

EXECUTIVE SUMMARY

LOCATION	<ul style="list-style-type: none"> ▪ New C-Store Site NEC- Salem Rd (GA-162) & Avondale Blvd. Conyers, GA 30013 (Atlanta MSA)
MARKET	
TRAFFIC COUNTS	<ul style="list-style-type: none"> ▪ 30,997 CPD & 483 DVPD-Salem Rd, north of intersection, with proposed right-in/out access on the north end of the lot. 1,977 CPD & 21 DVPD-Avondale, with full turn movement entrance into site ±150' east of GA-162.
FUEL INSTALLATION	<ul style="list-style-type: none"> ▪ Install new USTs & 5 MPDs with diesel hoses on the outside islands in a single line dive-in configuration under a ±24' x 132' canopy
BUILDING	<ul style="list-style-type: none"> ▪ ±4,500 sf C-Store to include a beer/wine vault and a proprietary fast food program (pizza-by-the-slice, fried chicken, breakfast tacos, etc.).
OTHER SERVICES	<ul style="list-style-type: none"> ▪ The lot size (±3.31 acre) will allow additional profit centers like up to an 18,000 sf strip center “build out” shown on the site plan.

<u>GAS</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YRS 3-5</u>
DAILY GALLONAGE	5,788	6,134	6,618
MONTHLY GALLONAGE	176,016	186,531	201,256
ANNUAL GALLONAGE	2,112,192	2,238,374	2,415,071
GROSS PROFIT MARGIN	13.5¢	15.5¢	18¢
<u>DIESEL</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YRS 3-5</u>
DAILY GALLONAGE	537	574	609
MONTHLY GALLONAGE	16,332	17,448	18,534
ANNUAL GALLONAGE	195,985	209,379	222,402
GROSS PROFIT MARGIN	17.5¢	19¢	20¢
<u>TOTAL GALLONAGE</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YRS 3-5</u>
DAILY GALLONAGE	6,325	6,708	7,228
MONTHLY GALLONAGE	192,348	203,979	219,789
ANNUAL GALLONAGE	2,308,177	2,447,753	2,637,474

GLOSSARY

CPD	Cars Per Day	DVPD	Diesel Vehicles Per Day
MPDs	Multi Product Dispensers	CRIND	Pay-at-the-Pump
USTs	Underground Storage Tanks	DEF	Off Road Diesel Fueling

EXEC. SUMMARY (cont.)

<u>INSIDE SALES</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
DAILY INSIDE SALES	\$6,214	\$6,812	\$7,467
MONTHLY INSIDE SALES	\$188,954	\$207,139	\$227,058
ANNUAL INSIDE SALES	\$2,267,444	\$2,485,672	\$2,724,692
GROSS PROFIT MARGIN	29%	30.5%	32.5%
<u>FAST FOOD</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
DAILY FF SALES	\$532	\$623	\$707
MONTHLY FF SALES	\$16,186	\$18,934	\$21,496
ANNUAL FF SALES	\$194,230	\$227,209	\$257,947
GROSS PROFIT MARGIN	60%	60%	60%

NOTE:

Fast Food (FF Sales) Projections are based on a 40% Food Cost only. All other costs (labor, utilities, insurance, or debt service are included in the Overall Operating Costs on (Pg. 12). Projections are based on a hot deli/pizza program (Godfather's Express, Krispy Krunchy Chicken) with pre-packaged salads & fruit and breakfast items.

<u>ATM/LOTTERY & MISC INCOME</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
ANNUAL GROSS PROFIT	\$36,000	\$42,000	\$48,000
<u>SPACE RENTAL</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
ANNUAL GROSS PROFIT	N/A	\$54,000	\$108,000

NOTE:

ATM/LOTTERY Commissions can vary by up to 25% depending upon machine ownership, usage, lottery sales, etc. Miscellaneous Income includes propane sales, Red Box, vacuum island usage, etc. SPACE RENTAL is based on leasing one 1,500 sf spaces in Year 2 and two by Year 3 one 1,000 sf space at ±\$24/sf triple net by Year 3.

COMMENTS:

SFS considers this “green” (unimproved) site in southeast Conyers, a fast growing mid to upper middle income community roughly 25 miles southeast of downtown Atlanta, and considered part of Atlanta MSA, to be an “A-” C-Store/fuel site. SFS feels this site has the the potential to become an “A” C-Store/fuel site” by Year 3.

The site’s main upside potential is based on exceeding the transient (through) traffic capture rates on GA-162 (Salem Rd), a popular north-south route through southeast Conyers that connects to I-20 less than a mile north. Salem Rd. is projected to be widened to four lane past the site by the end of 2019.

EXEC. SUMMARY (cont.)

Exceeding the gallonage capture rates are in addition to capturing more of the surrounding residential density on Avondale Rd., which access several upper middle income residential developments to the east. The residential density is in addition to the daytime traffic which includes on-going construction activity.

There is relatively significant fuel competition within the primary fuel market of 3 miles. These include an Ingles Grocery fuel center ± 0.7 miles north with a medium image Quik Trip with 16 MPDs just north of Ingles. There is a medium image Exxon, BP & a Raceway between 1-1.25 miles and a Shell and a Marathon at the I-20 interchange (exit #84)

However, the nearest fuel centers to the south a medium image Shell with 6 MPDS, a medium image Salem Food Mart with 2 MPDs & 1 diesel and a newer image Kroger fuel center with 5 MPDs starting ± 1.5 miles south.

With it being on the going home side for the majority of the commuter based traffic on GA-162, SFS feels this site will be more convenient for the daily commuter traffic on Salem Rd, including commercial accounts. With $\pm 32,000$ CPD filling up 1.5 times per week at 12.5 gallons each, the national average, there are ± 4 million gallons of gas purchased per month by traffic past the site and no *direct* competition.

Based on pricing with the primary market as well as the overall Atlanta MSA market, which includes the several Race Tracs, Kroger fuel centers, Quik Trips and Murphy's in the Atlanta MSA, all of which price very competitively, SFS used a *gross* "pool" (weighted) gas profit margin of 13.5¢ in Year 1, reaching 18¢ by Year 3.

These margins, *which do not include credit card charges* (5.5¢ per gallon, Pg. 13), or possible fuel loyalty subsidies, are based on being branded by a major oil company and aggressively pursuing commercial accounts, both gas & diesel, through a WEX card, including county vehicles. Margins can be further exceeded by selling more than the $\pm 7.5\%$ amount of mid-grade & premium products projected by SFS, which have higher margins.

Margins include some commercial/fleet pricing being offset somewhat by higher "street" pricing. The operator should also consider ethanol free (EO-91) premium, which Quik Trip carries. This product is for higher performance cars & boats and has profit margins of 40-50¢.

EXEC. SUMMARY (cont.)

SFS strongly recommends branding this site Shell due to their fuel partnership with Kroger through their FRN™ network. The above mentioned Kroger is ±1.6 miles south with only 5MPDs. Based on SFS's knowledge of Kroger's market share in the Atlanta MSA, SFS estimates a *minimum* Kroger Plus card redemption rate of ±10%.

Offering diesel is strongly recommended based on relatively strong commercial diesel traffic GA-162. Including contractor traffic. In addition to the commercial/fleet account potential, there is a higher than average percentage of private diesel vehicles registered in the MSA, including the primary market.

Diesel acts not only as a profit center but more than exponentially increases Inside and fast food sales, based on most commercial diesel customers spending more on non-fuel items than gas customers. Diesel margins *do include* third party billing cards (WRIGHTS, Voyager, FleetOne, Fuelman) charges of ±20¢ **per gallon (cpg)** and are based on commercial & fleet account pricing being offset somewhat by higher "street" pricing.

With ±32,500 VPD past the intersection on both roads, with 1.25 passengers per car, which will include the daytime contractor population, eating 1.2 "away meals" per day (the national average), there are roughly 48,750 potential "meals" directly past the site and no fast food competition within a half mile to the north and 2.5 miles to the south

Inside sales are based on competitive (with Quik Trip, Race Way) pricing on cigarettes, other tobacco products (OTP) & beer, the three biggest product category sellers, and staple items being off-set somewhat by HBA (health & beauty aids) products, wine, snacks, seasonal items and additional fountain drink sales generated by the fast food program and ethnic snacks.

Additional profit centers like liquor stores, nail/hair/tanning salons, mail box/UPS stores, specialty food stores, restaurants, car washes, etc. have proven to increase gallonage & Inside Sales by up to 25% per profit center. Additional profit centers would ma

Based on the large number of C-Store/Travel Plaza studies it has performed in the last 25 years, SFS has identified six basic factors that *primarily* determine a site's success.

EXEC. SUMMARY (cont.)

These factors include:

1. The amount of *directly accessible* traffic past the site.
2. The surrounding residential density (existing & potential)
3. The daytime population (existing & potential)
4. The amount and quality of the existing fuel competition.
5. Special Factors-Seasonal traffic, high growth area, etc.
6. Access & visibility (including signage) from the main traffic carrier.

METHODOLOGY

SFS uses the first three factors to determine a weighted market share, which is in the form of an algorithm. This traffic count past the site is then multiplied by the algorithm to produce a gallonage estimate. Inside sales are based on capturing a percentage of the fuel customers ($\pm 75\%$) as C-Store customers as well as non-fuel generated traffic ($\pm 1.5\%$) past the site which includes daytime population and the surrounding residential density.

DEFINITIONS:

Center Traffic

Co-branded Fast Food

Proprietary Fast Food

Cross Marketing

Daytime Population

Hard Corner

Direct Competition

MSA

UST

WEX

INDUSTRY TERMS USED IN STUDY

Traffic generated by other retailers in a shopping center with which the subject fuel has common or direct access.

National or regionally known fast food program.

“Non-branded” food concept, usually includes freshly made deli sandwiches, pizza, breakfast items, hot deli.

Offering discounts on fuel with purchase of non-fuel products, either from C-Store or other participating retailers’ Cross marketing is usually done through a POS (point of sale) software program like Midax™

Includes surrounding shopping centers, other commercial/retail businesses, schools, colleges, office buildings and other major employers (50+ workers)

The lot in a parcel of land directly next to the intersection.

“Like” businesses within a block of the subject site.

Metropolitan Statistical Area,

Underground Storage Tanks

Wright’s Express proprietary fleet card.

RECOMMENDATIONS

Based on design trends and the competition, the following services and marketing strategies are provided although the projections are **not specifically based upon them:**

- A. Light, bright wall covering, well lit store with recessed lighting.
- B. Wide aisles, with product locators, interior graphics.
- C. Competitively priced staple items (milk, bread, eggs) to attract female shoppers, especially commuters.
- D. Large walk-in cooler (beer vault) and seasonal merchandising display.
- E. *Senior* discount cards as well as possible check cashing for the large Hispanic population.
- F. Carry some generic items, including senior & baby care products, to give the store a stronger *perception of value*.

Other features to consider:

- A. ATM, copy machine, money orders, fax machine, Internet service.
- B. Aggressively market cigarettes, *especially cartons*.
- C. Phone from car & truck islands.
- D. *Aggressively market a loyalty program with discounts for both fuel and non-fuel purchases tied into the fast food program*
- E. Even with a fast food co-brand, an expanded roller grill program is strongly recommended.
- F. Possible video screens with Smart Merchandising to cross market fast food with fuel and grocery items.
- G. Expanded gourmet coffee and other upscale items offering.
- H. Free air machine for car tire filling as well as vacuum islands.
- I. Produce cooler with pre-packaged salads and portioned fresh fruit.
- J. Direct mailer with discount coupons for fuel, fast food, grocery items to all residents & office buildings in 5-mile radius.
- K. Print discount coupons for surrounding retailers on the back of fuel receipts and advertise on the dispenser with pump toppers.
- L. Proprietary fuel cards for local law enforcement, firefighters, city vehicles, etc. through the oil company WEX card.

GALLONAGE PROJECTIONS

<u>YEAR 1</u>	<u>CARS</u>		<u>DIESEL</u>	
TRAFFIC COUNT-GA-162	30,997	CPD	483	DVPD
TRAFFIC COUNT- AVONDALE BLVD.	1,977	CPD	21	DVPD
AVG. FUEL TRANSACTION	12.5	GALS	49	GALS
POTENTIAL GALLONAGE-PER DAY	390,165	GPD	24,696	GPD
TOTAL GALLONS-PER DAY	5,788	GPD	537	GPD
TOTAL GALLONS-PER MONTH	176,016	GPM	16,332	GPM
TOTAL GALLONS-YEAR 1	2,112,192	GPY	195,985	GPY
PROFIT MARGINS (13.5¢/17.5¢)	\$23,762	PER MO.	\$2,858	PER MO
GROSS FUEL PROFIT- YEAR 1	\$285,146	YEAR 1	\$34,297	YEAR 1
<u>YEAR 2</u>				
TRAFFIC COUNT-GA 162 & AVON	31,896	CPD	495	DVPD
AVG. FUEL TRANSACTION	12.5	GALS	49	GALS
TOTAL GALLONS-PER DAY	6,134	GPD	574	GPD
TOTAL GALLONS-PER MONTH	186,531	GPM	17,448	GPM
TOTAL GALLONS-YEAR 2	2,238,374	GPY	209,379	GPY
PROFIT MARGINS (15.5¢/19¢)	\$28,912	PER MO	\$3,315	PER MO
GROSS FUEL PROFIT- YEAR 2	\$346,948	YEAR 2	\$39,782	YEAR 2
<u>YEAR 3:</u>				
TRAFFIC COUNT-GA 162 & AVON	32,883	CPD	507	DVPD
AVG. FUEL TRANSACTION	12.5	GALS	49	GALS
TOTAL GALLONS-PER DAY	6,618	GPD	609	GPD
TOTAL GALLONS-PER MONTH	201,256	GPM	18,534	GPM
TOTAL GALLONS-YEAR 3	2,415,071	GPY	222,402	GPY
PROFIT MARGINS (18¢/20¢)	\$36,226	PER MO	\$3,707	PER MO
GROSS FUEL PROFIT- YEAR 3	\$434,713	PER YR	\$44,480	PER YR

NOTE: The potential gallonage figures for both gas & diesel used in Year 1 are based on the weighted traffic count on Salem Rd & Avondale past the intersection multiplied by the average gas transaction (fill up) of 12.5 gallons, the national average and 49 gallons of diesel, which includes ±50% light “haulers” and other commercial vehicles (35-75 gallons) as well as 75% private diesel vehicle fueling (20-35 gallons).

INSIDE SALES PROJECTIONS

<u>YEAR 1</u>	<u>INSIDE</u>
FUEL GENERATED CUSTOMERS	465
NON-FUEL CUSTOMERS	491
TOTAL CUSTOMERS	956
AVERAGE TRANSACTION	\$6.50
TOTAL REVENUE- DAY	\$6,214
TOTAL REVENUE-MONTH	\$188,954
GROSS REVENUE- YEAR 1	\$2,267,444
PROFIT MARGIN-29%-PER MO	\$54,797
TOTAL GROSS PROFIT- YEAR 1	\$657,559
<u>YEAR 2</u>	
FUEL GENERATED CUSTOMERS	489
NON-FUEL CUSTOMERS	520
TOTAL CUSTOMERS	1009
AVERAGE TRANSACTION	\$6.75
TOTAL REVENUE- DAY	\$6,812
TOTAL REVENUE- MONTH	\$207,139
TOTAL REVENUE- YEAR 2	\$2,485,672
PROFIT MARGIN-30.5%-PER MO	\$61,106
TOTAL GROSS PROFIT- YEAR 2	\$733,273
<u>YEAR 3</u>	
FUEL GENERATED CUSTOMERS	519
NON-FUEL CUSTOMERS	547
TOTAL CUSTOMERS	1,067
AVERAGE TRANSACTION	\$7.00
TOTAL REVENUE- DAY	\$7,467
TOTAL REVENUE- MONTH	\$227,058
TOTAL REVENUE- PER YEAR	\$2,724,692
PROFIT MARGIN-32.5%-PER MO	\$73,794
TOTAL GROSS PROFIT-YEAR 3	\$885,525

INSIDE SALES ASSUMPTIONS

NOTE:

The above profit margins are based on aggressive pricing on cigarettes and beer as well as staple items being offset somewhat by higher profit margin items like snacks, fountain drinks, and pre-made fast food items. The above projections do not include lottery sales, ATM fees or proprietary fast food, which are listed separately. Profit margins include tobacco company rebates.

COMMENTS:

SFS feels this site has good limited items (15 items or less) shopping potential based on the amount of commuter based transient traffic past the site. In addition to the relatively significant commuter based transient traffic on Boulevard 26, there is good surrounding middle income residential density in 2 miles or 5 minute drive time ($\pm 8,000$ households) and a daytime population of $\pm 5,000$ people within the same radius.

SFS feels that aggressively priced cigarettes, beer and staple items (milk, bread, eggs) would give this site the kind of *perception of value* to attract both fuel and non-gas customers that are currently purchasing fuel elsewhere within the primary market, especially Quik Trip to the north.

One major key to this project's success is to attract female shoppers who comprise over half of the daytime population in the commuter radius and over 50% of which work full time and drive by the store twice a day. The store will have to be clean, well lit (inside and out), and priced competitively on staple items and offer a somewhat expanded grocery offering as well as HBA (health & beauty aids) and expanded parking in front of the store.

FAST FOOD PROJECTIONS

<u>YEAR 1</u>	
TOTAL CUSTOMERS (0-6 MONTHS)	144
AVERAGE TRANSACTION	\$5.50
TOTAL REVENUE-DAY	\$792
TOTAL REVENUE-MONTH	\$24,085
TOTAL CUSTOMERS (7-12 MONTHS)	153
AVERAGE TRANSACTION	\$5.75
TOTAL REVENUE-DAY	\$880
TOTAL REVENUE-MONTH	\$26,752
AVERAGE REVENUE-DAY	\$858
AVERAGE REVENUE-MONTH	\$26,085
GROSS REVENUE- YEAR 1	\$313,019
TOTAL GROSS PROFIT (60%)	\$15,651
TOTAL GROSS PROFIT -YEAR 1	\$187,812
<u>YEAR 2</u>	
TOTAL CUSTOMERS	165
AVERAGE TRANSACTION	\$6.00
TOTAL REVENUE-DAY	\$988
TOTAL REVENUE-MONTH	\$30,058
TOTAL REVENUE-YEAR	\$360,697
TOTAL GROSS PROFIT-MONTH (60%)	\$18,035
TOTAL GROSS PROFIT-PER YEAR	\$216,418
<u>YEARS 3-5</u>	
TOTAL CUSTOMERS	179
AVERAGE TRANSACTION	\$6.25
TOTAL REVENUE-DAY	\$1,117
TOTAL REVENUE-MONTH	\$33,954
TOTAL REVENUE-YEAR	\$407,448
TOTAL GROSS PROFIT-MONTH (60%)	\$20,372
TOTAL GROSS PROFIT-PER YEAR	\$244,469

NOTE:

Fast Food (FF Sales) Projections are based on a 40% Food Cost only. All other costs (labor, utilities, insurance, or debt service are included in the Overall Operating Costs on (Pg. 12). Projections are based on a hot deli/pizza program (Godfather's Express, Krispy Krunchy Chicken) with pre-packaged salads & fruit and breakfast items.

REVENUE PROJECTIONS

<u>YEAR 1</u>	<u>ANNUAL</u>
GROSS PROFIT- GAS	\$285,146
GROSS PROFIT- DIESEL	\$34,297
GROSS PROFIT- INSIDE SALES	\$657,559
GROSS PROFIT-FAST FOOD	\$187,812
GROSS PROFIT-SPACE RENTAL	\$0
GROSS PROFIT-ATM/LOTTERY & MISC	\$36,000
TOTAL GROSS PROFIT	\$1,200,814
TOTAL OPERATING COSTS	<\$898,791>
NET PROFIT- YEAR 1 (PRE-TAX)	\$302,023
<u>YEAR 2</u>	
GROSS PROFIT- GAS	\$346,948
GROSS PROFIT- DIESEL	\$39,782
GROSS PROFIT- INSIDE SALES	\$733,273
GROSS PROFIT-FAST FOOD	\$216,418
GROSS PROFIT-SPACE RENTAL	\$54,000
GROSS PROFIT-ATM/LOTTERY & MISC	\$42,000
TOTAL GROSS PROFIT	\$1,432,421
TOTAL OPERATING COSTS	<\$946,157>
NET PROFIT- YEAR 2 (PRE-TAX)	\$486,264
<u>YEARS 3-5</u>	
GROSS PROFIT- GAS	\$434,713
GROSS PROFIT- DIESEL	\$44,480
GROSS PROFIT- INSIDE SALES	\$885,525
GROSS PROFIT-KIOSK SALES	\$60,536
GROSS PROFIT-SPACE RENTAL	\$108,000
GROSS PROFIT-ATM/LOTTERY & MISC	\$48,000
TOTAL GROSS PROFIT	\$1,581,254
TOTAL OPERATING COSTS	<\$1,003,967>
NET PROFIT- PER YEAR (PRE-TAX)	\$577,287

NOTE: The increases in operating costs in Years 2-5 are based on higher wages; benefits; utilities; credit card charges, etc. The net profit projections do not include any building or equipment depreciation.

DAILY OPERATING COSTS

MANAGER	125
ASST MANAGER	100
5 CASHIERS @ \$10/PER HR.	\$400
2 COOK @ 12.50/HR.	\$200
PAYROLL TAXES & BENEFITS	\$186
UTILITIES-INCLDG. PHONE LINES	\$100
INSURANCE & PROPERTY TAX	\$100
DEBT SERVICE-\$35000/MO.	\$839
ADVERTISING & PROMO	\$25
ADMINISTRATIVE & MISC.	\$25
SHRINKAGE	\$20
CREDIT CARD & BANK CHARGES	\$318
TRASH & SECURITY	\$25
TOTAL-PER DAY	\$2,462

NOTE: Operating costs are based on being open from 5:00 am to 11pm; 12-weekends in Year 1. "Property Tax" is based on \$15,000 per year. Insurance includes USTs. Credit Card Charges are based on a 5.5¢ per gallon processing fee for gas transactions only, diesel margins include a third-party billing charge of ±20¢ per gallon.

FINANCIAL PROJECTIONS

TOTAL PROJECT COST	\$3,125,000
5 YEAR PROFITS	\$2,520,148
DEBT RETIREMENT	\$306,000
PAYBACK IN YEARS	5.53
DEBT TO CASH RATIO	1.14
IRR	16.13%

NOTE:

Debt retirement is based on the first five years of a 15-year amortization schedule with a ±6% interest rate and reflects 20% actual debt reduction with a separate equity contribution by the owner, including land & opening inventory.

Payback is the total amount of revenue generated in 5 years combined with debt reduction. That figure is then divided by 5 and in turn divided into the total project cost, which includes opening inventory & soft costs. This produces the payback figure, which does not include taxes or depreciation. It is largely a hypothetical figure used by bankers to determine their maximum exposure in the case of default by the borrower.

Debt to cash ratio is based on the total amount of payments in 5 years (60) times the monthly payment (\$22,500) This is then divided into the total revenues. Any factor of 1.21 or higher is considered favorable. *The IRR does not include land cost.*

CAPITALIZATION

LAND COST	\$700,000
NEW 4,500 C-STORE BLDG	\$800,000
PETROLEUM EQUIPMENT	\$550,000
DEMO & SITE PREP	\$100,000
1ACRE PAVING	\$250,000
C-STORE EQUIPMENT & FIXTURES	\$250,000
FAST FOOD PROGRAM	\$50,000
SIGNAGE & FASCIA	\$75,000
OPENING INVENTORY & SOFT COSTS	(\$350,000)
TOTAL TO BE FINANCED	<u>\$2,775,000</u>
TOTAL PROJECT COST	<u>\$3,125,000</u>

NOTE:

Soft costs are shown in brackets to denote them as a separate equity contribution by the owner. Soft costs include drawings; permits; licenses; uniforms; pre-opening training, etc. Opening Inventory does include beer, tobacco and fast food inventory. Land Cost is estimated by SFS based on SFS's knowledge of the Atlanta MSA real estate market and is provided for budgetary purposes only.

Building & construction costs *are estimates only* and can vary by 25% or more depending upon UST status, piping requirements, concrete costs, subcontractors, utilities, etc.

SUMMARY

SFS Corporation assumes no responsibility or liability for the above projections. However, out of the number of studies completed with an operational history, our estimates have averaged a 3% variance between projected and actual fuel and inside sales. ***SFS IS BASING THE ABOVE PROJECTIONS ON ACCURATE DATA PROVIDED BY OWNER. SFS IS ALSO ASSUMING COMPETENT MANAGEMENT & AGGRESSIVE MARKETING BY THE OWNERS.***

SFS feels this site has a sufficient number of factors to be successful as a fuel center with a major oil company brand and proprietary fast food program. These positive factors include strong, commuter based transient *car* traffic on GA-162, the main traffic carrier; additional traffic on Avondale; relatively favorable proposed ingress/egress; the proximity to I-20; some surrounding daytime population and relatively strong surrounding mid to upper middle income residential density.

However, with the above mentioned (Pg. 2) competition within the primary market, it will be important to price competitively with QUIK TRIP, RACEWAY, INGLES & KROGER as well as the rest of the Conyers market as well as offering an all-inclusive loyalty program through the major oil company brand.

If commercial/fleet gas & diesel accounts are not aggressively pursued, and the store is not competitively priced on fuel and offers a loyalty program, the above projections, both gas & diesel, can be negatively impacted by up to 25%, especially in Year 1.

Depending upon the number of commercial/fleet accounts established prior to opening the new facility and a possible fuel partnership with a grocery chain loyalty program, the projections could be exceeded by up to 25% or possibly more in all three years.

Based on the above recommendations combined with the operators already established operating history in the subject market and association with Clipper Petroleum and through them a major oil company brand, this project should be ***considered feasible and aggressively pursued*** as both a profit center and the best use of the land, especially with the widening of GA-162 past the site.

LIQUOR STORE PROJECTIONS

<u>YEAR 1</u>	
C-STORE CUSTOMERS	958
STREET (CAR & DIESEL)TRAFFIC	31,238
TOTAL POTENTIAL CUSTOMERS	32,196
TOTAL LIQUOR STORE CUSTOMERS	133
AVERAGE TRANSACTION	\$15.52
TOTAL REVENUE- DAY	\$2,064
TOTAL REVENUE-MONTH	\$61,925
GROSS REVENUE- YEAR 1	\$639,890
PROFIT MARGIN-25%-PER MO.	\$14,664
TOTAL GROSS PROFIT- YEAR 1	\$175,970
<u>YEAR 2</u>	
C-STORE CUSTOMERS	1,009
STREET (CAR & DIESEL)TRAFFIC	31,924
TOTAL POTENTIAL CUSTOMERS	32,933
TOTAL LIQUOR STORE CUSTOMERS	139
AVERAGE TRANSACTION	\$16.18
TOTAL REVENUE- DAY	\$2,248
TOTAL REVENUE- MONTH	\$67,440
TOTAL REVENUE- YEAR 2	\$696,877
PROFIT MARGIN-26.5% PER MO	\$16,841
TOTAL GROSS PROFITYEAR 2	\$202,094
<u>YEARS 3-5</u>	
C-STORE CUSTOMERS	1,067
STREET (CAR & DIESEL)TRAFFIC	32,883
TOTAL POTENTIAL CUSTOMERS	33,950
TOTAL LIQUOR STORE CUSTOMERS	146
AVERAGE TRANSACTION	\$17.33
TOTAL REVENUE- DAY	\$2,531
TOTAL REVENUE- MONTH	\$75,926
TOTAL REVENUE- PER YEAR	\$784,567
PROFIT MARGIN-27.5% PER MO.	\$19,614
TOTAL GROSS PROFIT- PER YEAR	\$235,370

LIQUOR STORE

<u>YEAR 1</u>	<u>YEARLY</u>
GROSS PROFIT- LIQUOR SALES	\$175,970
TOTAL GROSS PROFIT	\$175,970
TOTAL OPERATING COSTS	<\$108,293>
NET PROFIT- YEAR 1	\$67,676
GROSS PROFIT- LIQUOR SALES	\$202,094
TOTAL GROSS PROFIT	\$202,094
TOTAL OPERATING COSTS	<\$113,888>
NET PROFIT- YEAR 2	\$88,207
<u>YEARS 3-5</u>	
GROSS PROFIT- LIQUOR SALES	\$235,370
TOTAL GROSS PROFIT	\$235,370
TOTAL OPERATING COSTS	<\$120,999>
NET PROFIT- PER YEAR	\$114,371

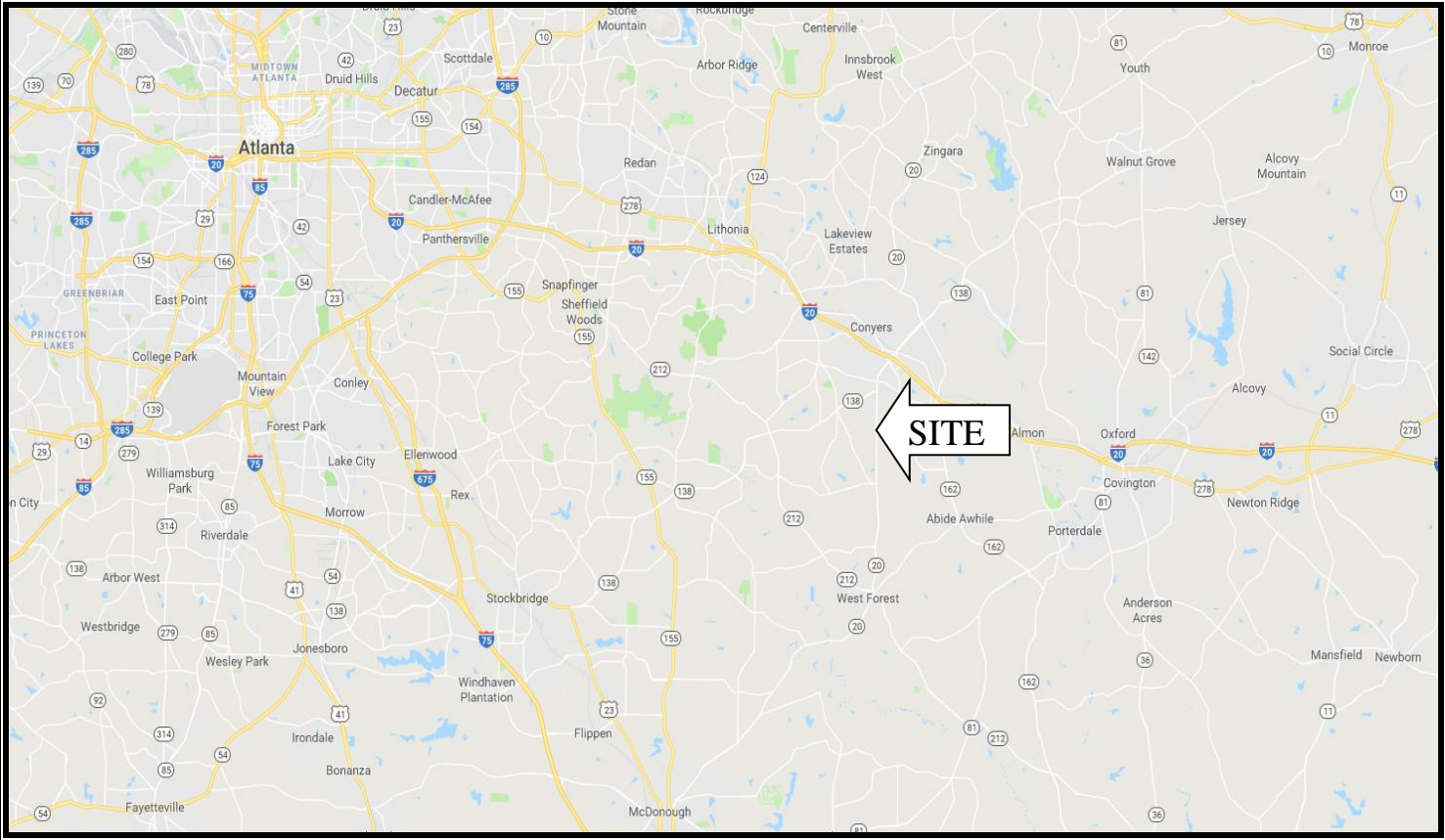
LIQUOR OPERATIONS COSTS

MANAGER	OWNER
2 CASHIERS @ \$10-16 HRS	\$160
PAYROLL TAXES & BENEFITS	\$36
INSURANCE & PROPERTY TAXES	\$25
DEBT SERVICE @ \$1,000/MO	\$33
CO-OPADVERTISING	\$10
ADMINISTRATIVE & MISC.	\$25
SHRINKAGE	\$20
CREDIT CARD & BANK CHARGES	\$25
TRASH & SECURITY	\$15
TOTAL-PER DAY	\$349

NOTE:

Operating Costs are based on being open during state approved hours. Projections are based on selling domestic beer and limited wine in the convenience store

REGIONAL MAP



SITE MAP



AERIAL OF SITE

