

WHY WE LIKE CONVENIENCE STORES & CAR WASHES



**ESSENTIAL
BUSINESSES**



**STEADY CONSUMER
DEMAND**



**RECESSION-
RESISTANT**



**HIGH-TRAFFIC
LOCATIONS**



**CONVENIENT
ACCESS**

ADVANTAGES TO INVESTING IN ESSENTIAL ASSETS CLASSES

1 BONUS DEPRECIATION: Potentially deduct up to 100% of qualified improvement costs in the first year (2025 rates).¹

2 DSTS CAN PROVIDE ACCESS TO INSTITUTIONAL REAL ESTATE: DSTs provide entry into high-quality commercial assets typically out of reach for individual investors, managed by experienced sponsors.

3 1031 EXCHANGE ELIGIBILITY: Opportunity to leverage a DST investment for potential tax deferral through 1031 exchanges.

4 PASSIVE INCOME GENERATION: Professionally managed operations can generate a hassle-free, passive income stream.

5 COST SEGREGATION: Maximize deductions by identifying property components eligible for shorter depreciation schedules.



*Sources: <https://tradenetlease.com/q4-2024-net-lease-cap-rate-report/>; <https://bouldergroup.com/research.html>; <https://www.avisonyoung.us/web/netlease/insight-article/-/article/2024/02/12/c-store-report>; <https://talkbusiness.net/2025/02/the-supply-side-growth-challenges-expected-in-convenience-store-sector-in-2025/>

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1 - The Tax Cuts and Jobs Act (TCJA) provisions, including those allowing for accelerated depreciation such as 100% bonus depreciation were permanently extended for properties purchased on or after January 19, 2025, on July 4, 2025, when President Trump signed the "One Big Beautiful Bill."



SPOTLIGHT ON: CONVENIENCE STORES

CONVENIENCE STORES MEET ESSENTIAL CONSUMER NEEDS, MAKING THEM LESS VULNERABLE DURING ECONOMIC DOWNTURNS. AS A RESULT, CONVENIENCE STORES RECORDED THE **LOWEST CAP RATES AMONG NET LEASE PROPERTIES IN 2024**, REMAINING UNCHANGED FROM THE PREVIOUS YEAR.

Investing in convenience stores can be smart, especially in today's dynamic business landscape.

Here are the top reasons why investing in convenience stores is a compelling opportunity right now:

- 1 STEADY CONSUMER DEMAND:** Convenience stores cater to everyday needs, providing a wide range of essential items, including snacks, beverages, groceries, and toiletries. This can provide a consistent and resilient customer base, regardless of economic conditions.
- 2 ESSENTIAL BUSINESS:²** Convenience stores are considered critical businesses to remain open during emergencies, natural disasters, and health crises like the COVID-19 pandemic. This resilience can provide a stable income stream for investors.
- 3 24/7 OPERATIONS:** Many convenience stores operate 24/7, allowing them to potentially capture sales throughout the day and night. This continuous revenue generation can result in higher profitability than businesses with limited operating hours.
- 4 RECESSION-RESISTANT:** During economic downturns, consumers tend to cut back on discretionary spending but continue to purchase essential items from convenience stores. This recession-resistant nature can make convenience stores a reliable investment.
- 5 HIGH-TRAFFIC LOCATIONS:** Successful convenience stores are often situated in high-traffic locations, such as near residential areas, office complexes, and transportation hubs. These prime locations can increase foot traffic and sales potential.
- 6 DIVERSE PRODUCT OFFERING:** Modern convenience stores offer a diverse range of products, including fresh food, hot beverages, and even online ordering and delivery services. This diversification helps attract a broader customer base and boosts revenue.
- 7 COMMUNITY ENGAGEMENT:** Successful convenience stores often become integral parts of their communities. Investing in a store that engages with the local community can foster customer loyalty and drive repeat business.

In conclusion, convenience stores can offer a compelling investment opportunity due to their steady demand, essential status, 24/7 operations, and resilience during economic downturns. Additionally, strategic location, diverse product offerings, technology integration, and the potential for community engagement make convenience stores attractive for investors. However, conducting thorough market research, assessing competition, and carefully evaluating potential locations before making an investment decision is essential.

*Sources: <https://tradenetlease.com/q4-2024-net-lease-cap-rate-report/>; <https://bouldergroup.com/research.html>; <https://www.avisonyoung.us/web/netlease/insight-article/-/article/2024/02/12/c-store-report>; <https://talkbusiness.net/2025/02/the-supply-side-growth-challenges-expected-in-convenience-store-sector-in-2025/>

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2- During COVID 19, The U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) identified convenience stores as part of essential critical infrastructure. They fall under the Food and Agriculture sector, specifically "retailers that sell food and beverage products," including grocery stores, pharmacies, and similar outlets.



SPOTLIGHT ON: CAR WASHES

SEVERAL UNIQUE FACETS OF THE COVID-19 PANDEMIC ENCOURAGED EVEN FURTHER GROWTH WITH LASTING EFFECTS. NO-TOUCH CAR WASHES HAVE EARNED “ESSENTIAL BUSINESS” DESIGNATION IN A NUMBER OF MARKETS, AND RIDESHARE SERVICES LIKE UBER AND LYFT NOW REQUIRE ROUTINE PROFESSIONAL CLEANING OF VEHICLES, POTENTIALLY BOOSTING DEMAND.

- 1 ESSENTIAL RETAIL:**³ Car washes are considered “essential” retail because vehicles need regular cleaning, regardless of economic conditions.
- 2 STEADY REVENUE:** Unlimited wash programs and subscription models can provide predictable, recurring revenue.
- 3 “AMAZON-PROOF”:** Car washes are less susceptible to online competition, as they offer a service that cannot be replicated online.
- 4 HIGH ROI POTENTIAL:** Well-managed car washes can generate strong returns on investment.
- 5 TAX ADVANTAGES:** Car washes offer significant tax benefits, including bonus depreciation, which allows owners to write off a large portion of the initial investment in the first year.
- 6 SCALABILITY:** The car wash model can be scaled up easily, allowing investors to replicate their success across multiple locations.
- 7 EVOLVING INDUSTRY:** The car wash industry is constantly evolving with new technologies and customer preferences, requiring investors to stay informed and adapt to changes.

FIVE ELEMENTS OF AN IDEAL CAR WASH LOCATION

1

ACCESSIBILITY

The carwash site should be easily accessible for drivers

2

HIGH TRAFFIC

The site should be located in a high traffic area

3

FEW NEARBY COMPETITORS

Direct competitors should not be within 3 miles of your site

4

DIVERSE CLIMATE

Adverse weather conditions can boost business

5

RIDESHARE VOLUME

High volume of rideshare vehicles can benefit business

*Sources: <https://tradenetlease.com/q4-2024-net-lease-cap-rate-report/>; <https://bouldergruop.com/research.html>; <https://www.avisonyoung.us/web/netlease/insight-article/-/article/2024/02/12/c-store-report>; <https://talkbusiness.net/2025/02/the-supply-side-growth-challenges-expected-in-convenience-store-sector-in-2025/>
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3- The North American Industry Classification System (NAICS) categorizes car washes (NAICS Code 811192) under Automotive Repair and Maintenance (NAICS Code 8111). During COVID-19, the U.S. Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency (CISA) classified “Automotive Repair and Maintenance” as Essential Critical Infrastructure. Such designation was issued in the context of COVID-19 response guidance and does not constitute a guarantee of future governmental classification.

GENERAL REAL ESTATE DISCLOSURES AND RISK

Investment in the units is speculative, illiquid, and involves a high degree of risk, including tax risk. There is no guarantee that the investor will receive any return on, or even a return of their investment. Only investors who can afford the loss of their entire investment should consider investing in the Interests. The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities. (ii) offers can be made only by the confidential Private Placement Memorandum (the "PPM") which is available upon request. (iii) do not and cannot replace the PPM and is qualified in its entirety by the PPM. and (iv) may not be relied upon in making an investment decision related to any investment offering by the Company or any affiliate, or partner thereof ("Issuer"). All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. With respect to any "targeted" goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some or all of the principal invested. These "targeted" factors are based upon reasonable assumptions more fully outlined in the Offering Documents/ PPM for the respective offering. Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment.

These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. All offerings are intended only for accredited investors unless otherwise specified. Past performance is no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Images are for illustrative purposes only and do not represent any investments made by the Fund.

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Risks Specific to Car Washes and Convenience Stores:

- The car wash and convenience store industries are highly competitive, with numerous national and regional chains, as well as independent operators. The Company may face pricing pressures, margin erosion, and reduced customer traffic due to increased competition.
- Shifts in consumer preferences, including increased interest in full service car detailing, may reduce demand for traditional car washes. The Company's ability to adapt to these trends will impact long-term success.
- The financial performance of the Properties will be substantially dependent upon onsite personnel to maximize revenues and customer satisfaction at the Properties. If the Property Manager is unable to successfully recruit, train and retain qualified onsite personnel, the cash flows from the Properties may be reduced.
- Under various federal, state and local environmental laws, statutes, ordinances, rules and regulations, as an indirect owner or operator of real property, we may be liable for the costs of removal or remediation of certain hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from the Properties. These costs could be substantial and liability under these laws may attach whether or not the owner or operator knew of, or was responsible for, the presence of such contamination. The Company makes no representations concerning the environmental status of the Properties, and the Company has not performed any independent investigation of the environmental status of the Properties.

Material risks associated with investing in real estate, development and private offering securities potential investors should consider include but are not limited to:

- A significantly limited ability to sell or transfer Interests
- Uncertain economic outlook including changes in national, regional and local economic and demographic conditions, capital expenditures, interest rates, financing activities and tax status of the Company
- Complex taxation involving, among other things, significant issues as to the character and timing of realization of gains and losses. Prospective investors are strongly urged to consult their tax advisors with respect to the possible tax consequences of an investment. These tax consequences may be different for different investors.
- Construction difficulties, delays, and defects
- Inability to complete and lease up the Facility on schedule, collect rents or other

receivables

- Availability of financing, including construction financing and financing necessary to extend or refinance debt maturities
- Ability to control operating costs, provide effective and efficient management and maintenance of the Property
- Uninsured natural disasters and the inability to obtain adequate insurance on favorable terms
- The Sponsor and its Affiliates will receive substantial fees and compensation from the operation of the Property. The compensation arrangements are not the result of arm's-length negotiations

Real Estate Risk Disclosure:

- No guarantee that any will achieve its objectives;
- All real estate investments have the potential to lose value;
- The income stream and depreciation schedule may affect your income bracket and/or tax status. An unfavorable tax ruling may cancel deferral of capital gains and result in immediate tax liabilities;
- All financed real estate investments have potential for foreclosure;
- These assets are illiquid securities. There is no secondary market;
- If a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions;
- Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits; and
- Tax benefits are not guaranteed and are subject to changes in the tax code.

Conflicts of Interest:

- Risks related to Car Washes and Convenience Stores
- There are potential conflicts of interest between the Investor Members and the Fund's management team.
- The Manager serves as the manager of the Company. The objectives of the Manager may differ from the objectives of the Members.
- Compensation to the sponsor and its affiliates have not been determined by arm's length negotiations. Many of the fees payable to the sponsor and its affiliates are payable regardless of the success of the Company or the Property.
- The Company relies heavily on the Manager's key personnel, and if any of them were to no longer serve the Manager for any reason, the Company's prospects and performance could suffer.
- The Manager and the Managing Broker Dealer are affiliated entities.

Tax Risk Associated with Bonus Depreciation:

THERE ARE TAX RISKS INVOLVED WITH INVESTING IN INTERESTS. THE TAX CONSEQUENCES ARE COMPLEX AND WILL NOT BE THE SAME FOR ALL MEMBERS. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS BEFORE INVESTING IN INTERESTS TO DETERMINE THE TAX EFFECTS OF AN INVESTMENT IN THE FUND, ESPECIALLY IN LIGHT OF THEIR PARTICULAR FINANCIAL SITUATIONS.

- There can be no assurance that the fund will succeed in structuring its investments in a way that will permit investors to receive bonus depreciation, and the manager has no obligation to ensure any degree of bonus depreciation.
- The rules and regulations related to Bonus Depreciation are highly complex and rely not only on the type of property acquired but also the investors' tax attributes and the structure of the Fund and its financing, among other things. Not all personal property the Fund acquires may be eligible for Bonus Depreciation.
- If the Fund (or any subsidiary of the Fund) makes an election to be treated as a real property trade or business" for purposes of the business interest deduction limitation in Code Section 163(j), then the Fund will be significantly limited in its ability to take Bonus Depreciation.
- To the extent that any of the Investments are development or substantial redevelopment opportunities, the Fund may be limited from taking any Bonus Depreciation until such development or substantial redevelopment is complete and the assets of the Investment are placed into service. There are a variety of other timing-related limitations set forth in the Regulations, and investors should not assume that they will be allocated Bonus Depreciation in any particular tax year.
- There is no guarantee that an individual investor will benefit from the fund's tax losses in the year that they are experienced. If an investor's facts and circumstances do not allow for the use of their allocable portion of the tax losses, the losses will be suspended and carried forward into future tax years.