

INTERNATIONAL CAR WASH GROUP CAR WASH & TAKE 5 OIL CHANGE

Combo Site Location – 20-Year Triple-Net (“NNN”) Sale-leaseback

Representative Photo



Offering Memorandum

3141 Harrison St, Batesville, AR



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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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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: \$4,299,065 | CAP: 5.35% | RENT: \$230,000



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

- ✓ Dense Retail Corridor | Walmart, Lowes, Dollar Tree, Dollar General, TJ Maxx, Hobby Lobby, Tractor Supply Co., Ashley Home Store, Hibbett Sports, Aarons, Goodwill, Burger King, Pizza Hut, Sonic and More
- ✓ Strong Traffic Counts | Harrison Street Experiences Approximately 25,000 Vehicles Per Day
- ✓ Compelling Location Fundamentals | Less Than a Mile and a Half From White River Medical Center | A 235-Bed Hospital Serving North Central Arkansas

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 300 locations, making it the country's 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: \$4,299,065 | CAP: 5.35% | RENT: \$230,000



Property Description

Property	International Car Wash Group
Property Address	3141 Harrison St
City, State, ZIP	Batesville, AR
Year Built / Renovated	2021
Building Size (SF)	5360
Lot Size	+/- 1.28 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$4,299,065
CAP Rate	5.35%
Annual Rent	\$230,000

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, Five-Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$230,000	\$19,167	-
Year 2	\$233,450	\$19,454	1.50%
Year 3	\$236,952	\$19,746	1.50%
Year 4	\$240,506	\$20,042	1.50%
Year 5	\$244,114	\$20,343	1.50%
Year 6	\$247,775	\$20,648	1.50%
Year 7	\$251,492	\$20,958	1.50%
Year 8	\$255,264	\$21,272	1.50%
Year 9	\$259,093	\$21,591	1.50%
Year 10	\$262,980	\$21,915	1.50%
Year 11	\$266,924	\$22,244	1.50%
Year 12	\$270,928	\$22,577	1.50%
Year 13	\$274,992	\$22,916	1.50%
Year 14	\$279,117	\$23,260	1.50%
Year 15	\$283,304	\$23,609	1.50%
Year 16	\$287,553	\$23,963	1.50%
Year 17	\$291,867	\$24,322	1.50%
Year 18	\$296,245	\$24,687	1.50%
Year 19	\$300,688	\$25,057	1.50%
Year 20	\$305,199	\$25,433	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for 3141 Harrison St, Batesville, 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 \$230,000 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 300 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

HEADQUATERS:

Centennial, CO & London England



Tenant Overview



About Take 5 Oil Change

Founded in 1984 and headquartered in Metairie, LA, Take 5 Oil Change currently operates over 370 quick lube centers in 14 states. Take 5's store format promotes a differentiated customer experience driving superior operational and financial performance resulting in industry leading speed of service, car counts and customer satisfaction scores.

Thirty years ago in the mid 1980s the automobile world was quite different, but consumer trends continued to move toward niche services that could be provided quickly and conveniently. Recognizing that the average number of vehicles per household continued to increase, and that females would continue to enter the work force, the opportunity for growth was exciting. Over the years, Take 5 has nurtured a value-added, customer-friendly business model.

In 1996, they designed the first "5 Minute Drive-Thru Oil Change" concept. This reflected a new direction in their business model, all centered on improving customer experience and the speed of our service. Eventually, they converted our Rapid Oil locations to the 5-Minute format. The conversion to Take 5 "Home of the 5 Minute Oil Change" is an advertising agency's dream come true - with emphasis and branding on changing your oil, not your schedule.

Take 5 Oil Change was acquired by Roark Capital portfolio company, Driven Brands in March of 2016 from Trivest Partners, L.P. Driven Brands is the nation's leading franchise automotive company with more than 2,400 locations and more than \$2.5 Billion in System Wide Sales. In addition to Take 5 Oil Change Driven Brands is the parent company of a number of North America's leading automotive brands including: Meineke, Maaco, Merlin, CARSTAR, Drive N Style, Quick Lube, Pro Oil Change and Econo Lube N' Tune.



Driven Brands Announces Acquisition of International Car Wash Group

CHARLOTTE, N.C. – AUGUST 05, 2020

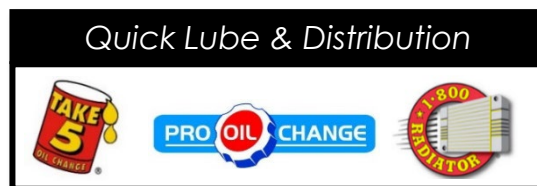
Driven Brands (“Driven”) announced its acquisition of International Car Wash Group (“ICWG”) has been completed. With the addition of ICWG, Driven now encompasses more than 4,000 locations across 15 countries and approximately \$3.8 billion in annual system-wide sales, making it the largest automotive 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	\$230,000
Cap Rate	5.35%
Purchase Price	\$4,299,065
Loan Amount	\$2,794,393
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,435
Depreciable Basis for Improvements	80.00%
Useful Life	15
Federal Tax Rate	37.00%
Year 1 Depreciation	\$229,283
Potential Tax Savings	\$84,835

Standard Depreciation

Assumptions	
Asset Type	QSR
Ownership	Fee Simple
Rent	\$230,000
Cap Rate	5.35%
Purchase Price	\$4,299,065
Loan Amount	\$2,794,393
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,435
Depreciable Basis for Improvements	80.00%
Useful Life	39
Federal Tax Rate	37.00%
Year 1 Depreciation	\$88,186
Potential Tax Savings	\$32,629

Bonus Depreciation

Assumptions	
Asset Type	Car Wash
Ownership	Fee Simple
Rent	\$230,000
Cap Rate	5.35%
Purchase Price	\$4,299,065
Loan Amount	\$2,794,393
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,435
Depreciable Basis for Improvements	80.00%
Useful Life	1
Federal Tax Rate	37.00%
Year 1 Depreciation	\$3,439,252
Potential Tax Savings	\$1,272,523

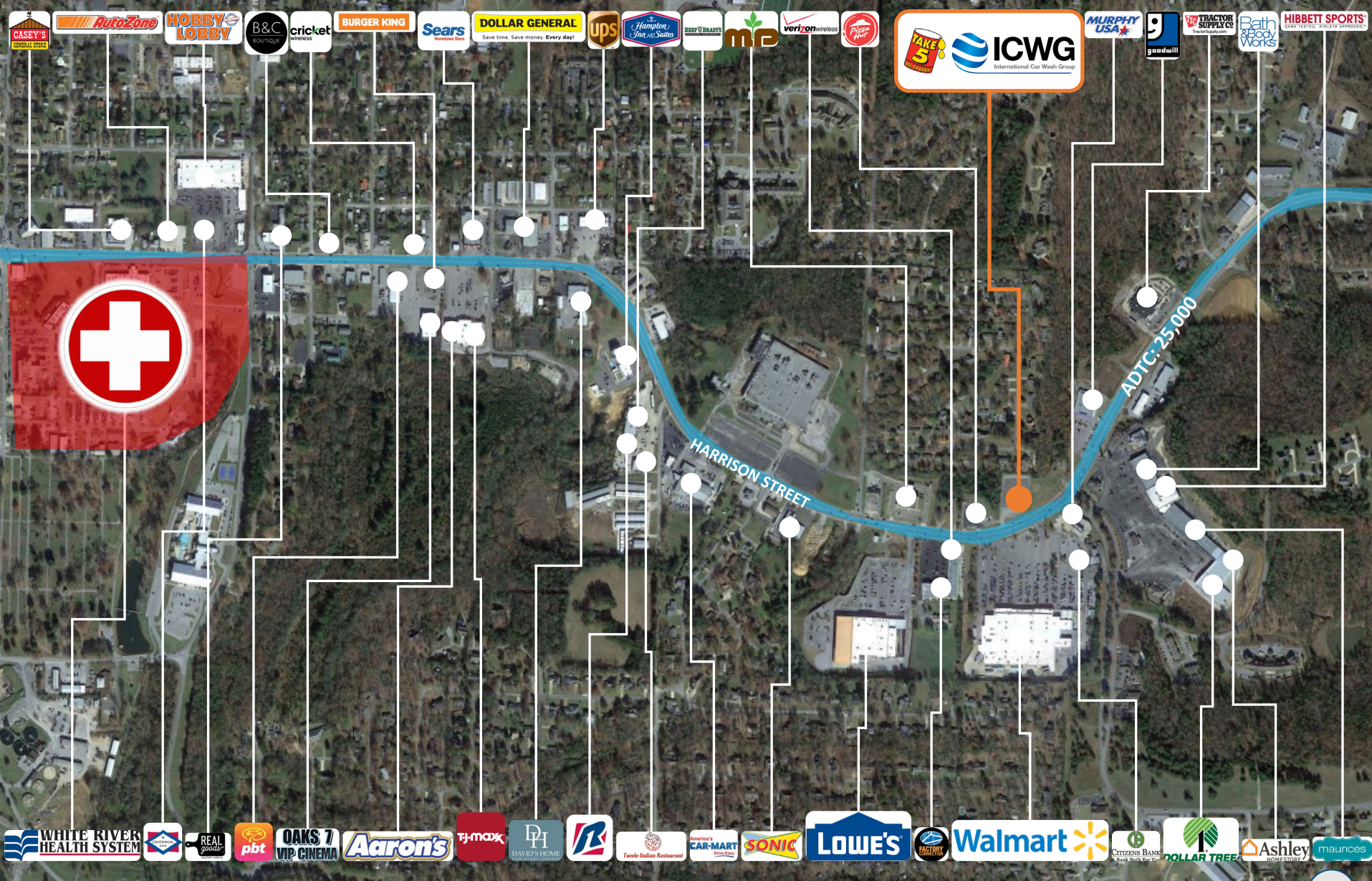
Ground Lease

Assumptions	
Asset Type	QSR
Ownership	Ground Only
Rent	\$230,000
Cap Rate	5.35%
Purchase Price	\$4,299,065
Loan Amount	\$2,794,393
LTV	65.00%
Interest Rate	4.45%
Amortization	25
Debt Service	\$185,435
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: 3141 Harrison St, Batesville, AR 72501





Location Overview

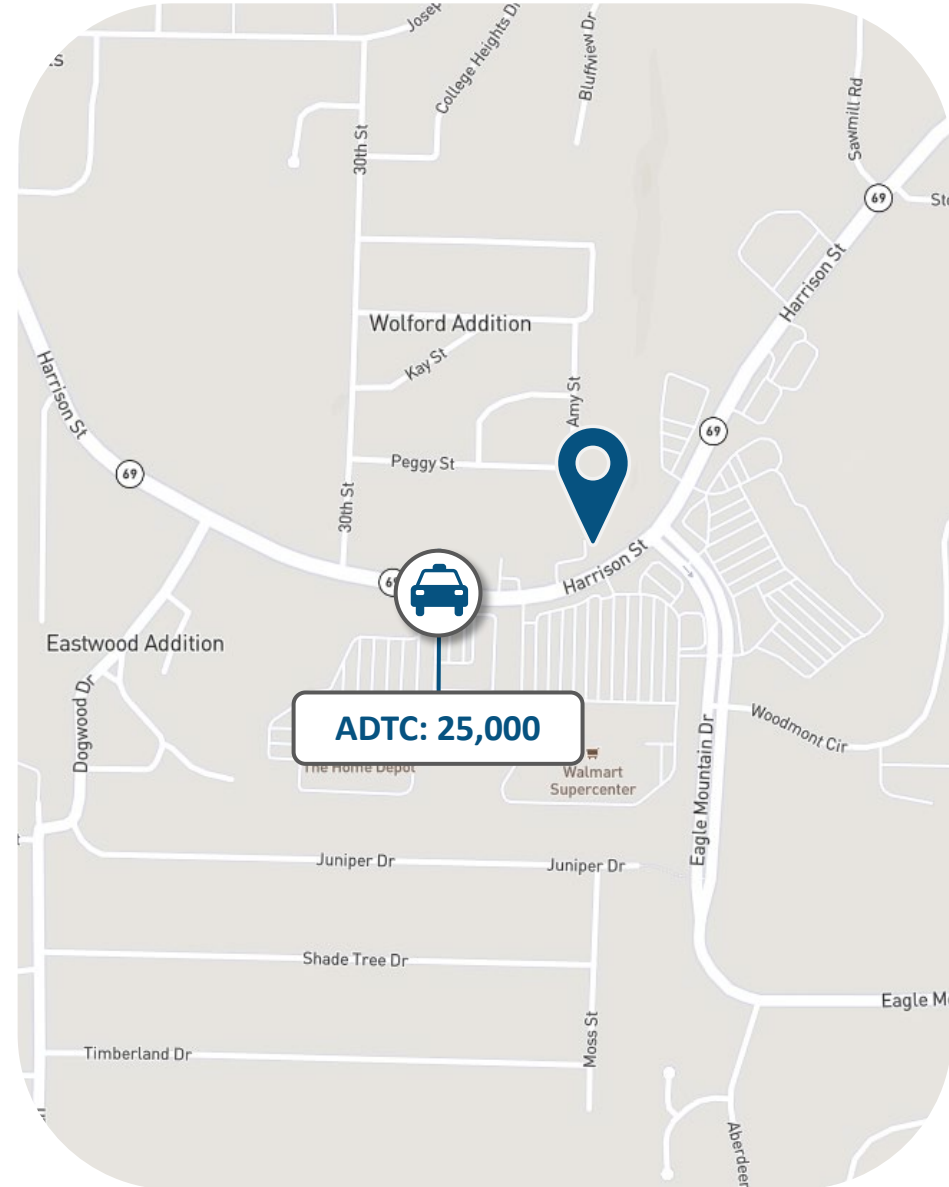
Property Address: 3141 Harrison St, Batesville, AR 72501



The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, hospitality accommodations, and medical facilities. Major national tenants in the immediate area include Walmart, Lowes, Dollar Tree, Dollar General, TJ Maxx, Hobby Lobby, Tractor Supply Co., Ashley Home Store, Hibbett Sports, Aarons, Goodwill, Burger King, Pizza Hut, Sonic, as well as many more. The subject property benefits for being located just under a mile and a half from White River Medical Center. White River Medical Center is a 235-bed, private, not-for-profit regional hospital serving North Central Arkansas.

The site is located on Harrison Street which boasts average daily traffic counts of approximately 25,000 vehicles. There are approximately 19,991 individuals residing within a five-mile radius of the subject property and 28,861 individuals within a ten-mile radius. The subject property benefits from being located in an affluent suburban community. The average household income with a three-mile radius exceeds \$71,000.

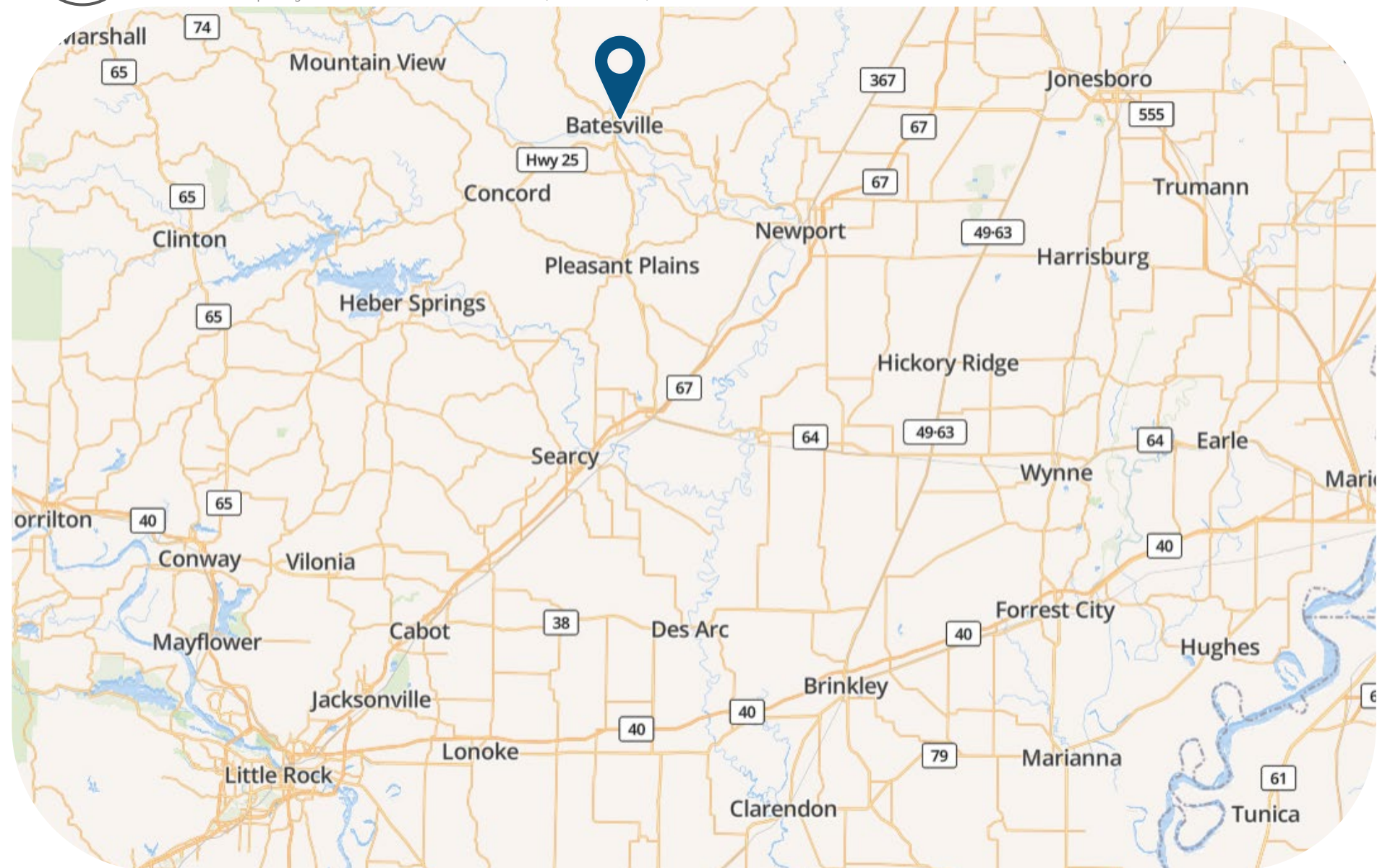
Batesville is the county seat and largest city of Independence County, Arkansas, United States. The city serves as a regional manufacturing and distribution hub for the Ozark Mountain region and Northeast Arkansas. Batesville is located just over sixty-miles from Jonesboro. Jonesboro is a city located on Crowley's Ridge in the northeastern corner of the U.S. State of Arkansas. Jonesboro is one of two county seats of Craighead County. Jonesboro is the cultural and economic center of northeastern Arkansas, and the home of Arkansas State University. Jonesboro has become the major trade center for 500,000 people in northeast Arkansas and southeast Missouri. Jonesboro has a modern hospital, which has been serving the area since 1902. The Arkansas Services Center provides the area with the most extensive medical facilities available. Jonesboro is among the largest cities in the state of Arkansas. Form a triangle by connecting Little Rock, St. Louis, and Memphis, and you'll see Jonesboro stands out as the largest metropolitan city in what amounts to a 17,000 square-mile triangle area. The Jonesboro region is a proven leader in a number of categories attractive to business including geography, favorable climate, viable economy, advantageous tax structure, affordable housing, low crime rate, growing medical community, opportunity for education, expanding retail and industrial community, recreational opportunities, cultural, sports and civic organizations.





Local Map

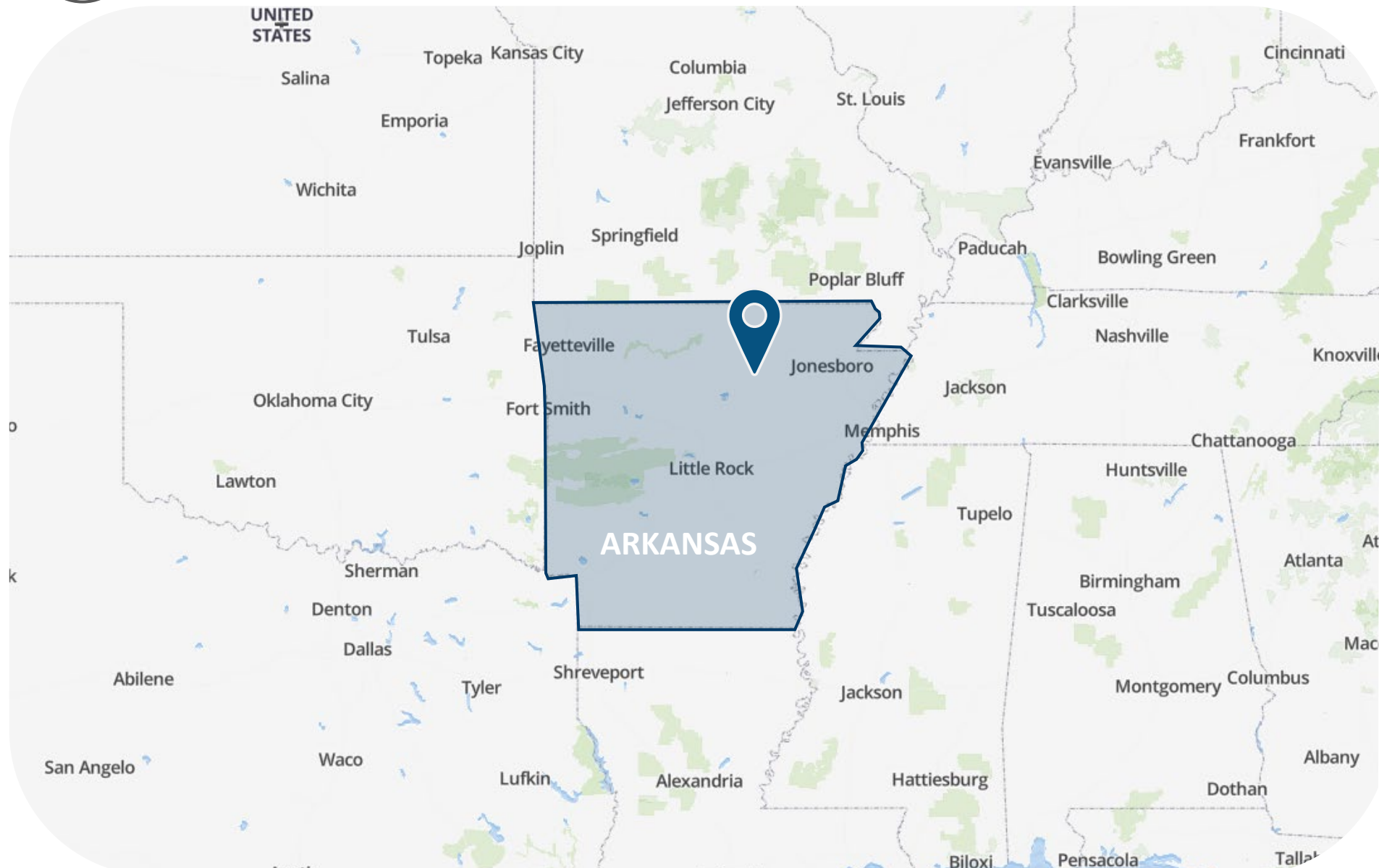
Property Address: 3141 Harrison St, Batesville, AR 72501





Regional Map

Property Address: 3141 Harrison St, Batesville, AR 72501



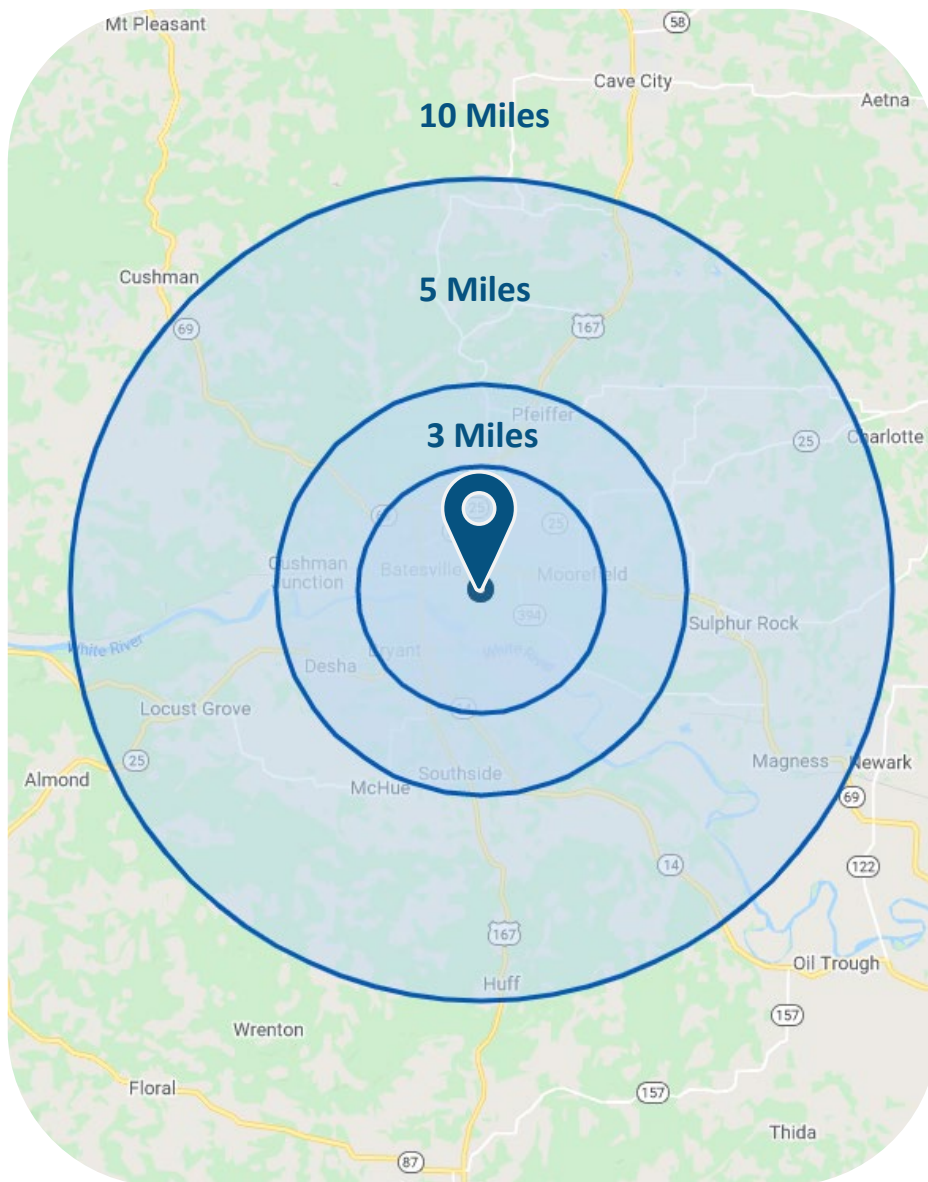


Demographics

Property Address: 3141 Harrison St, Batesville, AR 72501



3 Miles 5 Miles 10 Miles



Population Trends:

2010 Population	11,749	18,899	27,547
2020 Population	12,355	19,911	28,861
2025 Population Projection	12,716	20,499	29,686
Growth 2010 - 2020	0.50%	0.50%	0.50%
Growth 2020 - 2025	0.60%	0.60%	0.60%

Population by Race (2020):

White	11,327	18,233	26,853
Black	476	745	842
American Indian/Alaskan Native	140	196	261
Asian	159	257	292
Hawaiian & Pacific Islander	43	78	86
Two or More Races	211	402	527
Hispanic Origin	1,399	2,047	2,293

Household Trends:

2010 Households	4,654	7,402	10,812
2020 Households	4,887	7,791	11,318
2025 Household Projection	5,031	8,025	11,647
Growth 2010 - 2020	0.50%	0.50%	0.40%
Growth 2020 - 2025	0.60%	0.60%	0.60%
Owner Occupied	3,117	5,130	7,984
Renter Occupied	1,914	2,895	3,663

Average Household Income (2020):

\$71,485 \$64,487 \$62,092

Households by Household Income (2020):

<\$25,000	1,227	2,000	2,938
\$25,000 - \$50,000	1,220	2,135	3,154
\$50,000 - \$75,000	986	1,655	2,328
\$75,000 - \$100,000	440	732	1,160
\$100,000 - \$125,000	287	409	648
\$125,000 - \$150,000	197	237	319
\$150,000 - \$200,000	268	297	391
\$200,000+	263	327	378

Median Household Income (2020):

\$49,906 \$45,439 \$44,403



Market Overview

Property Address: 3141 Harrison St, Batesville, AR 72501



Little Rock, AR

Little Rock is the capital and most populous city of Arkansas. Little Rock is the geographical center of Arkansas as well as the hub of business, the arts, government and healthcare in the state. Economic development is a priority for the city of Little Rock, with numerous city departments working together with other public sector agencies and private developers to expand existing businesses and attract new businesses to provide job opportunities and expand economic growth within the city. Little Rock has been recognized by Kiplinger's as Number 1 on the "10 Great Places to Live" list; Number 6 on Gallup's "America's Happiest Cities," Number 2 on Moody's Investors Services "Most Diverse Economy in the Nation," Number 46 in Forbes's Top 200 "Best Places for Business and Careers," and Number 7 on "Best Value City" by Kiplinger's. Little Rock is home to major corporations such as Dillard's, ALLTEL and Acxiom, as well as companies in the robotics, software engineering, call center, transportation, wood products, aerospace, and electronic industries. The area's accessible highways, railways, waterways and air transportation make it an excellent distribution center. More than 40 percent of the nation's population and buying power is within a 550-mile radius.

Competitive wages and Arkansas' right-to-work mentality provide an excellent workforce environment for businesses in Little Rock. Little Rock is where 'America Comes Together' – located at the crossroads of Interstate 30 and the most heavily traveled Interstate in the nation, Interstate 40. The Bill and Hillary Clinton Little Rock National Airport is less than three miles from the downtown, with nearly 2.2 million passengers annually. Little Rock is a major cultural, economic, government, and transportation center within Arkansas and the South. The city includes cultural institutions such as the Arkansas Arts Center, the Arkansas Repertory Theatre, and the Arkansas Symphony Orchestra, in addition to the hiking, boating, and other outdoor recreational opportunities. Located near the state capitol building, Arkansas Children's Hospital is one of the largest pediatric medical centers in the nation and the University of Arkansas for Medical Science campus is nationally known for its cancer research and geriatric care. Private nonprofit healthcare systems like Baptist Health and St. Vincent Health System are also headquartered in Little Rock.



Marcus & Millichap

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