OFFERING MEMORANDUM

The Deltondo Group | www.deltondoadvisorygroup.com



MISTER CAR WASH

1377 West 7800 South West Jordan (Salt Lake City MSA), UT 84088 **Absolute-Net (Zero Landlord Responsibilities):** 17.5 Years Remaining with 1.5% Rental Increases Every 5 Years Including the Four, 5 Year Options.

Excellent Access & Visibility: 281 Feet of Frontage Along West 7800 South (36,000+ Vehicles Per Day)

Dense Infill Location with Favorable Demographics: Within a 5-Mile Radius there is an Estimated Population of 381,985 people and during the Daytime that Population Increases to 412,661. Residents also have an Average Household Income of \$100,224 which Allows for more Deposable Income to use a car wash service

Blocks Away from 5 Apartment Complex & Overstock.com Corporate Headquarters: Overstock.com Headquarters has 1,500+ Employees and the 5 Apartment Complexes totaling 1,578 Units.





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DICK'S

LOWE'S

NikeFactoryStore

△Ashley

Michaels

BARNES&NOBLE

sam's club \>

Burlington

CINEMARK

KOHĽS

TO NAME A FEW





Mister Car Wash

SUBJECT

PROPERTY

TOPGOLF

WinCo

FOODS

Cafe Rio

Fairfield





TARGET.



215





Fashion Place Shopping Mall 965K SF 133 Stores



| | 1 Mile | 3 Mile | 5 Mile |
|-----------------------|----------|----------|-----------|
| 2023 Est. Population: | 13,070 | 135,937 | 381,985 |
| Daytime Population: | 13,466 | 139,839 | 412,661 |
| Household Income: | \$82,141 | \$95,381 | \$100,224 |



Real Salt Lake 20,000 Capacity

Culver's

overstock

POPeyes

Freddy



Jordan High School 1,824 Students



CAR WASH INDUSTRY FAQ'S

- The US car wash market in 2021 was valued at US\$14.59 billion.
- The value of the market is expected to reach US\$17.34 billion by 2027.
- The market is anticipated to grow at a CAGR of approx. 2.9% during the forecasted period of 2022-2027.

MARKET DYNAMICS

- **GROWTH DRIVERS:** The US car wash market has been growing over the past few years, due to factors such as a secular shift toward do-it-for-me offerings, growing base of vehicle registrations and consumer carwash spending, growing membership search activity, rising spending power, increasing vehicle's average life, low gasoline prices, and many other factors. Speed and convenience are the two major benefits car washing businesses offer and as a result, there has been a vast decline in the percentage of US consumers washing their cars at home. Additionally, due to their hectic schedules, individuals no longer have the time to wash their cars and instead choose to employ professional car washes.
- **CHALLENGES:** However, the market has been confronted with some challenges specifically, high initial investment and maintenance costs, seasonal in nature, etc.
- TRENDS: The market is projected to grow at a fast pace during the forecast period, due to various latest trends such as increasing automation, increasing use of sonar technology, emerging car wash market for self-driving cars, increasing environmental concerns, growing adoption of mobile apps and online booking, etc. Improvements in automation and technology have had a major impact on recent industry growth. This includes the use of radio-frequency identification (RFID) chips and license plate readers that allow car wash operators to automatically recognize monthly membership holders when they approach the site. Automating this process has helped significantly speed up the wash process and lower labor requirements.

DEPRECIATION BENEFITS

| ACCELERATED DEPRECIATION | | |
|--|-------------|--|
| Assumptions | | |
| Asset Type | Car Wash | |
| Ownership | Fee Simple | |
| Rent | \$200,893 | |
| Cap Rate | 5.25% | |
| Purchase Price | \$3,826,533 | |
| Depreciable Basis for Improvements | 80.00% | |
| Useful Life | 15 | |
| Federal Tax Rate | 37.00% | |
| Year 1 Depreciation | \$160,714 | |
| Potential Tax Savings | \$59,464 | |

| BONUS DEPRECIATION | |
|--|-------------|
| Assumptions | |
| Asset Type | Car Wash |
| Ownership | Fee Simple |
| Rent | \$200,893 |
| Cap Rate | 5.25% |
| Purchase Price | \$3,826,533 |
| Depreciable Basis for Improvements | 80.00% |
| Useful Life | 1 |
| Federal Tax Rate | 37.00% |
| Year 1 Depreciation | \$3,061,226 |
| Potential Tax Savings | \$1,132,653 |

| STANDARD DEPRECIATION | | |
|--|-------------|--|
| Assumptions | | |
| Asset Type | Car Wash | |
| Ownership | Fee Simple | |
| Rent | \$200,893 | |
| Cap Rate | 5.25% | |
| Purchase Price | \$3,826,533 | |
| Depreciable Basis for Improvements | 80.00% | |
| Useful Life | 39 | |
| Federal Tax Rate | 37.00% | |
| Year 1 Depreciation | \$78,492 | |
| Potential Tax Savings | \$29,042 | |



WHAT IS BONUS DEPRECIATION?

Commercial assets can be depreciated over 39-years.

Example:

- » Value of Building = \$1,000,000
- Annual Straight-line Depreciation = \$1,000,000 / 39 Years = \$25,641
- » Investor's taxable income = \$225,000 \$25,641 (Depreciation Expense) = \$199,359

Cost segregation studies, performed by engineers and/or certified public accountants (CPAs), can segment the building into improvements with faster depreciation schedules (5,7,15 years).

WHAT IS BONUS/ACCELERATED DEPRECIATION?

- » A tax incentive allowing for the immediate deduction of a large portion of the purchase price for machine-intensive assets as opposed to writing them off over the asset's "useful life".
- » Created by Congress via IRC 168(k) by the Tax Cuts and Jobs Act (TCJA) of 2017 to encourage small business investment and economy stimulation.
- The Bonus Depreciation provision allows a taxpayer to immediately deduct a certain percentage of the cost of qualifying property in the year the property is acquired, rather than capitalizing that cost and depreciating it over a period of years.
- » Any property being depreciated can elect MACRS accounting and conduct a cost segregation study.

TAX-EFFICIENCIES VIA BONUS DEPRECIATION

80% of the improvements can be expensed in the first year of ownership using a cost segregation study.

- » This can translate to 50% to 70% of the purchase price being expensed in Year One.
- The phaseout schedule of bonus depreciation is as follows:
- » 2023 80% bonus depreciation
- » 2024 60% bonus depreciation
- » and so on until 2027

Bonus depreciation = additional expense deductions = paying less tax = increasing investor's cash flow



ASSETS WHICH QUALIFY FOR BONUS DEPRECIATION

- » Express washes are one of the top commercial product types in order to capitalize on bonus depreciation benefits. This is because it is one of the highest growth sectors of in the retail space, so investors get amazing credit behind the investment, a long term NNN lease with favorable increases & strong unit level performance. All of which combined with amazing tax benefits calls for a perfect long term investment strategy.
- » All Car Washes placed in service after September 28, 2017, to December 31 2023 qualify for 80% Bonus Depreciation. This will go to 60% in 2024, 40% in 2025, 20% in 2025 and so on.
- Depreciation-motivated buyers are looking to Express Washes to offset capital gains or passive income on their Annual Tax Bill.



TENANT OVERVIEW

Headquartered in Tucson, Arizona, Mister Car Wash, Inc. (NYSE: MCW) operates over 436 car washes nationwide and has the largest car wash subscription program in North America. With over 25 years of car wash experience, the Mister team is focused on operational excellence and delivering a memorable customer experience through elevated hospitality. The Mister brand is anchored in quality, friendliness and a commitment to the communities they serve as good stewards of the environment and the resources they use. Mister believes that when you take care of your people, they will take care of your customers. Mister Car Wash is quickly expanding, adding an average of 30+ locations each year over the last five years. To support their growth trajectory, they're focused on their people, building a solid headquarters and regional store support infrastructure, robust training to develop and promote talent, and best-in-class benefits.

YEAR END 2022 FINANCIAL RESULTS

- » 40 locations opened in the last year, a 9.6% increase
- » Net revenues increased 15.6%.
- The Company added approximately 228,000 UWC members
- Adjusted net income increased 9.9%
- Adjusted EBITDA increased 10.7%

LARGEST CAR WASH CHAIN IN THE U.S.

436
LOCATIONS
NATIONWIDE

1.88M
UNLIMITED WASH
CLUB MEMBERS

carwash.com | Dec 2021

| Tenant Name: | Mister Car Wash | Headquarters: | Tucson, AZ |
|---------------|-----------------|---------------|-------------------|
| Locations: | 436 | Founded: | 1969 |
| Company Type: | NYSE: MCW | Website: | mistercarwash.com |

MISTER CAR WASH

| Address: | 1377 W 7800 S Salt Lake City (West Jordan), UT |
|----------|---|
| Price: | \$3,826,533 |
| CAP: | 5.25% |
| NOI: | \$200,893 |

INVESTMENT SUMMARY

| Lease Type: | Absolute-Net |
|--------------------------|--------------------|
| Landlord Responsibility: | None |
| Year Built / Renovated: | 2008 / 2014 |
| Building Area: | 4,390 SF |
| Land Area: | 40,511 SF |
| Vehicles Per Day: | 36,000+ (W 7800 S) |



Absolute-Net (Zero Landlord Responsibilities): 17 Years Remaining with 1.5% Rental Increases Every 5 Years Including the Four, 5 Year Options.

Strong Corporate Guaranty (NYSE: MCW): Leased by Mister Car Wash, the Largest Domestic Operator of Conveyor Car Washes with Over 430+ Locations Across the United States.

Excellent Access & Visibility: 281 Feet of Frontage Along West 7800 South (36,000+ Vehicles Per Day)

Dense Infill Location with Favorable Demographics: Within a 5-Mile Radius there is an Estimated Population of 381,985 people and during the Daytime that Population Increases to 412,661. Residents also have an Average Household Income of \$100,224 which Allows for more Deposable Income to use a car wash service

Blocks Away from 5 Apartment Complex & Overstock.com Corporate Headquarters: Overstock.com Headquarters has 1,500+ Employees and the 5 Apartment Complexes totaling 1,578 Units

Eligible for Bonus Deprecation: This property allows for an investor to use bonus deprecation for significant tax savings. Please consult with your accountant.

ANNUALIZED OPERATING DATA

| Base Rent | Annually | Monthly |
|--------------|--------------|-------------|
| Sep 11, 2020 | \$195,000.00 | \$16,250.00 |
| Sep 11, 2021 | \$197,925.00 | \$16,493.75 |
| Sep 11, 2022 | \$200,893.88 | \$16,741.16 |
| Sep 11, 2023 | \$203,907.28 | \$16,992.27 |
| Sep 11, 2024 | \$206,965.89 | 3/21/1947 |
| Sep 11, 2025 | \$210,070.38 | \$17,505.87 |
| Sep 11, 2026 | \$213,221.44 | \$17,768.45 |
| Sep 11, 2027 | \$216,419.76 | \$18,034.98 |
| Sep 11, 2028 | \$219,666.05 | \$18,305.50 |
| Sep 11, 2029 | \$222,961.05 | \$18,580.09 |

| Base Rent | Annually | Monthly |
|--------------|--------------|-------------|
| Sep 11, 2030 | \$226,305.46 | \$18,858.79 |
| Sep 11, 2031 | \$229,700.04 | \$19,141.67 |
| Sep 11, 2032 | \$233,145.54 | \$19,428.80 |
| Sep 11, 2033 | \$236,642.73 | \$19,720.23 |
| Sep 11, 2034 | \$240,192.37 | \$20,016.03 |
| Sep 11, 2035 | \$243,795.25 | \$20,316.27 |
| Sep 11, 2036 | \$247,452.18 | \$20,621.02 |
| Sep 11, 2037 | \$251,163.96 | \$20,930.33 |
| Sep 11, 2038 | \$254,931.42 | \$21,244.29 |
| Sep 11, 2039 | \$258,755.40 | \$21,562.95 |

TENANT SUMMARY

| Tenant Name: | Mister Car Wash |
|----------------------------|-------------------------|
| Guaranty: | Car Wash Partners, Inc. |
| Type of Ownership: | Fee Simple |
| Lease Type: | Absolute-Net |
| Landlord Responsibilities: | None |
| Rent Commencement: | September 11, 2020 |
| Lease Expiration: | September 30, 2040 |
| Term Remaining: | 17.5 Years |
| Increases: | 1.5% Annually |
| Options: | Four, 5 Year |

REGIONAL MAP

Subject Property

West Jordan, UT

13 Miles Salt Lake City, UT

37 Miles Park City, UT

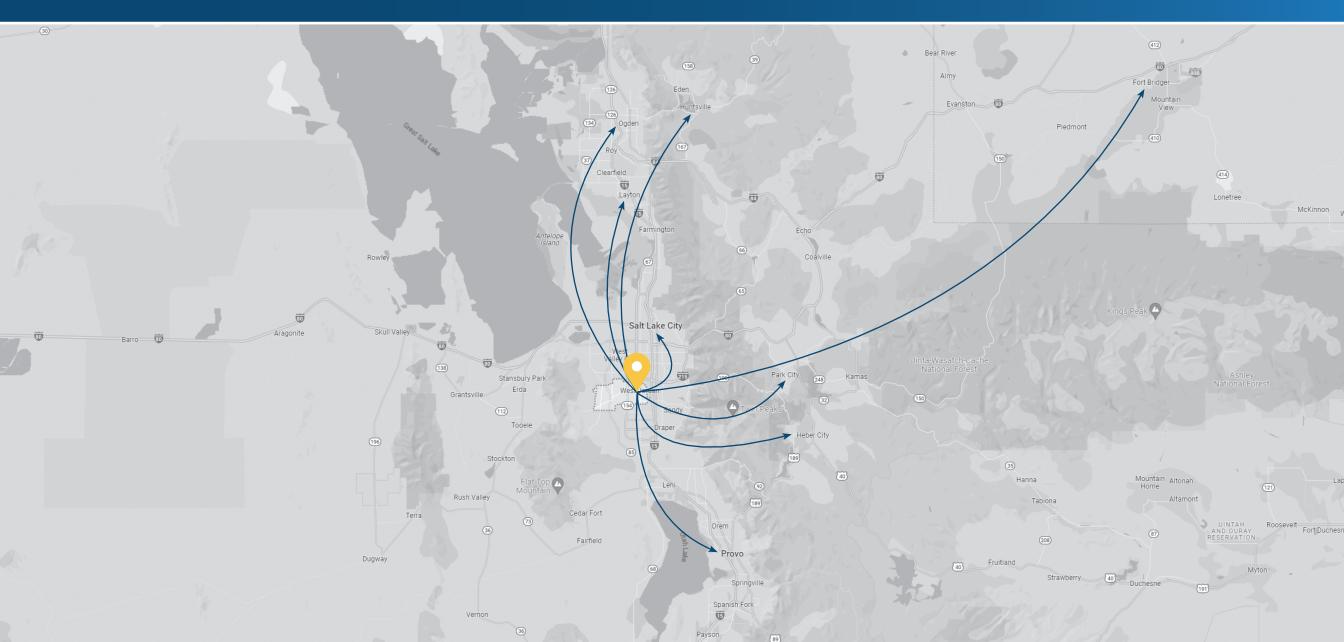
50 Miles Heber City, UT

35 Miles Provo, UT

34 Miles Layton, UT
48 Miles Ogden, UT

56 Miles Huntsville, UT

121 Miles Fort Bridger, WY







EMPLOYMENT GROWTH

Skilled trade and educated workers, attractive outdoor recreation opportunities and low overhead costs lure employers to the region.



EXPANDING HOUSEHOLD INCOMES

The growing tech sector is helping boost discretionary spending. The metro's median household income is more than \$10,000 above the national median



LARGE INSTITUTIONS

The Salt Lake City economy benefits from its status as the capital of Utah and the headquarters of the Church of Jesus Christ of Latter-day Saints.

SALT LAKE CITY

Centrally located among the major Western United States markets, Salt Lake City is known as the Crossroads of the West. The metro consists of Salt Lake and Tooele counties. It is situated in the Great Salt Lake Valley in northern Utah. The region is hemmed in by the Great Salt Lake to the northwest, the Wasatch Mountain Range to the east and the Oquirrh Mountains to the west. The metro houses 1.3 million people. Salt Lake City is the largest city, with approximately 200,000 residents. The highest percentage of population growth continues to occur in suburban areas, such as South and West Jordan. Together, the Salt Lake City, Provo-Orem and Ogden-Clearfield metros comprise the Wasatch Front.

MAJOR EMPLOYERS

Delta Airlines

SkyWest Airlines

Intermountain Healthcare

University Health Care

University of Utah

Discover Projects, Inc.

L3 Communications Corp.

Zions Ban Corporation

ARUP Laboratories

C.R. England, Inc.

ECONOMY

- A stable base of government entities is located in the metro, while growing companies in the private sector include technology leaders eBay and Oracle Corp.
- » Various companies have located data centers in the metro, including Twitter, Inc., Goldman Sachs and the National Security Agency.
- Although slowed by the health crisis, tourism is typically a major employment generator. The metro is home to several world-class ski resorts, including Brighton, Park City, Alta and Snowbird. The Salt Palace Convention Center and the Vivint Smart Home Arena host numerous conventions and trade shows.

2022 POPULATION

1.3M

Growth

2021-2026

8.2%

432K Growth 2021-2026 8.6%

33.1
U.S. Median:
38.4

\$77,600 U.S. Median: \$65,700



CONFIDENTIALITY AGREEMENT

NET LEASED DISCLAIMER

COVID-19 NOTICE

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the 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, PCBs or asbestos, the compliance with local, 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 offering memorandum 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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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. 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.

All potential buyers are strongly advised to take 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 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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ANDRE THOMPSON

Senior Associate

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First Vice President

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