

INTERNATIONAL CAR WASH GROUP SALE-LEASEBACK DBA. T5 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

Representative Photo



OFFERING MEMORANDUM



2320 Martin Luther King Jr. Blvd, Fayetteville, Arkansas 72701

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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.



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Investment Highlights

PRICE: \$4,190,476 | CAP: 5.25% | RENT: \$220,000



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

- ✓ **NEW CONSTRUCTION – ANTICIPATED OPEN DATE JANUARY 2022**
- ✓ Nearby Quick Serve Restaurants | McDonald's, Starbucks, Burger King, Taco Bell, KFC, Popeyes, Chick Fil-A, Arby's, Sonic, Dairy Queen, Subway, and more
- ✓ Nearby Hospitality Accommodations | Days Inn, Candlewood Suites, Hampton Inn & Suites, Super 8, and more
- ✓ Nearby Retail and Shopping Options | Walmart, Walgreens, Lowe's, Auto Zone, Dollar Tree, and Aldi
- ✓ Strong Traffic Counts | Over 33,000 Vehicles Per Day on Martin Luther King Jr. Boulevard | Over 56,600 Vehicles Per Day on I-49
- ✓ University of Arkansas | Located 1 Mile from Property | 27,500 Students | City's Largest Employer and Attraction

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: \$4,190,476 | CAP: 5.25% | RENT: \$220,000



Property Description

Property	International Car Wash Group
Property Address	2320 MLK Jr Blvd
City, State, ZIP	Fayetteville, AR
Building Size (SF)	4,057
Lot Size	+/- 1.23 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$4,190,476
CAP Rate	5.25%
Annual Rent	\$220,000

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	\$220,000	-	-
Year 2	\$203,000	\$16,917	1.50%
Year 3	\$206,045	\$17,170	1.50%
Year 4	\$209,136	\$17,428	1.50%
Year 5	\$212,273	\$17,689	1.50%
Year 6	\$215,457	\$17,955	1.50%
Year 7	\$218,689	\$18,224	1.50%
Year 8	\$221,969	\$18,497	1.50%
Year 9	\$225,299	\$18,775	1.50%
Year 10	\$228,678	\$19,056	1.50%
Year 11	\$232,108	\$19,342	1.50%
Year 12	\$235,590	\$19,632	1.50%
Year 13	\$239,124	\$19,927	1.50%
Year 14	\$242,710	\$20,226	1.50%
Year 15	\$246,351	\$20,529	1.50%
Year 16	\$250,046	\$20,837	1.50%
Year 17	\$253,797	\$21,150	1.50%
Year 18	\$257,604	\$21,467	1.50%
Year 19	\$261,468	\$21,789	1.50%
Year 20	\$265,390	\$22,116	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing in Fayetteville, AR. 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 \$220,000 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.



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

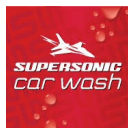
ICWG entered the US in August 2015 and already has over 150 sites which makes us one of the major players in the market. The US sites operate under 3 key brands – Car Wash USA Express, Goo-Goo 3 Minute Express Wash and Supersonic in the state of Utah.



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

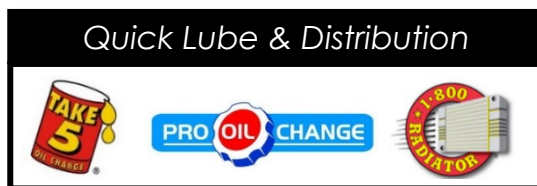
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive 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	\$135,800
Cap Rate	5.75%
Purchase Price	\$2,361,739
Loan Amount	\$1,535,130
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$101,871
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$125,959
Potential Tax Savings	\$46,605

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$135,800
Cap Rate	5.75%
Purchase Price	\$2,361,739
Loan Amount	\$1,535,130
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$101,871
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$1,889,391
Potential Tax Savings	\$699,075

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$135,800
Cap Rate	5.75%
Purchase Price	\$2,361,739
Loan Amount	\$1,535,130
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$101,871
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$48,446
Potential Tax Savings	\$17,925

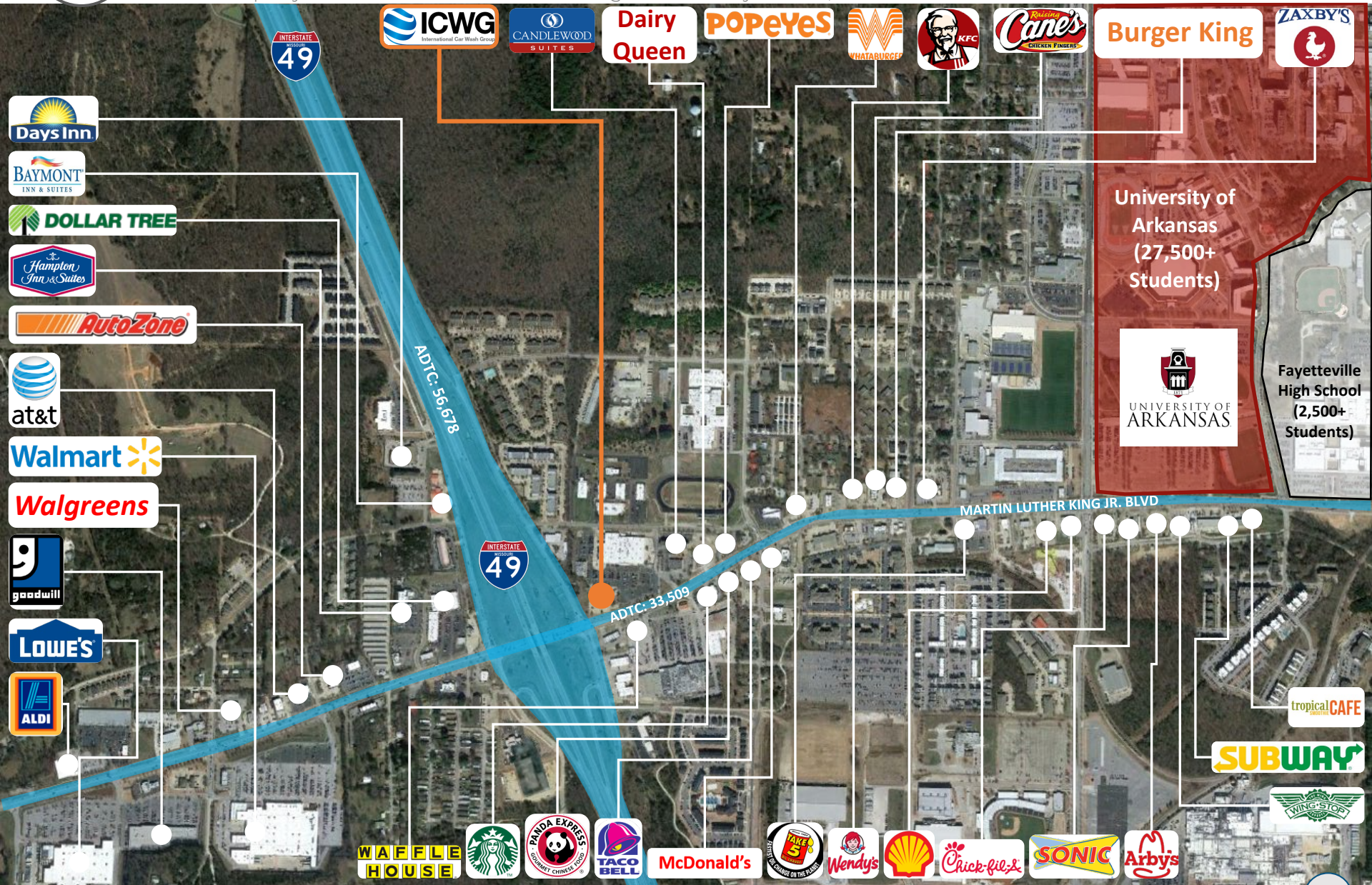
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$135,800
Cap Rate	5.75%
Purchase Price	\$2,361,739
Loan Amount	\$1,535,130
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$101,871
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: 2320 Martin Luther King Jr. Blvd – Fayetteville, AR 77201



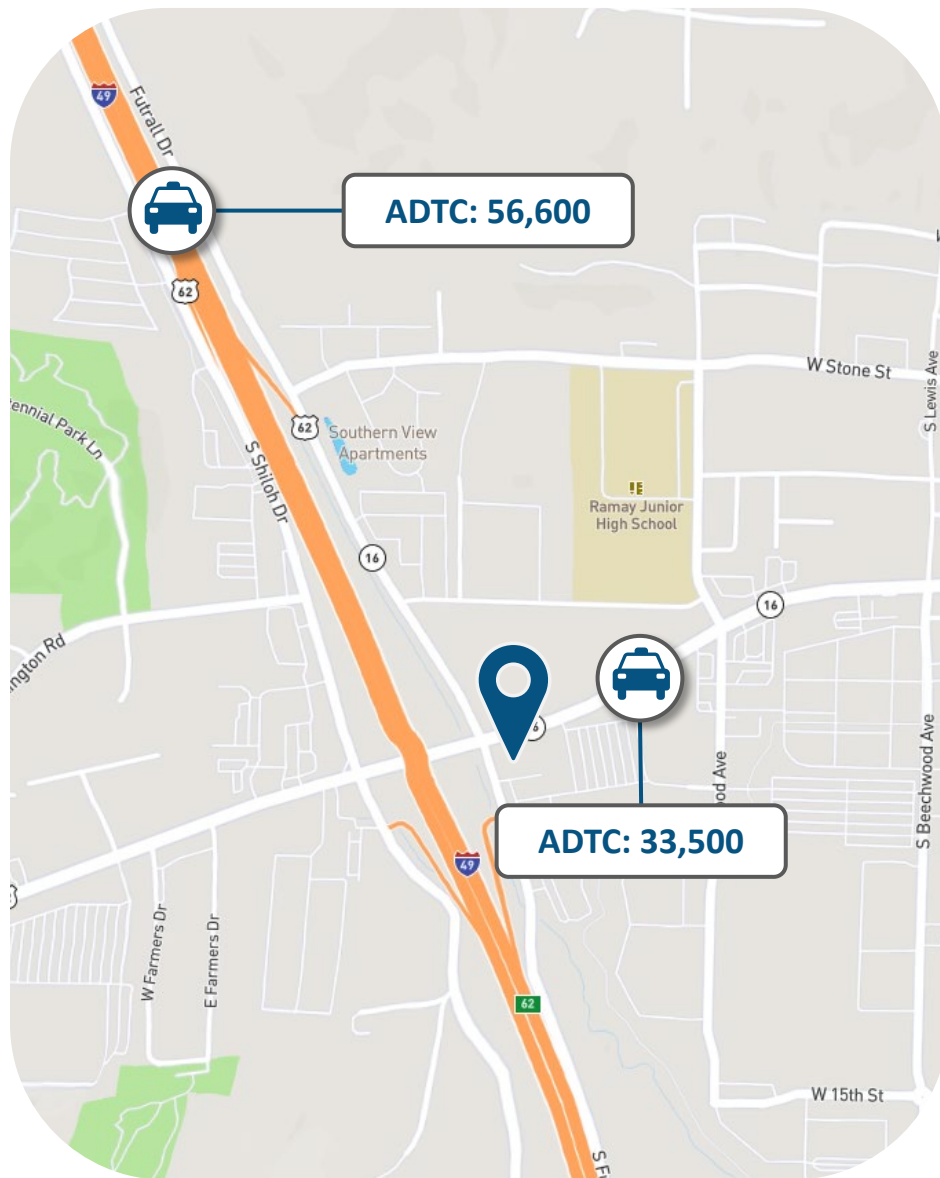


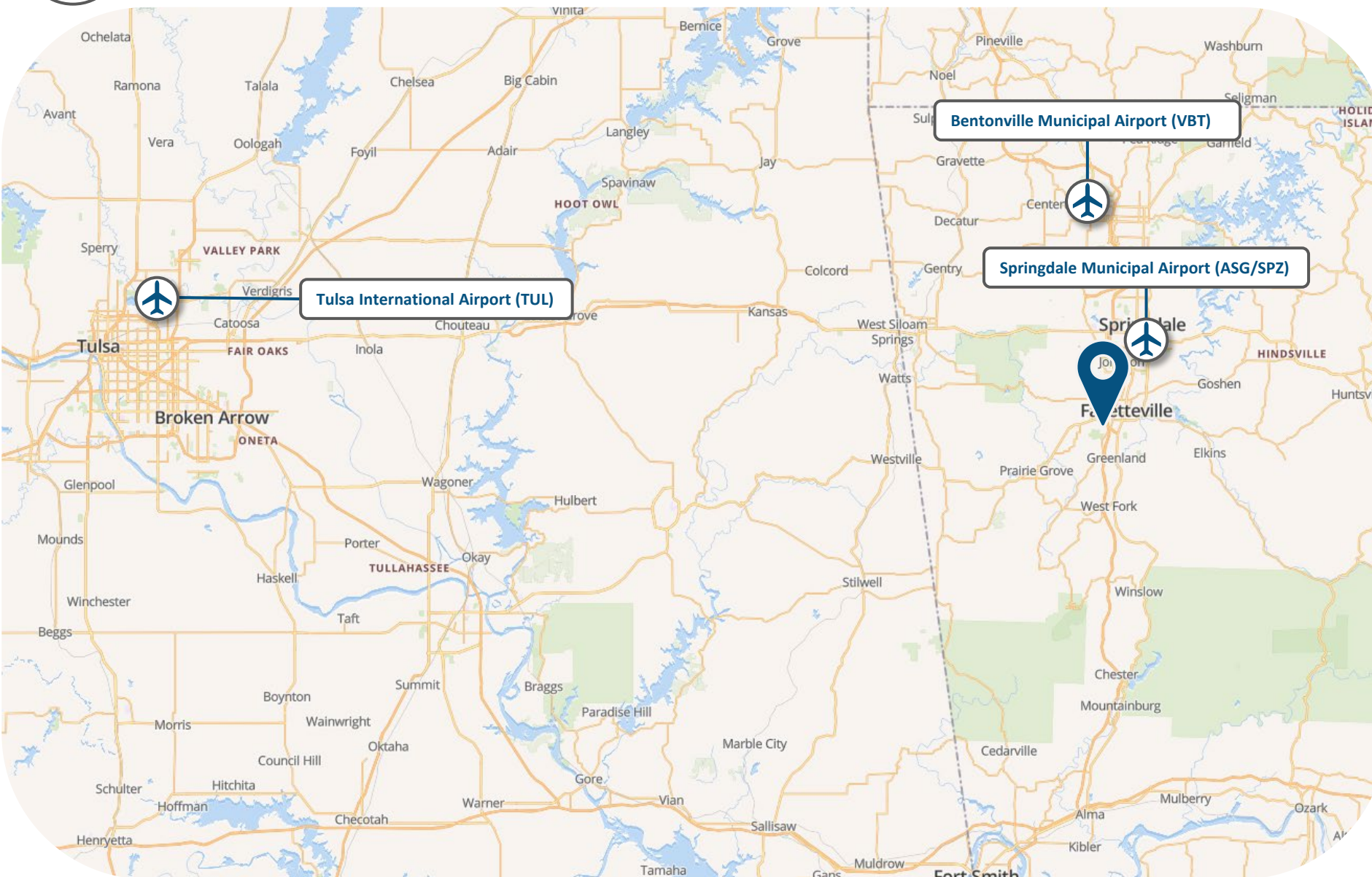
Location Overview

The subject ICWG Car Wash is situated at the junction of Martin Luther King Junior Boulevard and Interstate 49. These roads traffic a daily average of 33,500 and 56,600 vehicles, respectively. Martin Luther King Junior Boulevard intersects with South Razorback Road just over a half-mile east of the property. South Razorback Road brings in an additional 16,000 vehicles to the immediate area on average daily. There are over 90,000 individuals residing within a five-mile radius of this property and over 200,000 individuals within a ten-mile radius.

The subject ICWG Car Wash benefits from being well-positioned in a highly dense retail corridor consisting of quick serve restaurant options, hospitality accommodations, and retail shopping centers. Major national quick serve restaurant tenants in the area include McDonald's, Wendy's, Burger King, Popeyes, Dairy Queen, Chick Fil-A, Subway, Starbucks, and more. Notable retail and shopping locations nearby include Walmart, Walgreens, Lowe's, Auto Zone, Dollar Tree, and Aldi. Some hospitality accommodations nearby include Days Inn, Candlewood Suites, Hampton Inn & Suites, Super 8, and more. This ICWG property additionally benefits from its proximity to several academic institutions including Fayetteville High School and University of Georgia, which enroll 2,500 students and 27,500 students, respectively. The subject property's location on I-49 also makes it easily accessible for travelers. Further, the subject property benefits from being just one mile away from the University of Arkansas, one of the most important landmarks in the city of Fayetteville.

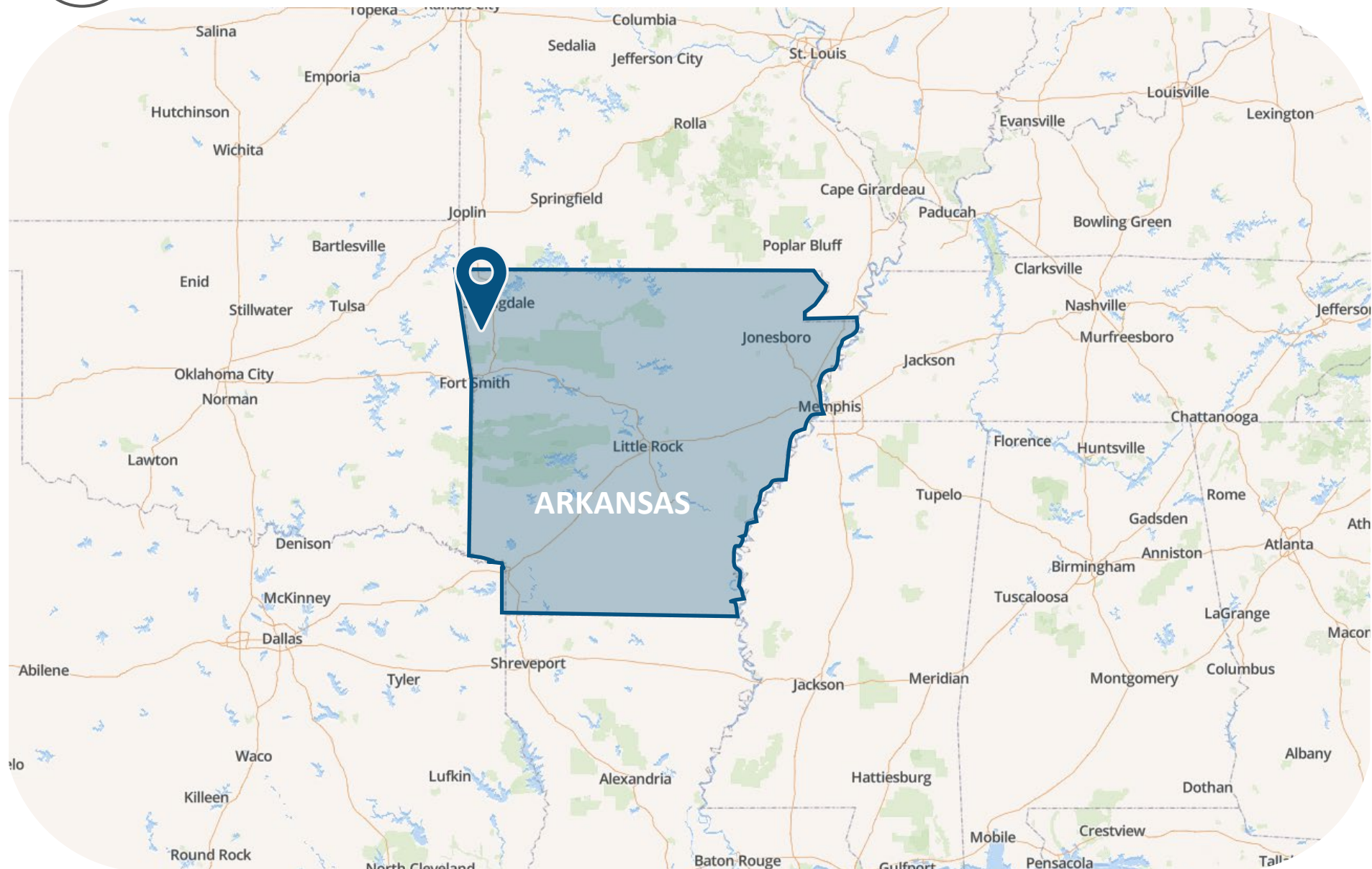
Fayetteville is the second-largest city in the state of Arkansas and the county seat of Washington County. The city's economy is driven mainly by Health Care and Education. The Washington Regional Medical Center, the Washington County Government, and the Fayetteville School District are among the city's top five employers. The city's number one employer, however, is the University of Arkansas, which also is responsible for the better part of the city's young population, as 27,500 students attend the University annually. Regarding corporate presence, Tyson Foods is headquartered in Springdale, which is adjacent to Fayetteville. Walmart is also headquartered in Bentonville, which is 20 miles north of Fayetteville.







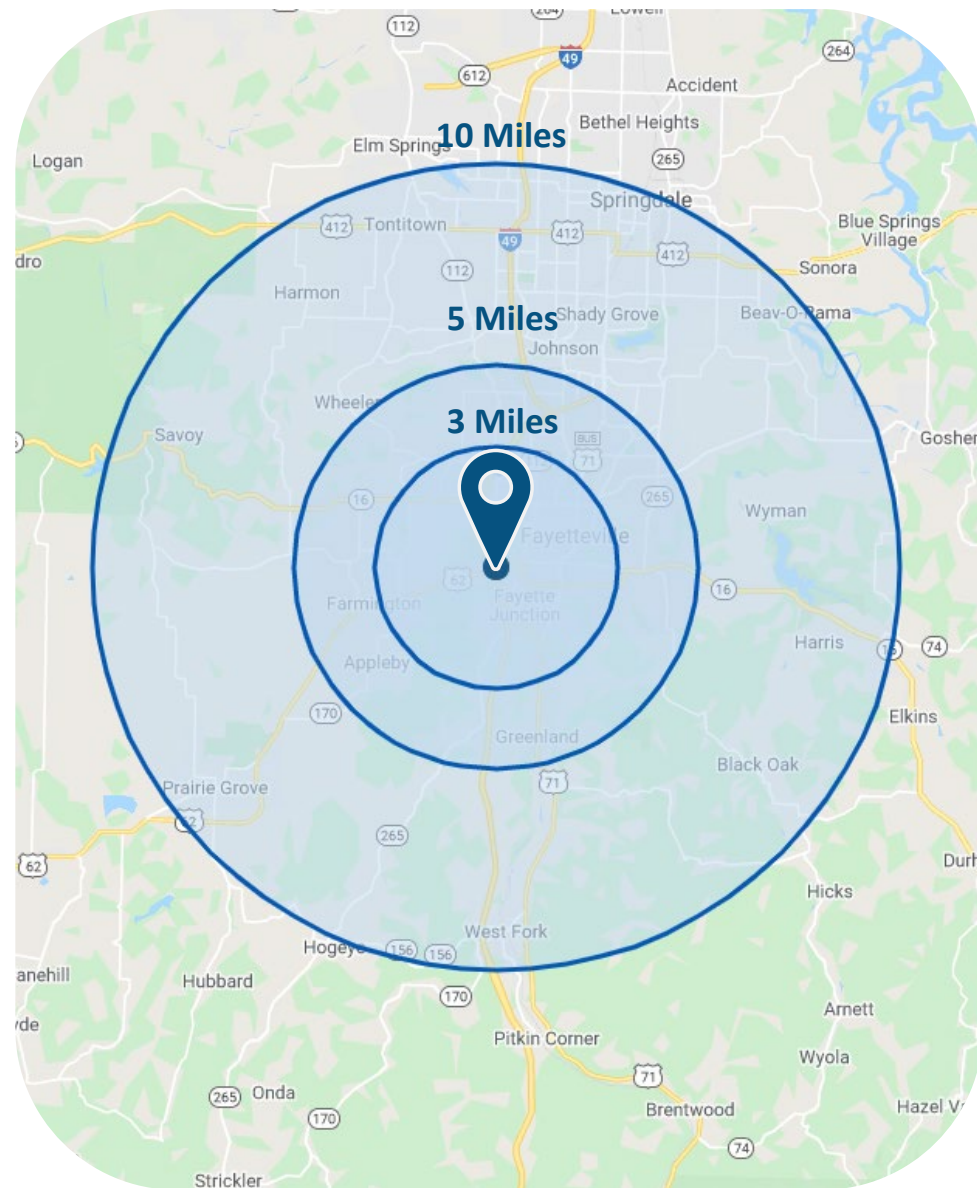
Regional Map





Demographics

3 Miles 5 Miles 10 Miles



Population Trends

2010 Population	44,011	73,082	162,615
2021 Population	55,324	90,763	201,793
2026 Population Projection	61,769	101,420	225,877
Annual Growth 2010-2021	2.30%	2.20%	2.20%
Annual Growth 2021-2026	2.30%	2.30%	2.40%

Population By Race (2021)

White	45,208	76,181	172,766
Black	4,625	6,377	9,009
American Indian/Alaskan Native	785	1,277	3,104
Asian	2,335	3,223	5,647
Hawaiian & Pacific Islander	230	381	5,131
Two or More Races	2,141	3,323	6,135
Hispanic Origin	4,890	7,025	33,406

Household Trends

2010 Households	18,077	30,145	62,036
2021 Households	22,654	36,955	77,234
2026 Household Projection	25,462	41,431	86,740
Annual Growth 2010-2021	1.30%	1.30%	1.50%
Annual Growth 2021-2026	2.50%	2.40%	2.50%
Owner Occupied	7,622	17,412	45,810
Renter Occupied	17,839	24,019	40,929

Average Household Income (2021)

\$52,713	\$65,032	\$75,357
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Median Household Income (2021)

\$34,562	\$43,568	\$50,691
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Households By Household Income (2021)

< \$25,000	8,506	11,267	18,216
\$25,000 - 50,000	6,373	9,668	20,004
\$50,000 - 75,000	3,076	5,363	12,395
\$75,000 - 100,000	1,721	3,366	8,066
\$100,000 - 125,000	1,237	2,929	6,418
\$125,000 - 150,000	552	1,392	3,883
\$150,000 - 200,000	562	1,277	3,445
\$200,000+	627	1,692	4,806



Market Overview

Fayetteville is the second-largest city in the state of Arkansas and the county seat of Washington County. According to U.S. Census estimates for the year 2020, Fayetteville's population was 93,949. Fayetteville is part of the Northwest Arkansas Metropolitan Statistical Area, which has a total population of over 525,000 residents. The city of Fayetteville was incorporated in 1836 and named after Fayetteville, Tennessee, an area from which many of the town's settlers had migrated. The city is located conveniently along Interstate 49, which connects the city to Joplin and Kansas City, Missouri to the North, as well as Fort Smith to the South.

Fayetteville's economy is fueled mostly by local employers. The Washington Regional Medical Center, the Washington County Government, and the Fayetteville School District are among the city's top five employers. Regarding nationally recognized employers, Walmart is headquartered in Bentonville, a city 20 miles north of Fayetteville. Tyson Foods is also based in Springdale, Arkansas, one of Fayetteville's neighboring towns. These corporations are responsible for employing some of Fayetteville's residents as well.

The University of Arkansas is an integral part of Fayetteville. The University has been the city's largest employer for the past several decades and enrolls over 27,500 students at the undergraduate and graduate levels annually. Tyson's nearby presence has also led to the creation of the Tyson Center for Excellence in Poultry Science at the University. The University has become a large research center, even beyond the discipline of Poultry Science. The University is also the city's biggest attraction. During the school year, Fayetteville is populated with many students, as well as alumni and fans during sporting events. Fayetteville has even been dubbed the "Track Capital of the World," because of the University's elite Track and Field programs.

Outside of the University of Arkansas, Fayetteville boasts 70 parks and recreation spaces, 40 sites listed on the National Register of Historic Places, the Dickson Street Entertainment District, and the Fayetteville Historic Square. These are just a few of the city's quaint, yet lively destinations that attract local and regional tourists alike.

Fort Worth, TX



Marcus & Millichap

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