 fans, respectively.

The site is situated on East Imhoff Road at its intersection with Classen Boulevard. Classen Boulevard boasts an average daily traffic count of 31,500 vehicles. Classen Boulevard serves as an access road to Highway 9, which brings an additional 36,500 vehicles into the immediate area everyday. There are approximately 100,000 individuals within a five-mile radius of this property and more than 161,000 individuals within a ten-mile radius. The figures have increased significantly over the last two decades and are projected to continue growing. Additionally, the property is located in an affluent community. The average income within a ten-mile radius is approximately \$84,000.

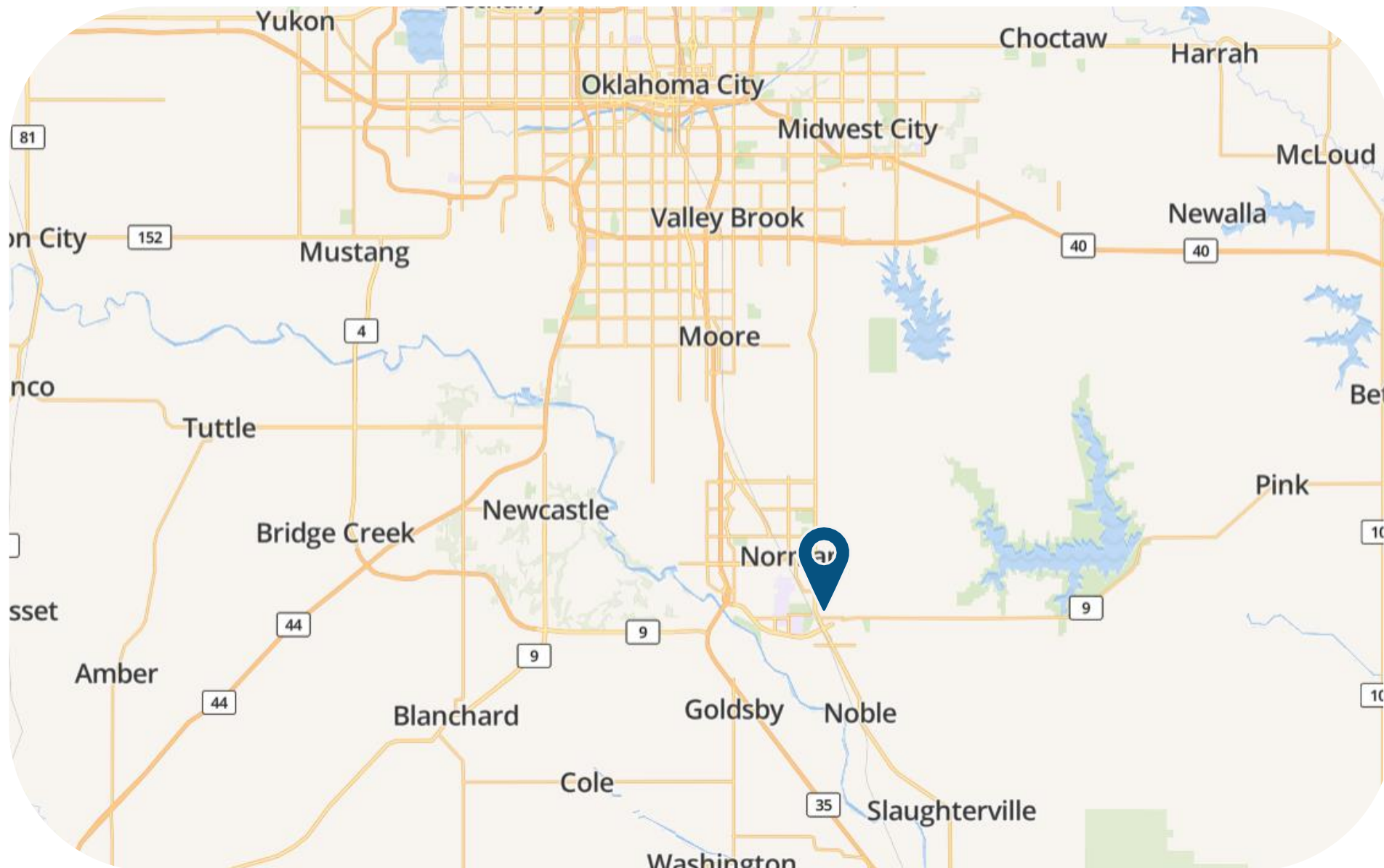
The subject property is twenty-five miles south of Downtown Oklahoma City. Oklahoma City is the capitol and largest city in the state of Oklahoma. The city ranks 27th in the nation in population, after the population increased by nearly 700,000 between 2010 and 2015. Oklahoma City features one of the largest livestock markets in the world. Oil, natural gas, petroleum products, and related industries are the largest sector of the total economy. The city is situated in the middle of an active oil field and oil derricks dot the capitol grounds. The economy of Oklahoma City, once just a regional power center of government and energy exploration, has diversified to include the sectors of information technology, services, health services, and administration. The city is headquarters to two Fortune 500 companies, Chesapeake Energy Corporation and Devon Energy Corporation. The Donald W. Reynolds Visual Arts Center is the new downtown home for the Oklahoma City Museum of Art. The Museum features visiting exhibits, original selections from its own collection, a theatre showing a variety of foreign, independent, and classic films each week.





Local Map

Property Address: 1305 E Imhoff Road, Norman, OK 73071





Regional Map

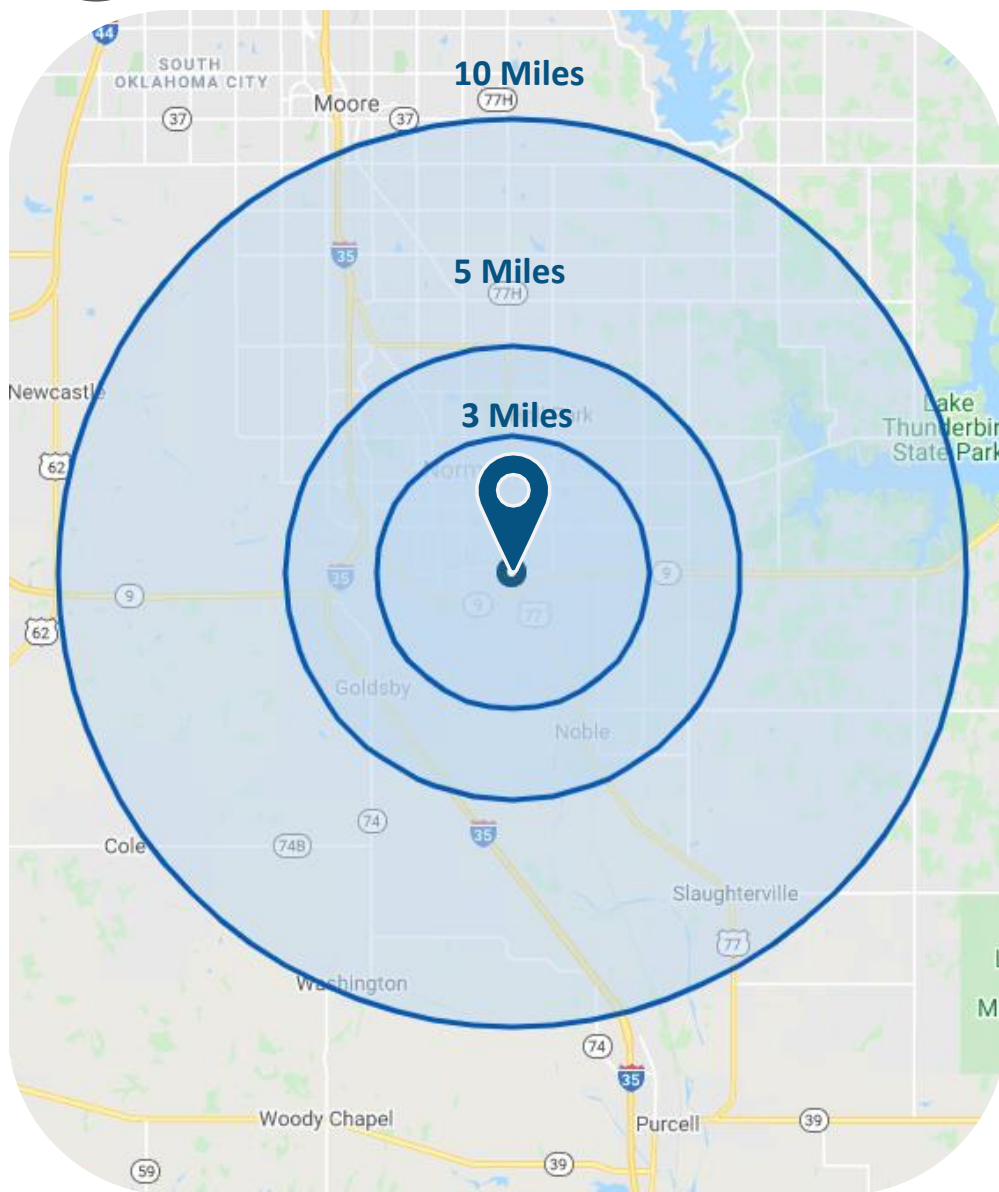
Property Address: 1305 E Imhoff Road, Norman, OK 73071





Demographics

Property Address: 1305 E Imhoff Road, Norman, OK 73071



POPULATION

	3 Miles	5 Miles	10 Miles
2024 Projection	65,014	105,890	174,399
2019 Estimate	61,665	99,774	161,410
2010 Census	56,679	90,949	143,574
2000 Census	49,245	79,823	117,079

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$65,473	\$71,400	\$83,991
Median	\$45,125	\$52,422	\$64,286
Per Capita	\$27,843	\$30,212	\$34,031

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2024 Projection	26,785	44,089	70,172
2019 Estimate	25,128	41,152	64,472
2010 Census	22,722	36,986	56,724
2000 Census	20,130	32,776	46,571

HOUSING

	3 Miles	5 Miles	10 Miles
2019	\$162,898	\$166,726	\$185,429

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2019 Daytime Population	86,908	132,102	170,045
2019 Unemployment	4.67%	4.10%	3.45%
2019 Median Time Traveled	22 Mins	22 Mins	23 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	73.64%	75.64%	77.45%
Native American	0.10%	0.11%	0.10%
African American	6.81%	5.73%	4.84%
Asian/Pacific Islander	5.60%	4.42%	4.12%



Market Overview

Property Address: 1305 E Imhoff Road, Norman, OK 73071

Oklahoma City, Oklahoma

Oklahoma City is the capital, and the largest, city in the U.S. state of Oklahoma. The county seat of Oklahoma County, the city ranks 27th among United States cities in population. The economy of Oklahoma city is largely based around oil, natural gas, petroleum products and related industries, as the city sits in the middle of an active oil field. In addition to this sector of the economy, the federal government employs large numbers of workers at Tinker Air Force Base and the United States Department of Transportation's Mike Monroney Aeronautical Center. As the economy of Oklahoma has diversified, it has attracted more and more major corporations. Two Fortune 500 companies, Chesapeake Energy Corporation and Devon Energy Corporation, both have headquarters in the city, as well as the headquarters of Love's Travel Stops & Country Stores, which ranked 13th on Forbes list of private companies. Dell also has a campus in the city. Created in 2004, this state-of-the-art 62-acre facility has created over 3,500 jobs and has forged a strong bond with the city's government, which approved a \$5.5 million grant for job creation at the site. In addition to a flourishing city, Oklahoma City is the home to the Oklahoma City Thunder of the NBA. Oklahoma City is a town with a vibrant culture and is known in the region and throughout the country for its numerous museums and historical centers.





Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Ok Broker of Record:
Mark McCoy
Regional Manager, Fort Worth
Lic # 181981
Phone: 0416148



1305 E Imhoff Road - Norman, OK 73071