

# TUNNEL



## CAPTAIN CAR WASH CO INVESTOR GUIDE

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**FOR ACCREDITED INVESTORS**

[www.tunnelequity.com](http://www.tunnelequity.com)

**EXPRESS CAR WASH DEVELOPMENT  
PROJECT OVERVIEW**

2021

This overview is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any interests in Captain Car Wash Co. (the "Company") or any other securities.

# TUNNEL

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# ABOUT TUNNEL

Tunnel Equity Partners is an operations-centric investment sponsor/developer/manager who offers co-investment partnerships to the accredited investor community. Our diverse investment team has extensive experience in finance, operations, asset management, marketing, and ground-up development. Our current focus is developing consumer service brands in industry segments that have been revolutionized by technological advancement.

## CAPTAIN CAR WASH CO.

After identifying an attractive investment play in the "express" car wash industry segment, Tunnel created "Captain Car Wash Co. Series LLC" in June 2020 to position for entry to the market. Tunnel serves as the Company Manager of Captain Car Wash Co., and is executing an expansive ground-up development program targeting tier 1 land acquisitions located within dynamic growth markets of North Texas. Since founding Captain, Tunnel has raised \$4.5m in equity and \$7.5m in debt financing to build Captain #1 and Captain #2 in Plano, and Fort Worth, TX. Our phase I development program targets 5 new locations in the DFW metroplex. Our broader goal is to expand Captain to a 20+ location multi-regional operator, which will land us well within the top 50 conveyor car wash operator list- positioning Captain as a prime target for a plentiful arena of institutional buyers that are active in this space



*"We have a talented team of driven high performers with unique skill sets. Success is our only option. We are here to take this industry by storm and set a new operating standard for the rest to follow."*

**Tunnel CEO and Captain Car Wash Co. Chairman  
Derek S. Evans**



- 120-150 ft. conveyor tunnel
- 18-30 vacuum stations
- 2-3 auto greeter pay stations
- License plate recognition tech
- 120 vehicles per hour processing
- **\$2m > annual sales per location\***



## Take Command of your Clean

Captain Car Wash Co. is a premier multi-location express conveyor car wash operator headquartered in Dallas, TX. Captain's state of the art facilities leverage the cutting edge in car wash equipment, chemicals, and computing technology to deliver an unbeatable car wash matched with unrivaled customer service. *\*Revenue expectations are targets and not guarantees. See Financial Proforma*

# EXECUTIVE INVESTMENT TEAM



## Derek S. Evans

CEO of Tunnel Equity Partners  
Chairman of Captain Car Wash Co.

Derek S. Evans has served in the capacity of Chairman & CEO at asset management and operating firms for 15 years. In 2010 he founded Veteran Oil Partners and Veteran Exploration- an oil and gas asset management and operating company with production across multiple regions of Texas & Oklahoma. In 2015 he led the successful acquisition of founder owned- Rock Solid Custom Granite,- a 9 year old custom fabrication & installation company based in Littleton, CO. During his tenure as Chairman the company experienced 15% year over year growth while improving profitability. In 2017 Veteran E&P made a field discovery, and over a two year development period grew to a top 5 oil producer in Archer County, TX. Mr. Evans is an honorable United States Marine Corps veteran who served multiple tours overseas in support of OIF II and the 31st MEU. He began his career in business & finance in 2006 with a Dallas based FINRA registered securities broker dealer.



## Kevin Kottwitz

Tunnel Director of Car Wash Operations  
CEO of Captain Car Wash Co.

Kevin Kottwitz has served as a top performing senior operations car wash executive for more than 15 years. He has a successful track record of driving revenue and profitability through innovative business development initiatives. He possesses a dynamic skill set, diverse background, and is a strong leader which he has leveraged to develop lasting relationships with customers, employees, financiers, and car wash industry executives. Previously he served as the Director of Operations for a Fort Worth multi location operator where he increased the company's value from \$10m to \$100mm within three years. He oversaw the selection, acquisition, and development of five new locations, capturing between \$2-3m annual revenue at each location. He achieved above 50% annual net profit at each of the thirteen locations under his charge. His last post he served as a Senior Manager of the largest car wash distribution and installation company in the nation reporting only to the CEO. He managed and oversaw new construction, acquisition, training, and support of 150 washes per year nation wide. Mr. Kottwitz is an honorable Army Ranger Veteran who served multiple tours overseas in support of OIF II and OEF. He earned a Bachelor of Business Administration from Tarrant County College and studied Electronic Engineering at DeVry University. He's a member of Fort Worth-Benbrook ISD Appropriation Committee as well as a Member of the Benbrook and Northeast Tarrant County Chambers of Commerce.



## Ken Judd

Tunnel Chief Financial Officer

Mr. Judd brings 35 years' experience as a senior business executive to Tunnel. He is currently the CEO of Valkyrie Equities, a Dallas based Investment Bank and FINRA registered broker/dealer. He most recently served as the CFO for IntelliCentrics where he helped take that company public on the Hong Kong exchange. Previously, Mr. Judd has served in senior executive positions for several successful technology companies and has also worked in the financial services industry. He began his career in the audit group at KPMG. Mr. Judd earned his master's degree in finance from the George Washington University and a bachelor's degree in accounting from the University of Maryland. He has been a certified public accountant (CPA) for over 30 years and has been recognized twice as a Dallas CFO of the Year - 2014 DCEO Magazine and 2012 Dallas Business Journal. Ken holds the Series 79, Series 24, Series 7, and Series 66 licenses.



# EXECUTIVE INVESTMENT TEAM



## Ernest Garza

### Vice President of Tunnel Equity Partners

Graduated with a Bachelor of Science degree from Tarleton State University in 1998. Mr. Garza has over 20 years of professional investment experience and is well known for his transparency and integrity. An excellent communicator with a proven track record of cultivating relationships with high net worth entrepreneurs and has advised, facilitated and closed more than \$75MM of commercial real estate development, private equity, and oil and gas drilling private placement investments with tax incentives and high yield potential. Mr. Garza resides in Little Elm, TX with his wife of 19 years and is blessed with 3 children. He believes "having the right alignments with the right people is the key to success" and Proverbs 27:17 Iron sharpens iron is one of his favorite verses.



## Tim Attlee

### Director of Construction & Development

Tim Attlee has extensive construction and development experience internationally as well as in the United States. Having fulfilled a role of Construction Manager for the family business in South Africa for considerable time, he immigrated to the United States in 1994 and immediately set about familiarizing himself with local construction methods, Texas building codes, and city procedures. During his time in the USA, Tim has managed the construction of many projects in the state of Texas, forging important relationships with clients, designers, bankers, city officials, subcontractors, and suppliers who are all important players in the construction industry. Tim has successfully completed more than 50 new car wash development projects totaling over \$250m in total construction budget. Tim is who is called upon when other less experienced contractors run into complications when attempting to build a car wash project that comes with its own set of unique challenges.



## Veronica Attlee

### CRE & Car Wash Acquisitions Advisor

Veronica has extensive experience representing both buyers and sellers in commercial transactions, as well as land and land development. She has placed special emphasis in car wash sites, site development, and the purchase and/or sale of existing car washes, making her a leading authority in car wash acquisition and development projects. Previously she has served as Chief Executive Officer, President, and other senior executive roles with financial services companies and advertising agencies. She studied Marketing Management graduating with honors from Pretoria University in South Africa. She has been certified for commercial real estate investment analysis and has attended numerous real estate and investment continued learning courses.

# EXECUTIVE INVESTMENT TEAM



## Drake Hitchcock

### Architect & Design

Drake Hitchcock has extensive hands on experience as a designer and architect. Drake has consulted for and served as Director for major companies like Acuity, Starboard Innovations, and Lockheed Martin. He has a broad spectrum of skills and expertise that have been utilized to solve complex problems across highly technical projects involving mechanical and electrical schematic design, prototyping templates, and designing the manufacturing templates of advanced sensor tools. Drake was the in-house Architect for the largest car wash equipment distributor and installer in the nation where he was responsible for the drafting, design, site planning, and equipment schematics of more than \$500m in new car wash development. Drake graduated with a Bachelor of Architecture from the University of Texas at Austin in 2005.



## Jonnae Rodriguez

### Associate

As an Associate and Research Assistant at Tunnel Equity Partners, Jonnae Rodriguez supports and assists the Senior Executive Management Team in multiple capacities. She has 5 years of experience as an administrative assistant in government and corporate fields. Ms. Rodriguez is able to tailor her skills to meet the needs of a fast-paced work environment particularly as it relates to researching complex zoning challenges, and managing communications between city planning & zoning staff and project managers. Dedicated, motivated, and personable, Ms. Rodriguez enjoys helping people and organizations become successful. Jonnae Rodriguez holds an Associate degree in social services. After obtaining an Associate degree, Ms. Rodriguez pursued her passion for skincare and became a certified esthetician. She is leading Tunnel's research and data analysis of the Beauty Services & Cosmetics industry to prepare the company for future entry into this market. Currently, Ms. Rodriguez is pursuing a Bachelor of Science in Finance at the University of North Texas at Dallas.



## Prichard Bevis

### Legal Advisor

Prichard Bevis has extensive experience in real estate, business, and commercial transactions. Known as being detail oriented and meticulous, Prichard has represented purchasers and sellers of commercial, agricultural, and residential property, homeowners' and condominium owners' associations, landlords and tenants, hotel and condominium developers, general contractors, subcontractors, and governmental entities. He has a deep understanding of real property transactions and is skilled at protecting buyers' and sellers' rights. Additionally, he handles the general representation of businesses, partnerships, and individuals in civil litigation.

# ADVISORY TEAM



## Joseph Hanson

### Banking, Credit, Financial Advisor

Mr. Hansen has been actively engaged in banking for over 25 years. Mr. Hansen served as a de-novo CEO and Director of a Dallas Bank. From August 2015 to October 2017 served as a Senior Vice President of Premier Bank of Texas. Prior to that Mr. Hansen worked for Bank of the West from Nov 2012 to August 2015. From April 2009 to Present, Mr. Hansen served as the Chairman of Valkyrie Equities Corporation. Valkyrie Equities Corporation is a FINRA and SIPC member investment-banking firm. From May 2013 to present, Mr. Hansen serves as a Faculty Member of the South West Graduate School of Banking (SWGSB) at Southern Methodist University (SMU). In addition, Mr. Hansen is a graduate of the South West Graduate School of Banking (SWGSB) and Bank Operations Institute (BOI) at Southern Methodist University. Mr. Hansen holds master level degrees in Financial Strategy from Oxford University in England and Business Administration from Mary Hardin Baylor. Mr. Hansen holds the Series 27, Series 26, Series 7, Series 79, Series 6, Series 99, and Series 63 licenses.



## Keith Stewman

### CW Equipment & Operations Advisor

Keith Stewman brings 35 years' experience as a senior car wash business executive as an advisor to Tunnel. He most recently served as the Director of New Business Development & Training for the largest car wash equipment manufacturer, distributor, and installer in the nation. Previously Keith has served as the senior operating executive for a highly successful car wash operator where he managed eight figure annual sales volumes, 10 regional managers, and more than 150 employees across a multi-state portfolio of car wash locations. He has devised and implemented day to day operations systems and procedures that have led to significant cost reductions and enhanced company wide profitability. Over the last decade Keith has coordinated over \$500m worth of car wash construction and equipment installation projects. He has a breadth of relationships in the car wash industry with manufacturers, operators, banking financiers, institutional buyers, strategic buyers, deal makers- you name it- Keith knows everybody that is anybody in the United States car wash industry.



## Wes Dawson

### CW Equipment, Construction, & Site Planning Advisor

Wes Dawson brings 30+ years' experience as a senior car wash business executive as an advisor to Tunnel. He is the founder and CEO of Big Man Washes, a total solutions supplier of car wash equipment, chemicals, installation services, and maintenance and repair services located in Dallas-Fort Worth area. Big Man Washes has completed hundreds of tunnel car wash installations since its founding, and currently serves more than 350 car wash locations across the southwest United States. Recently Big Man Washes was acquired by National Car Wash Solutions, a market leading service and systems provider to the North American car wash industry. NCS is headquartered in Grimes, Iowa and employs over 1,000 people across America. NCS has established the only direct end-to-end customer service and support network with over 300 service personnel nationwide. NCS offers the widest selection of car wash systems, accessories, and parts under the Ryko, MacNeil, Vacutech, and TSS Brands.





“

ENTREPRENEURSHIP TRULY  
EXCITES ME. CREATING  
SOMETHING VALUABLE OUT  
OF NOTHING THRILLS ME.  
ALL OF THE DEAL MAKING,  
THE RELATIONSHIP  
BUILDING, THE PLANNING,  
THE SELLING- ALL OF IT. IT  
JUST GETS ME GOING.  
CAPTAIN IS GOING TO GO  
BIG. I'M EXCITED FOR OUR  
INVESTORS, STAKEHOLDERS  
AND CUSTOMERS.

”

Tunnel CEO, Derek S. Evans

# STATE OF THE CAR WASH INDUSTRY

In the last year, there has been an unprecedented uptick in interest from institutional investors looking to acquire car wash businesses. Of the more than 4,500 car wash businesses indexed by Grata, a company search engine, over 98% are independently owned. Fewer than 1% have any private capital backing- but that is starting to change. Between 2017 and 2020, the number of financial deals involving car wash companies increased from one to fourteen, according to Grata analysis. This translates to hundreds of auto cleaning facilities entering private equity ownership in just five months.



The car wash industry has been a secret success story heretofore and these new private equity investors are just now discovering it. Private equity funds that have no presence in the retail automotive services industry are most interested in acquiring car washes with about 20 locations or more, giving the PEG a "platform company", a way to enter the industry in a meaningful way. From there, PEG's are looking to expand the business quickly by acquiring other chains and building new locations. Up until now, most of the bigger car wash acquisitions have been done by larger strategic buyers, but financial buyers, like private equity funds,

are seeking a path into the industry to the point where they are willing to acquire smaller chains than they typically would target. Other private equity funds that have experience rolling up quick-lubes have grown increasingly interested in car washes because they tend to be more profitable. The car wash industry is the latest in a long line of business sectors to be targeted for consolidation, reminiscent of previous rollups of home hardware stores, pharmacies, banks, airlines, office supply stores, tire stores, fast food chains, and public storage operators. The car wash industry is even more fragmented than those retail sectors with the largest U.S. operator- Mister Car Wash- operating 340 locations- representing a small slice of a big pie. On June 25th 2021, Mister Car Wash announced the pricing of its initial public offering, with 37.5 million shares of common stock at \$15 per share- indicating a valuation of \$4.4 billion. Mister Car Wash operates a monthly subscription program- the unlimited wash club- which had 1.4 million members at the end of the Q1, representing 62% of total wash sales in the latest period. Mister Car Wash is focused on growing its national presence to a 1,000 location chain over the next several years. With consumer confidence high and interest rates still low, private equity and other financial buyers will continue to acquire car washes for the foreseeable future. The relatively predictable nature of the car wash industry, coupled with the trend of drivers keeping their cars longer and taking better care of them, has private equity groups bullish on the industry. The industry offers steady revenue in good and bad economic times, strong bottom line profitability, and a forecasted industry growth rate of 3.7% annually through 2027. Growth of the industry is being driven by improved efficiency, technological advancements, easy management, time efficiency, convenience factors, and higher safety. Increase in the environment concerns is also driving the growth in the car wash services, which ensures proper disposal of solid waste and recycling and re-use of water resources. Lastly, another factor increasing growth and consumer use is the easy availability of on-demand services, unlimited subscription package offers, and the introduction of mobile apps offered by professional car wash services providers.

Sources: Data Bridge Market Research, International Car Wash Association, Market Watch Inc.



# INDUSTRY HEADLINES 2021

The car wash industry M&A scene has been busy making noise in 2021, picking up right where it left off in 2020. Here are just a few of several major transactions that have been announced. It seems celebrity investors have also picked up on the new and improved car wash operating model.



**Mister Car Wash (NYSE: MCW)** made its public debut Monday, raising \$468 million as shares rallied to \$22.40, 49% above the IPO price of \$15. The offering is unique because Mister Car Wash is the only publicly traded company in its business category. As of Tuesday, the company has a total market capitalization of \$6.277 billion, placing it squarely in mid-cap territory. The company priced its shares Friday at the lower end of the anticipated \$15-\$17 per share range. It offered 37.5 million shares of common stock, with 31.25 million shares offered by the company and 6.25 million sold by existing shareholders. Those sellers included entities affiliated with private equity firm Leonard Green & Partners, which owned the company since 2014....



**Driven Brands Announces Acquisition of International Car Wash Group** August 05, 2020 Charlotte, NC. – 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, Driven is a portfolio company of Roark Capital and has completed more than 35 acquisitions over the past five years. In addition to ICWG, “We are excited to officially welcome ICWG to our growing family of brands,” ....



**Here's Everything We Know About Shaq's Business Empire, Including 150 Car Washes, 17 Auntie Anne's, and — at One Point — 155 Five Guys.** Shaq also has investments outside of the food industry. He reportedly owns 40 24-hour fitness gyms and 150 car washes, according to The Hustle. His other purchases include: 17 Auntie Anne's, one Krispy Kreme franchise in Atlanta, and even a CityPlex12 movie theatre in his hometown of Newark, NJ. Shaq also owns a Big Chicken restaurant in Las Vegas, not to mention a 'Shaquille's' burger place in Los Angeles that bears his name. Most recently, Shaq joined the board of directors at Papa John's – he'll invest in nine stores near Atlanta, as well as get paid \$8.25 million for a three-year endorsement deal to become the pizza chain's brand ambassador.



**Club Car Wash, which was founded as Tiger Express Car Wash in 2006** and rebranded to Club Car Wash in 2019, announced its newest partner in ownership: Travis Kelce. Kelce is the Kansas City Chiefs' Pro Bowl tight end and The Chiefs' Walter Payton NFL Man of the Year nominee for 2020. “After learning about the trajectory of the industry and knowing my partners have significant knowledge and experience in the space, I thought Club Car Wash was a fantastic opportunity, and I’m excited to be onboard,” Kelce said.



*has been recapitalized in partnership with*



**Golden Gate Capital has recapitalized Tidal Wave Auto Spa, with PE Hub reporting the deal is worth some \$950 million.** Based in Georgia, Tidal Wave operates more than 60 car wash locations across the US Southeast and Midwest. Tidal Wave Auto Spa, one of the largest and fastest growing car wash chains in the United States, announced the company's recapitalization through a partnership with Golden Gate Capital, a leading private equity investment firm. Companies will work together to accelerate Tidal's trajectory through organic growth at existing sites, aggressive new unit expansion and an enhanced acquisition program, according to Operating Partner at Golden Gate Capital, Neale Attenborough. Tidal Wave Auto Spa Founder and CEO, Scott Blackstock, will continue to lead the company and will remain a significant shareholder. “Golden Gate Capital will provide invaluable multi-unit consumer and real estate industry expertise and additional development resources, which will fuel our continued expansion across the United States,” said Mr. Blackstock. “Tidal Wave's multi-unit platform, significant real estate development opportunities and data-centric customer approach aligns with Golden Gate's core consumer capabilities,” said Managing Director at Golden Gate Capital, Mike Montgomery.

# SITE SELECTION CRITERIA

*"You can pay for the right site once, or pay for the wrong site every single day you do business." A Wise Merchant*



Captain Car Wash Co. Series B location in Fort Worth, TX

There are several considerations we put into site selection that will ensure the commercial success of our projects. Our team has many years of collective experience developing car wash projects. We have seen it all. We know what works, and what doesn't work. We know the common pitfalls to avoid, and when to take on a challenge that others have shied away from. After all, the more challenging a situation, the less competition there will be.

**Zoning considerations:** Is the site zoned to allow for the car wash use? If so- this makes it pretty easy and the p&z process is a matter of formality. If not specifically zoned for car wash, can a variance be requested under a special use permit? Tunnel has achieved success with obtaining SUP approval on properties zoned residential, as well as the most dire of situations- where we have found an excellent site- but the site explicitly disallowed the car wash use. It was a long uphill battle, but we eventually succeeded in the re-zoning case- a virtually unheard of feat. This is an example of where a great opportunity existed, but only because everyone else in the game thought the case couldn't be won.

**Physical Site:** We are looking at three things with the site itself. Total useable square footage, the shape of the site, and the accessibility to the site. We need at least 1 useable acre for an express tunnel, but prefer 1.5 acres. The shape of the site can be worked around in most cases with creative site planning. We prefer there to be two way ingress & egress to the location, good visibility to the site- although signage can help work around visibility- and a cut in any potential road medians to allow direct access for vehicles to turn into the facility.

**Traffic Count:** Daily traffic count is probably the most paramount of all site selection factors. We will not consider sites that have lower than 20,000 2-way daily traffic counts. Preferably we are looking for sites between 30,000-40,000 vehicles per day, or sites that will grow to that level over the next 5-7 years.

**Demographics:** Although the express model car wash allows for a pretty diverse range of demographic profiles. Ideally we focus on sites with 50,000+ in population within 3 miles, a 50/50 mix of home owners to renters, and average income of \$70,000 or more. We are focused on sites with 2-3% annual pop. growth within 1-2 mile radius.

**Competition:** Generally the car wash industry has been good about avoiding over saturation. We will not build within 1.25 miles on the same traffic pattern of another express tunnel. We prefer to have no competitors within 3 miles of the location. However, we will directly compete against out dated full service car washes. Self serve magic wand bays are not viewed as competition to our model.





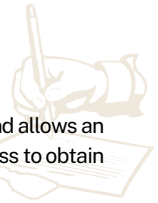
# THE CAR WASH DEVELOPMENT PROCESS

The car wash development process can take anywhere from 12-24 months- start to finish- depending on the complexities of the situation and the municipalities we are working with. (some are friendlier than others) We will focus most of our efforts on projects we feel will move through the process in 12-14 months, however- we are prepared to go the distance and work through complications if an exceptional opportunity exists to acquire and zone land that will make a home run site. Regardless, these are the steps every project must go through.

1

## Secure the land under contract

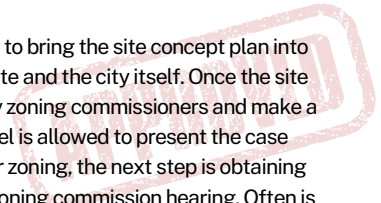
The buyer will enter a commercial contract with the seller that typically requires a 1% earnest money deposit, and allows an initial 90 day feasibility period so the buyer can conduct due diligence and navigate the planning & zoning process to obtain necessary approvals.



2

## Planning & zoning permitting

Tunnel will engage with civil engineers and architects and work with city planning staff to bring the site concept plan into compliance. This can be a daunting back and forth process depending on the specific site and the city itself. Once the site plan is compliant the city planning staff will schedule the project to be heard by the city zoning commissioners and make a recommendation of approval or denial for the project stating their reasoning why. Tunnel is allowed to present the case before the commission. Each commission public hearing procedures are different. After zoning, the next step is obtaining final approval from city council. This hearing usually takes place within 30 days of the zoning commission hearing. Often is the case the city council will vote in line with the zoning commission, but this is not guaranteed.



3

## Pre-construction development

Upon successfully navigating the local government process- the next step is to go into full swing development. Architects are ordered to make full scale drawings and renders. Civil engineers complete their city sets and drawings. Car wash equipment specialists are drafting layouts and schematics, while the general contractor puts together the line item estimate/bid.



4

## Financing & building permits

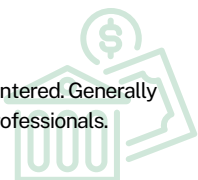
Simultaneously Tunnel's finance team is working with lenders to shop the best structures and terms to finance the total costs of the project. Once the city has issued a construction permit, the general contractor is cleared to break dirt and begin the construction.



5

## Construction

The construction process can take anywhere from 4-8 months depending on any challenges that are encountered. Generally it takes 6 months or less to complete the construction of an express car wash project run by experienced professionals. Once finished, the building is inspected and a certificate of occupation is issued to the operator.



6

## Grand opening & operations

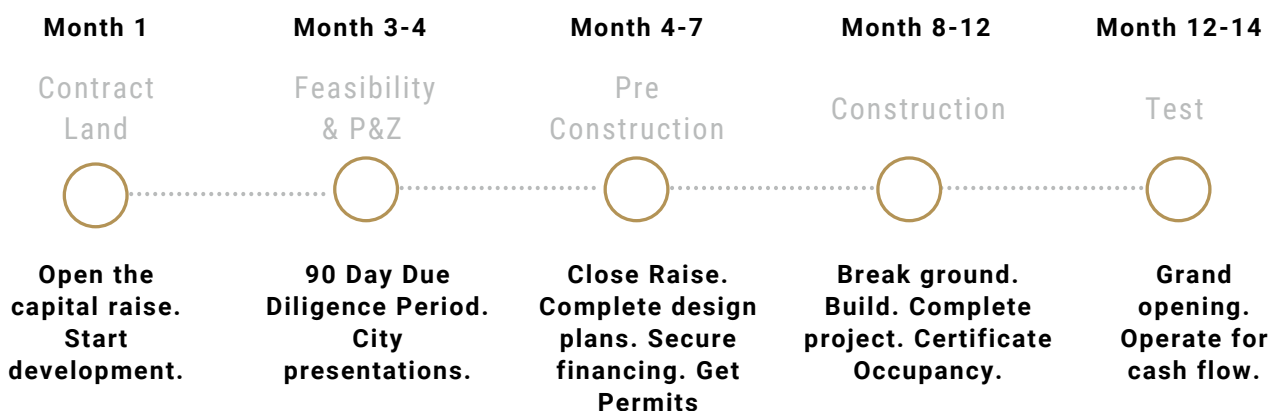
Meanwhile- the CEO of Captain Car Wash Co. has been busy with grand opening plans, hiring car wash employees and managers, conducting initial training, and making final inspections and conducting final equipment tests so we can hit the ground running and start making money.



ENTER



## TIME HORIZON



# SWOT ANALYSIS

A vertical diagram showing the letters S, W, O, and T in white, each inside a dark blue circle. The circles are connected by a vertical dotted line. To the right of each letter circle is a vertical line, and to the right of each vertical line is a list of bullet points.

S

- Strong management team
- Experienced car wash operations
- Unique military themed branding presence
- Long-term deal with equipment manufacturers because of our scale
- Niche equity financing- patient capital- we can pursue projects private equity and single location owners can't
- Secured credit facility up to \$20m for Phase I

W

- Ability to quickly acquire land for development is restricted by our deal by deal equity funding nature
- Less of a local footprint makes it more difficult to attract unlimited members outside a 3mi radius of the location.

O

- Dynamic growth markets in Texas where population growth is surging
- Recruit talented people because our financial model allows us to pay higher wages to employees.
- Improve the customer service experience drastically to the accepted average

T

- Rising interest rates could impact future profitability and expansion
- Any substantial prolonged recession could have an impact on sales
- Inflation and supply chain issues could materially impact the cost to develop
- Non proprietary and low barrier of entry could cause over saturation of the market which could impact the valuation of the business.

# SOURCE OF FUNDS

GP Sponsor (Tunnel)	\$117,500	2.0%
Limited Partners	\$2,232,500	37.5%
Debt Financing* est.	3,600,000	60.5%
<b>Total</b>	<b>\$5,950,000</b>	<b>100%</b>

\*Debt financing is non recourse to limited liability members. Debt is guaranteed by Tunnel Equity Partners.

# USE OF PROCEEDS

Organizational & Offering	\$25,000	.42%
Origination Fee	\$100,000	1.68%
Developer Fee	\$125,000	2.10%
Management Fee	\$450,000	7.56%
Land, building, equipment, reserve	\$5,250,000	88.24%
<b>Total</b>	<b>\$5,950,000</b>	<b>100.00%</b>

\*Example is illustrative of a potential Captain Car Wash project. Many variables determine the final cost such as price of land, length of tunnel, number of vacuum stations called for in site plan. generally the all in cost of a car wash project can be between \$4.5m to \$6.0m.

# FINANCING TERMS

Purpose	Purchase property, construct and equip car wash facility
Loan A	Land & Building, 80% LTC
Loan B	Equipment, 65% LTC
Interest Rate	Fixed rate of 4.25%
Origination Fee	0.50%
Pre-payment Fee	None
Term	78 Months
Amortization	300 Month on Loan A, 120 Months on Loan B
Repayment	18 Mo interest only. Followed by 60 monthly interest & principal
Collateral	First lien deed of trust on property and improvements
Covenants	To be determined
Guarantor	Derek S. Evans

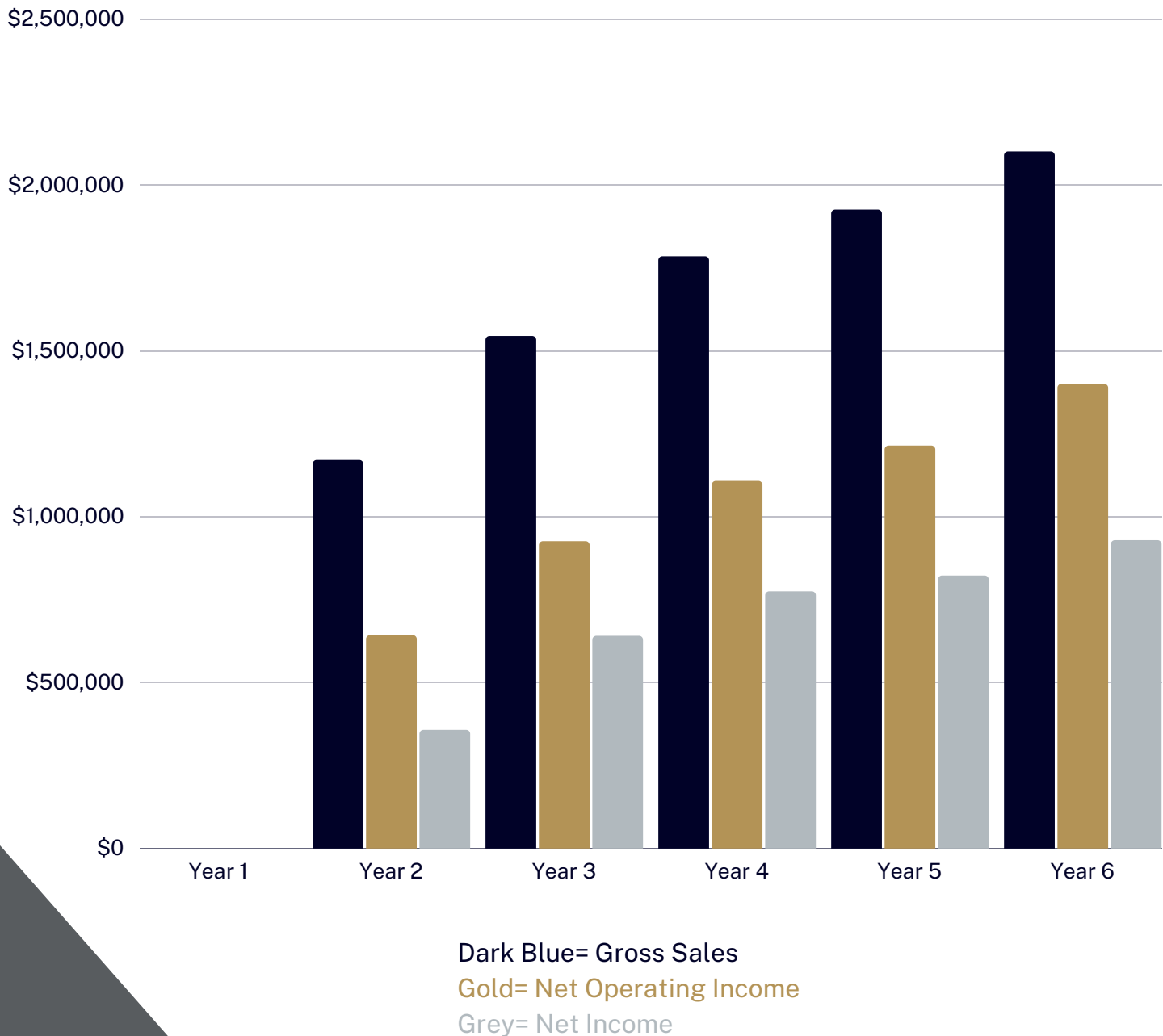
\*Example is actual terms received by Texas Heritage National Bank- our lending partner that has committed to advancing \$20m in credit to finance Captain's Phase I growth objectives.



# REVENUE PROJECTIONS

*\*not a guarantee. Investments and projections and other forward-looking statements contained within this investor guide are not assurances of the future results of your investment.*

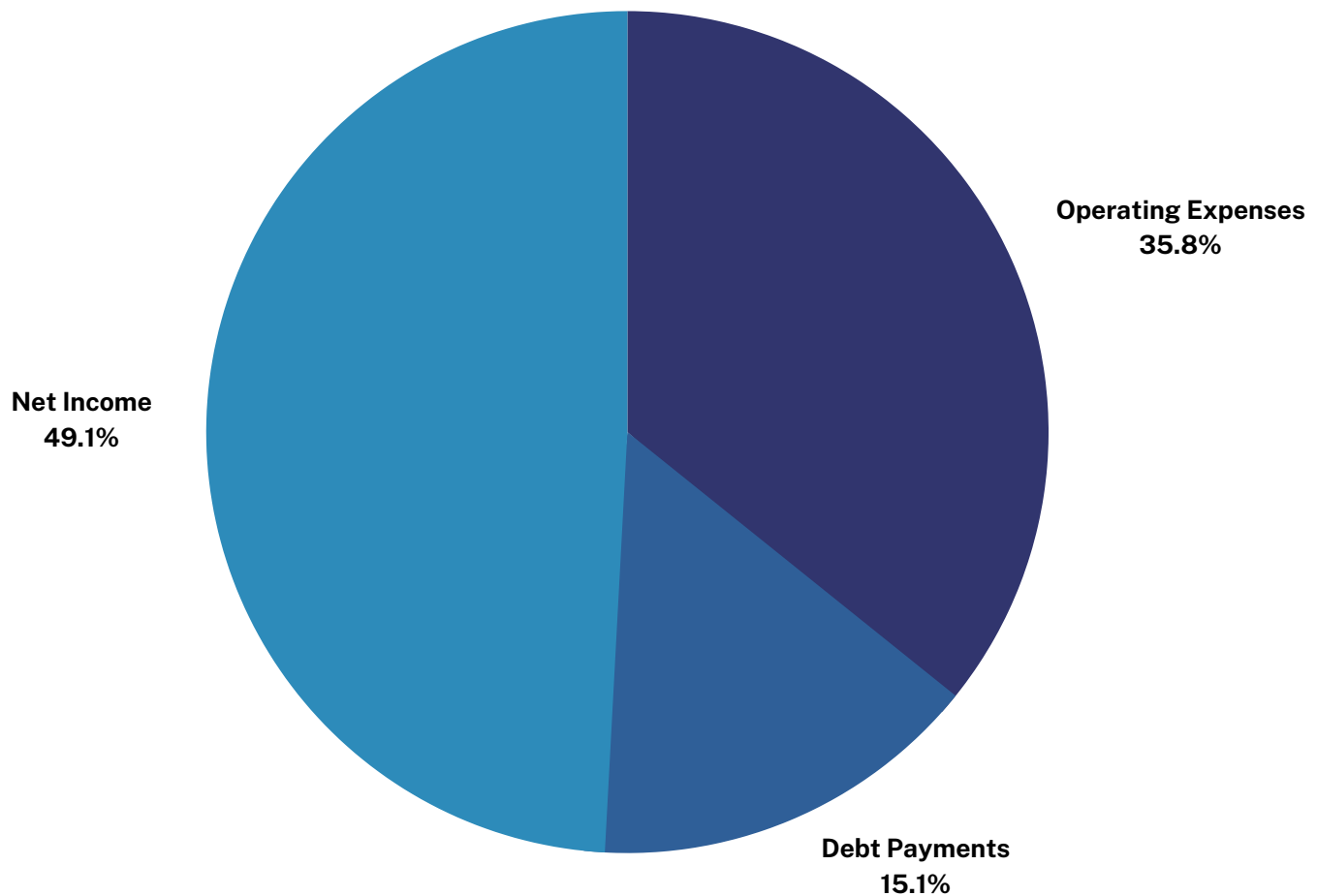
Based on our site selection criteria we conservatively anticipate the annual topline revenue for each Captain Car Wash Co. location to mature at between \$1.5-2.5m. We anticipate achieving profitability within the first 90 days of operations at each location. As part of our grand opening marketing strategy, we anticipate operating at a loss for the first 30-60 days after opening. This is a strategic maneuver to attract our unlimited monthly membership base.



# PROFITABILITY

*\*not a guarantee. Investments and projections and other forward-looking statements contained within this investor guide are not assurances of the future results of your investment.*

The express exterior car wash operating model leverages advanced technology to reduce labor expense through automated processes. One of our top priorities is balancing labor expense as a percentage against topline revenue. Our target goal is to keep labor below 15% of the total on-line revenue. Our target net income margin is approximately 45-50% of total on-line revenue and we aim to achieve that efficiency by the 3rd year of operations at each respective location. The only inventory cost is chemicals which will be managed through a 3rd party chemical consulting firm as a scheduled service. Chemical costs represent less than 6% of total online revenues.



# INVESTMENT PERFORMANCE

*\*not a guarantee. Investments and projections and other forward-looking statements contained within this investor guide are not assurances of the future results of your investment.*

Operating Years	Cash Flows	Yield
<b>Year 0</b>	<b>-\$2,350,000</b>	<b>-</b>
Year 1	\$0	-
Year 2	\$501,560	21.34%
Year 3	\$576,380	24.52%
Year 4	\$697,107	29.66%
Year 5	\$739,989	31.48%
Year 6	\$835,912	35.57%
Year 7	\$835,912	35.57%
<b>Sale</b>	<b>\$6,583,255</b>	<b>280.13%</b>
<b>Total Net Return</b>	<b>\$8,420,115</b>	<b>358.30%</b>

*\*assumes 9x of ebitda as the multiple achieved upon exit. All returns are calculated net of debt obligations, management fee's, and earned carried interest that are paid to Tunnel Equity Partners for its services.*

Performance Metric	Yield
Internal Rate of Return	30.00%
Multiple on Invested Capital	4.58x
<b>Total Return on Investment</b>	<b>358%</b>

To view our current Captain Car Wash Co. offering please register an account on the Tunnel Investor Portal. You can access the portal through our regular website [www.tunnelequity.com](http://www.tunnelequity.com) or go straight to <https://invest.tunnelequity.com>. Or click the Tunnel Portal image to the left of this text!

If you have any questions please don't hesitate to contact Tunnel Equity Partners' managing principals. We would be happy to help you get involved in our program, and we look forward to serving you.



# TUNNEL CAPTAIN CAR WASH CO

[WWW.TUNNELEQUITY.COM](http://WWW.TUNNELEQUITY.COM)

Visit the Tunnel Investor Portal to view our current offering



CAR WASH  
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2021