

13-9314

Cover:

Washington Petro Mart
4301 Washington Ave, Racine WI 53405
GAS STATION / C-STORE
BUSINESS PROPOSAL PLAN



Washington Petro Mart GAS STATION / C-STORE

Located At

4301 Washington Ave
Racine, WISCONSIN 53405

Prepared For

City of Racine

Prepared On

AUGUST 18th, 2013

Prepared By

Nasir Hanif

PRESIDENT

RZQ Oil Corporation

Mequon, Wisconsin

Store Images:



Legal Page:

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by _____ in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of _____.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to _____.

Upon request, this document is to be immediately returned to _____.

Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of securities.

Executive Summary:

RZQ Oil is a Corporation established by Principal Nasir Hanif who resides in Mequon, Wisconsin.

Washington Petro Mart is a neighborhood gas station/ convenience store which sells gasoline, non-alcoholic beverages, pre-packaged snacks, grocery and convenience items to its customers

The neighborhood in which the property is located has mixed usage. Land use is predominantly residential with commercial properties generally confined to the major traffic corridors. The civic center of Racine is approximately a 15 minute drive east from the location.

This portion of the Metro Racine-Area has maintained residential use at stable housing values. This area is a prime location to own a neighborhood gas station with a C-store. The traffic from the surrounding residential neighborhood, commercial properties, and businesses in the area, are all signs that this location is a prime property.

Washington Petro Mart is located on HWY 20 also known as Washington Ave at 4301 Washington Ave, Racine Wisconsin 53405

Washington Petro Mart is the trade name of the business which is owned by RZQ Oil Inc.

Objectives:

- To provide a clean, safe, one-stop-shop for all local and commuter traffic, and commercial businesses.
- To offer our customers a large selection of superior products, at an affordable price.
- To provide customer service that is above and beyond what is currently available in the immediate and surrounding market.
- Establish a "WOW" factor with exceptional service and products.

Mission:

To become the leading automotive fuel retailer in the area with a distinct competitive advantage over the immediate competition by offering high quality fuel, superior in-store products and professional /friendly customer service.

Our company's mission is to provide a clean environment, a variety of added services, and outstanding customer service directly to the end user.

Our gas station will attract customers because of a clean curb side appeal, powerful illumination, security, safety, ease of use, a one-stop-shop and an atmosphere that is conducive to making the task of pumping gas more enjoyable.

We will hire and train attendants who will take pride in their abilities to do their jobs efficiently and effectively, where customers will benefit by receiving quality and friendly customer service.

Keys to Success:

- High Quality Branded Fuel
- Diesel Fuel Offering
- A Well Merchandised and Clean C-Store
- Good Quality Products at Competitive Prices
- Excellent Professional Customer Service that will Promote Customer Loyalty.
- A Location with High Visibility and Accessibility (convenience factor) that will assure that Commuters will stop to Fuel and Purchase Convenience Items.
- Hiring Industry Experienced Personnel to Manage and Staff the Store.

Company Summary:

Privately owned and operated by RZQ Oil Inc, the property will be a neat and attractive Gas Station/Convenience Store offering consumers with a one-stop-shopping for their fueling and personal needs.

Located in the southwest area of the City of Racine, the Gasoline Station / C-Store will cater to commuter and neighborhood consumers.

The convenience store will be stocked with the proper mix of items and add on services to allow for optimum customer satisfaction.

RZQ Oil Corporation intends to make "visiting the gas station ", a new and pleasant experience for the consumers.

Shopping at the station will be easy and convenient due to the following factors:

- High visibility store front from the street level.
- Lighted exterior signage.
- Easy in and out driving access - traffic light intersection parallel to store location.
- Plentiful parking spots adjacent to the station.
- Lighted and Secure parking lot.
- Plano gram Layout of merchandise in C Store
- Quick and Prompt Customer Service

Store Operation:

The Washington Petro Mart will be open for operation Monday-Sunday. Hours of operation will be 6:00a.m - 10:00 p.m. Monday-Friday, 7:00 a.m. - 10:00 p.m. on Saturday and 8:00 a.m. - 8:00 p.m. on Sunday.

Products:

The Washington Petro Mart Gas Station / C-Store will carry and sell a variety of different products of which the following are included but not limited to:

- Gasoline Fuel
- Diesel Fuel
- Cigarettes/Tobacco
- Soft Drinks
- Energy Drinks
- Gourmet Coffee
- Candy/Gum
- Snacks/Cookies
- Chips
- General Grocery
- Health/Beauty Care
- Oil/Automotive Accessories
- Prepaid Calling Cards
- Lottery

We will also offer our customers the following added services:

- ATM Cash Machine
- Lottery Machine
- Copy/Fax Services
- Air & Vacuum

Management will rely on customer feedback, suggestions, and sales reports to determine the mix of products for inventory.

The company has a list of local and national suppliers for mix recommendations and to choose products from.

The owners attended the local Wisconsin Petroleum Marketers & Convenience Store Association's 2013 Convention and Industry Trade Show held in Madison, WI on April 15, to review industry products and build a networking relationship with vendors.

The owners met with potential suppliers and discussed key operational and purchasing strategies to position our business aggressively into the local market.

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All of the company's anticipated suppliers have been in business for many years and fully understand the importance of timely delivery and customer satisfaction.

Market Analysis Summary:

The Gas Station is located in the City of Racine in the southwest neighborhood. This area has a number of benefits in terms of the commuter and local consumer market that it will provide for the business. The property is located on a corner location on two commercial arterials with good traffic volumes. The property has good exposure and access to this traffic.

The surrounding areas are residential areas with densely populated pockets within the 1 - 2 mile radius of the business. The population contains single family homes, multi family rental complexes, commercial offices and retail buildings.

The location is a excellent subject for being branded as a neighborhood station with majority of the residents patronizing the store on a daily basis for their needs.

Competition Analysis:

The property has five competitors in the local area. The nearest store is a Speedway branded gas station to the west corridor of the intersection. The most proximate stores are on the east and west bound side of Washington Avenue. Most of these competitors are slightly larger.

The station is considered primarily a neighborhood station with steady commuter traffic. The station is considered to be a reasonable automotive fuel retailer with average competition for this moderate to high-traffic area.

| Brand | Distance from Site | Gas Prices | Store Quality Ranking | Profit Centers |
|--------------------------------------|---------------------|--|-----------------------|---|
| Speedway Washington Ave & Ohio St | 0.2 Mile West | \$2.56 regular \$2.66 mid \$2.76 super | Average | Soda/Beer Cigarettes/Tobacco Vacuum Payphone |
| Clark Washington Ave | 0.5 Mile West | \$2.56 regular \$2.66 mid \$2.76 super | Average | Soda/Beer Cigarettes/Tobacco Vacuum Payphone |
| MJ's Lathrop | 2.0 Mile South East | | Average | Soda/Beer Cigarettes/Tobacco |
| Citgo Lathrop | 3.0 Mile South East | \$2.56 regular | Average | Soda/Beer |

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| | | | | |
|----------------------|---------------------|----------------|---------|--------------------|
| | | \$2.66 mid | | Cigarettes/Tobacco |
| | | \$2.76 super | | Vacuum |
| | | | | Payphone |
| BP on Durand | 4.0 Mile South East | \$2.58 regular | Average | Soda/Beer |
| Lathrop & Durand Ave | | \$2.68 mid | | Cigarettes/Tobacco |
| | | \$2.78 super | | Vacuum |
| | | | | Payphone |

Strategy and Implementation Summary:

The owners' key marketing strategy will be to attract new customers and build brand loyalty.

There are several creative ways thru which management will effectively attract traffic and sales. Through a grand opening week, unique in store promotions, competitive pricing, media advertising and public relation strategies, management will increase customer base and sales beating the competition.

All customers will be considered as capital assets. The idea is to acquire them at a reasonable cost and then professionally coddle them with excellent customer service to increase their lifetime value as a customer. A new customer's cost of acquisition is the total amount of advertising dollars spent divided by customers acquired from that advertising.

Marketing Strategy:

The location is considered primarily a neighborhood station with above average commuter traffic. The neighborhood comprises of households around a 2-mile radius. Average household income of \$43,500 annually, with an average of 1.43 cars per household.

Our marketing strategy will focus heavily on promotional sales, niche positioning in the market and professional customer service with loyalty and retention in mind.

- The marketing budget will not exceed \$1,000 per year.
- Our promotions will always stay in tune with our company objectives and mission statement.

Renters/Home Owners

- Advertise to local residences and increase the core of regular customers

- Give customers a reason to increase frequency of visits
- Add Value added Services and Profit Centers

Business Commuters

- The gas station is ideally located for maximum visibility and accessibility
- Promote coffee business/variety of items/ease of convenience to build this trade and turn the commuter into a loyal regular customer

Commercial Business's in the area

- Target commercial businesses - large and small - to build a strong and loyal account relationship
- Many local businesses have fleets of cars and small vans that need gas.
- We will promote the one-stop shop for their fueling needs

Management Summary:

A dynamically driven and self-motivated team will be assembled to carry out this mission.

The Management team has the experience in maximizing business revenues through hard work and methodically improving operations to maximize profitability.

Our methods will be tactical and systematic, creating a well-built template, which will be implemented on future projects and acquisitions.

Highlights of our company's competitive strengths include:

- The Management Team will bring project management skills and key business relationships to the table.
- The team has over five years of combined service and retail industry experience with additional ten years of working in a professional field. This includes the knowledge of key business and financial principles such as accounting, project management, community relations, financial budgeting, strategic operational planning and execution, inventory control, advertising strategies, staffing, and results-oriented leadership.
- We understand what it takes for a gas station business to be profitable. Proven record of five years of running a successful quick service restaurant for a national franchise chain. Success is our only option; failure is not in our vocabulary.

We will hire passionate and committed personnel with prior work experience in the retail and gas station business, who will take pride in their abilities to do their jobs efficiently and effectively, where customers will benefit by receiving, quality and professional customer service.

Since they will be familiar with their expected job activities around the business, it is expected that employee turnover will be minimal.

The owner will make a strong effort to hire a Assistant Store Manager with prior work experience in running and managing a gas station on a day to day basis.

The owner has collectively worked at various relative's gas stations for a considerable amount of time, providing part time help as needed. He fully understand the day to day operations and business transactions of the gas station business.

Training:

All employees will be trained in the following areas:

1. Company's Mission Statement
2. Knowledge of company's goals, products and services
3. Work Safety
4. Familiarity with business and gasoline dispensing equipment
5. Company policy regarding customer service
6. Handling customer complaints
7. Safe Monetary handling techniques
8. Security

Personnel Plan:

The personnel plan is included in the following table below. There will be one salaried Station Manager (Owner), one Assistant Store Manager and 2 - 3 part-time employees working 20-30 hours per week.

The employees will be paid at a starting rate of \$8.00 per hour and will be adjusted based on prior work experience and work performance. All employees will benefit from a one day paid holiday on their respective birthdays.

Additional pay incentives for employees will be made available at a future date to reward employees for their performance levels.

At this time medical benefits will not be offered to any employees.

Job Functions:

Store Manager Responsibilities:

1. Monitor and approve change of the price of gas
2. Collect money from the safe and make a deposit for the bank
3. Solicit, interviews and hire employees
4. Check of employee theft
5. Review and sign all checks

6. Calculate previous day's sales figure
7. Follow up on any problems of previous day
8. Reconcile any business discrepancies
9. Order new inventory
10. Seek commercial accounts
11. Set company policies and train all new employees
12. Accounts Receivable
13. Accounts Payable
14. Payroll
15. Write work shift schedules

Convenience Store Clerks:

1. Re-stock inventory in Convenience Store
2. Handle cash and credit transactions with customers
3. Clean the restrooms
4. Empty trash, and maintain a clean environment inside the convenience store and around the station
5. Wipe down gas pumps
6. Water plants around station
7. Make sure customer are satisfied
8. Anything and Everything to run a successful gas station

Equipment and Supplies for the Operation of "Washington Petro Mart":

(a) Equipment presently owned:

- 1) Beverage Coolers – 7 door Reach In display Cooler
- 2) Merchandising Shelving Units
- 3) Cash Register
- 4) Freezers: Two 4ft by 3ft horizontal freezers
- 5) ATM
- 6) Security Camera System
- 7) Maintenance Equipment & Supplies: Lawn mover, snow shovels, brooms, garbage cans, trash bags, etc.

(b) Equipment will be purchased:

- 1) Cooler – One 3 door Reach In Cooler – 5 ft X 6ft upright
- 2) Shelving Units for Beer product

Beer Supplies:

Upon approval, the business owner will purchase beer supplies from approved and licensed suppliers within the city. I, Nasir Hanif, will purchase normal supplies used in the operation of the gas station/ convenience store including gasoline, cigarettes, tobacco, soda, beer, pre-packaged snack foods, water and other normal supplies

used in operating a gas station / convenience store. The Beer sales are estimated to be about 10% of the total daily sales. Beer sales will also add additional incremental sales of 10% -15% for snacks and frozen foods in the store.

Pre-Paid Insurance by Nasir Hanif for Washington Petro Mart:

I, Nasir Hanif, if requested will provide written evidence to the City Clerk for the City of Racine, Wisconsin, of Liability insurance for the gas station/ convenience store located at 4301 Washington Ave, Racine WI 53405.

The current business liability insurance for Washington Petro Mart is insured by Society Insurance in Madison WI.

Signage:

The current sign was approved by the City of Racine and was installed professionally. The sign has the name "Mobil Mart" printed on it.

Floor Plan:

- A. The floor plan for Washington Petro Mart is attached
- B. The floor plan shows that there will be only one entrance that customers will be able to use to enter the premises.
- C. There is a storage room for beer and other supplies shown.
- D. The business premises are on the main street level at 4301 Washington Ave, Racine WI.
- E. Access to the basement is locked at all times. The basement will be used for additional storage.

Business Bank Account:

The business bank account for Washington Petro Mart is at US Bank located at 4701 Washington Ave, Racine, WI. The business bank account averages a balance of \$15,000.00 on a daily basis.

Building:

The building at 4301 Washington Ave, Racine, WI is owned by RZQ Oil Inc. The building is owned by RZQ Oil Inc for the sum of \$ 2400.00 per month.

Federal ATF Number:

RZQ Oil Corporation has been issued a special tax registration from the United States Department of Treasury for Alcohol and Tobacco Sales.

Federal Employer ID Number:

RZQ Oil has been issued a Federal Identification Number 27-4551826

Wisconsin Business Tax Registration Number:

RZQ Oil Inc was issued a Business Tax Account number by the Wisconsin Department of Revenue. Confirmation of the issuance of said tax number to RZQ Oil Inc d/b/a Washington Petro Mart is attached hereto.

Building Inspection:

The premise located at 4301 Washington Ave, Racine, WI has been inspected by the City of Racine building department and has passed the inspection.

City Health Inspection:

The premise located at 4301 Washington Ave, Racine, WI has also been inspected by the Department of Health for City of Racine for approval of sale of pre-packaged goods.

Security:

The store employees will check customer ID's to verify correct age prior to the sale of alcohol beverages.

The business premises are under 24 Hr Video Surveillance.

The private parking lot is viable from the entrance and illuminated. There are 3 security cameras monitoring the entrance and parking lot of the business.

Concluding Statement by Owner:

Washington Petro Mart is owned by Nasir Hanif. It is a small neighborhood gas station and convenience store.

Nasir Hanif is a resident of 4502W Meadow Circle in Mequon, WI 53092.

Nasir Hanif has no criminal record.

Nasir Hanif is a proper person to be granted a license to sell beer at the gas station/ convenience store known as Washington Petro Mart located at 4301 Washington Ave Racine, WI 53405 by the City of Racine, WI.

Dated:

Respectfully submitted,
Nasir Hanif

| | C-Store | Lottery | Gasoline | C-Store | Lottery | Gasoline |
|----------|--------------|--------------|------------|--------------|--------------|------------|
| Monthly: | \$22,000.00 | \$9,000.00 | 42,000.00 | \$30,000.00 | \$15,000.00 | 50,000.00 |
| Yearly: | \$264,000.00 | \$108,000.00 | 504,000.00 | \$360,000.00 | \$180,000.00 | 600,000.00 |
| Weekly: | \$5,500.00 | \$2,250.00 | 10,500.00 | \$7,500.00 | \$3,750.00 | 12,500.00 |
| Daily: | \$785.71 | \$321.43 | 1,500.00 | \$1,071.43 | \$535.71 | 1,785.71 |

| Sales: | w/o Beer Sales | w/ Beer Sales |
|---------------|----------------|----------------|
| ATM | \$ 264.00 | \$ 500.00 |
| Lottery | \$ 9,000.00 | \$ 15,000.00 |
| Gas Sales | \$144,900.00 | \$172,500.00 |
| C-Store Sales | \$22,000.00 | \$30,000.00 |
| Phone/air | \$55.00 | \$55.00 |
| Race/Kerosene | \$0.00 | \$0.00 |
| Net Sales: | \$176,219.00 | \$218,055.00 |
| | \$2,114,628.00 | \$2,616,660.00 |

| Gross Profit: | | |
|------------------|--------------|---------------|
| Gas Sales \$ | \$ 1,680.00 | \$ 2,000.00 |
| C-Store Sales \$ | \$ 4,180.00 | \$ 8,700.00 |
| Lottery | \$ 504.00 | \$ 840.00 |
| Phone/Air | \$ 55.00 | \$ 55.00 |
| ATM | \$ 264.00 | \$ 500.00 |
| | \$ 6,683.00 | \$ 12,095.00 |
| | \$ 80,196.00 | \$ 145,140.00 |

| Fixed Costs: | | |
|------------------------|---------------------|--------------|
| Rent | \$ 2,450.00 | \$ 2,450.00 |
| Utilities-Electric/Gas | \$ 1,100.00 | \$ 1,100.00 |
| Utilities-Water/Sewer | \$ 15.00 | \$ 15.00 |
| Telephone/Internet | \$ 115.00 | \$ 115.00 |
| Insurance | \$ 356.00 | \$ 356.00 |
| Credit Card | \$2,500.00 | \$2,500.00 |
| Supplies | \$ 30.00 | \$ 30.00 |
| Garbage | \$ 70.00 | \$ 70.00 |
| Real Estate Tax | \$ 1,000.00 | \$ 1,000.00 |
| Theft/Loss (1.0%) | \$ - | \$ - |
| Security | \$ 45.00 | \$ 45.00 |
| Maintenance/Escrow | \$ - | \$ - |
| | \$ 7,681.00 Monthly | \$ 7,681.00 |
| | \$ 92,172.00 Yearly | \$ 92,172.00 |

| Labor: | | |
|---------|--------------------|-------------|
| Labor 1 | \$2,040.00 | \$2,040.00 |
| Labor 2 | \$0.00 | \$0.00 |
| Labor 3 | \$0.00 | \$0.00 |
| | \$2,040.00 | \$2,040.00 |
| | \$2,040.00 Monthly | \$2,040.00 |
| | \$24,480.00 Yearly | \$24,480.00 |

| | | |
|---------------------|----------------------|---------------|
| Total Costs: | \$ 9,721.00 Monthly | \$ 9,721.00 |
| | \$ 116,652.00 Yearly | \$ 116,652.00 |

| Net Profit: | | |
|-------------|----------------|--------------|
| Month | \$ (3,038.00) | -1.72% |
| Year | \$ (36,456.00) | |
| | \$ 2,374.00 | \$ 28,488.00 |

RZQ OIL, INC
NASIR HANIF

PROPOSED GAS STATION RENOVATIONS FOR
METRO-PETRO

4301 WASHINGTON AVENUE RACINE, WI 53403
AUG - 2013



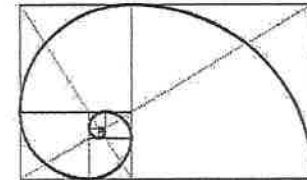
| SHEET INDEX | |
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| 2 | EXISTING FLOOR PLANS |
| 3 | EXISTING ELEVATIONS |
| 4 | PROPOSED ELEVATIONS |
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| 13 | ROOF PLAN |
| 14 | LANDSCAPE DETAILS |

ARC Architectural Group, L.L.C.

2200 NORTHWESTERN AVENUE RACINE, WI 53404

PHONE: 262.637.6100

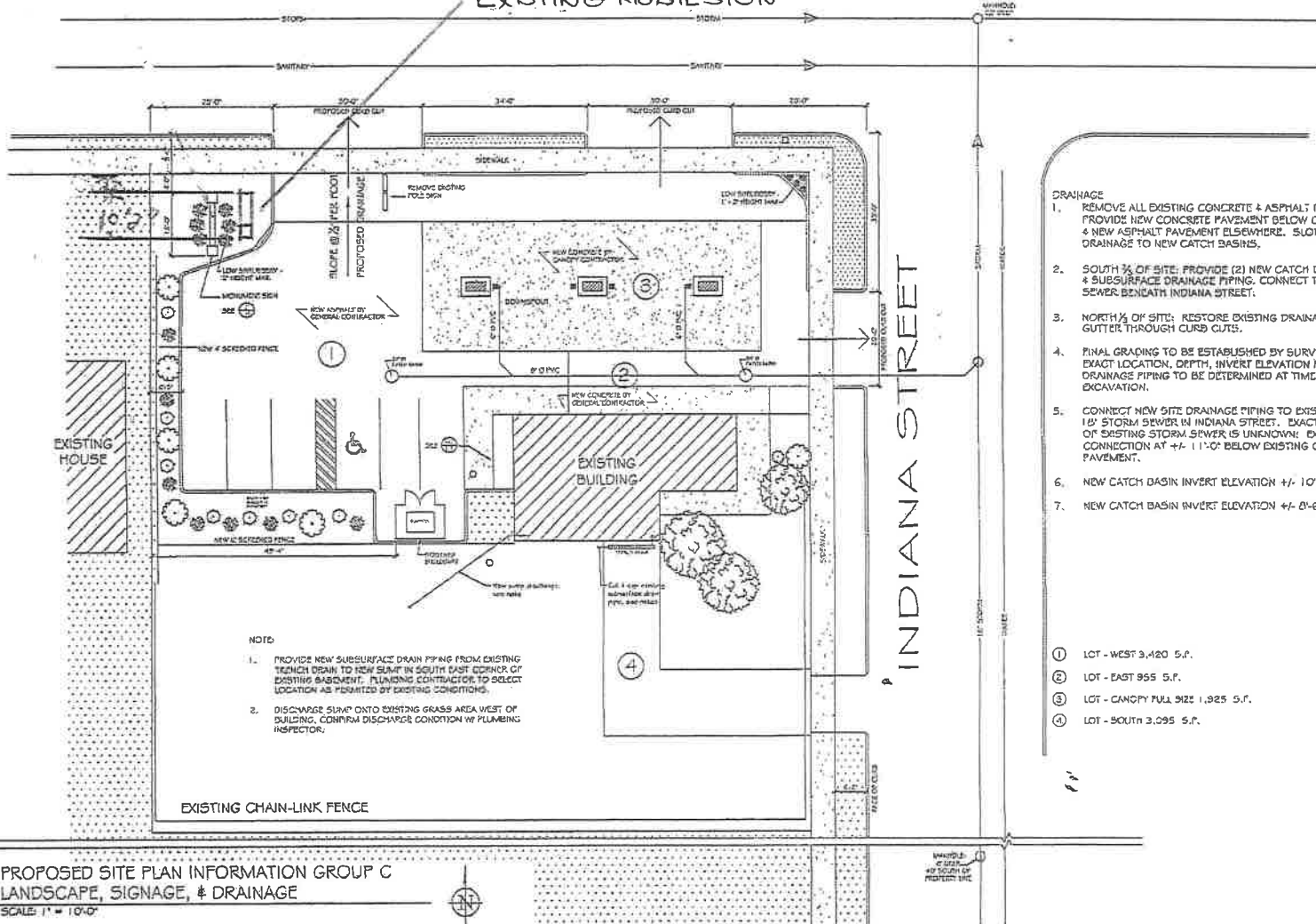
FAX: 262.637.6105



PLAN DATE: 11.11.03

RZQ OIL, INC
NASIR HANIF

WASHINGTON AVENUE
EXISTING MOBILSIGN



- DRAINAGE**
1. REMOVE ALL EXISTING CONCRETE & ASPHALT PAVEMENT. PROVIDE NEW CONCRETE PAVEMENT BELOW CANOPY & NEW ASPHALT PAVEMENT ELSEWHERE. SLOPE FOR DRAINAGE TO NEW CATCH BASINS.
 2. SOUTH 1/2 OF SITE: PROVIDE (2) NEW CATCH BASINS (C.B.) & SUBSURFACE DRAINAGE PIPING. CONNECT TO STORM SEWER BENEATH INDIANA STREET.
 3. NORTH 1/2 OF SITE: RESTORE EXISTING DRAINAGE TO GUTTER THROUGH CURB CUTS.
 4. FINAL GRADING TO BE ESTABLISHED BY SURVEYOR. EXACT LOCATION, DEPTH, INVERT ELEVATION FOR DRAINAGE PIPING TO BE DETERMINED AT TIME OF EXCAVATION.
 5. CONNECT NEW SITE DRAINAGE PIPING TO EXISTING 18" STORM SEWER IN INDIANA STREET. EXACT DEPTH OF EXISTING STORM SEWER IS UNKNOWN; EXPECT CONNECTION AT +/- 11'-0" BELOW EXISTING CONCRETE PAVEMENT.
 6. NEW CATCH BASIN INVERT ELEVATION +/- 10'-0"
 7. NEW CATCH BASIN INVERT ELEVATION +/- 8'-6"

- NOTE:**
1. PROVIDE NEW SUBSURFACE DRAIN PIPING FROM EXISTING TRENCH DRAIN TO NEW SUMP IN SOUTH EAST CORNER OF EXISTING BASEMENT. PLUMBING CONTRACTORS TO SELECT LOCATION AS PERMITTED BY EXISTING CONDITIONS.
 2. DISCHARGE SUMP ONTO EXISTING GRASS AREA WEST OF BUILDING. CONFIRM DISCHARGE CONDITION W/ PLUMBING INSPECTOR.

PROPOSED SITE PLAN INFORMATION GROUP C
LANDSCAPE, SIGNAGE, & DRAINAGE
SCALE 1" = 10'-0"

- ① LOT - WEST 3,420 S.F.
- ② LOT - EAST 955 S.F.
- ③ LOT - CANOPY FULL 922 1,325 S.F.
- ④ LOT - SOUTH 3,095 S.F.

ARC Architectural Group, L.L.C.
2700 NORTHWESTERN AVENUE RACINE WI 53404
PHONE: 92-837-4100

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GAS SERVICE PRELIMINARY REVISIONS FOR:
METRO-PETRO
4301 WASHINGTON AVENUE RACINE, WI 53403

06.06.05
Revised
Plan set
2/11/07

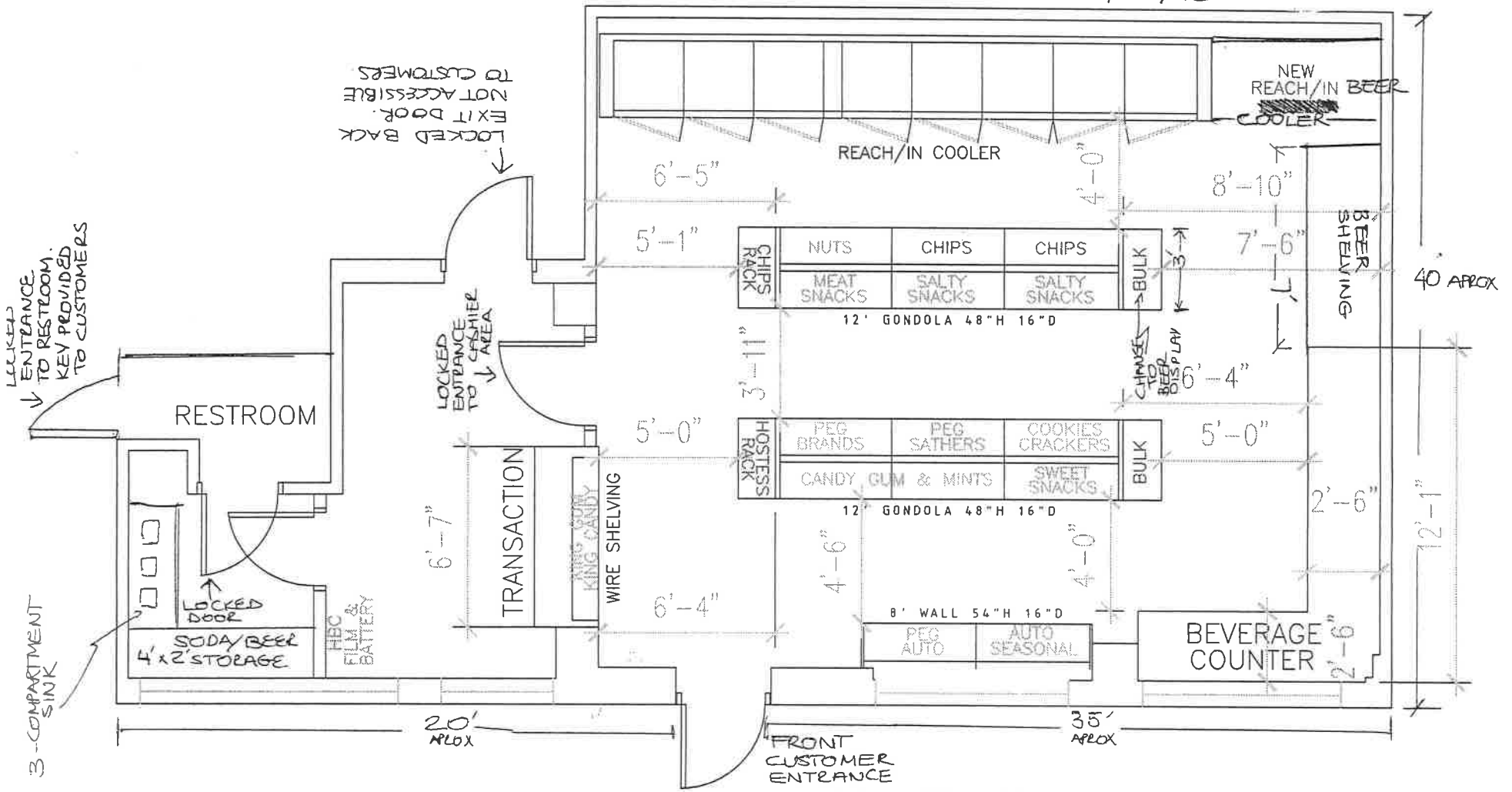
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09.14.04

DRAWN BY:
ESL JMM

9

WASHINGTON PETRO MART
AUG 2013
4301 WASHINGTON AVE
RACINE, WI 53405

RZQ OIL, INC
 NASIR HANIF
 WASHINGTON PETRO MART
 4301 WASHINGTON AVE
 RACINE, WI 53405
 AUG/20/13



LOCKED ENTRANCE TO RESTROOM. KEY PROVIDED TO CUSTOMERS

3-COMPARTMENT SINK

LOCKED BACK EXIT DOOR. NOT ACCESSIBLE TO CUSTOMERS

LOCKED ENTRANCE TO CASHIER TO AREA

RESTROOM

SODA/BEER 4'x2' STORAGE

HBC FILM & BATTERY

TRANSACTION

WIRE SHELVING

CHIPS RACK

HOSTESS RACK

REACH/IN COOLER

12' GONDOLA 48"H 16"D

12' GONDOLA 48"H 16"D

8' WALL 54"H 16"D

NEW REACH/IN BEER COOLER

BEER SHELVING

BEVERAGE COUNTER

FRONT CUSTOMER ENTRANCE

WASHINGTON PETRO MART



CHAMBERS & OWEN, INC.
 1733 MORSE ST.
 JANESVILLE, WI 53547-1489
 1-800-236-3338

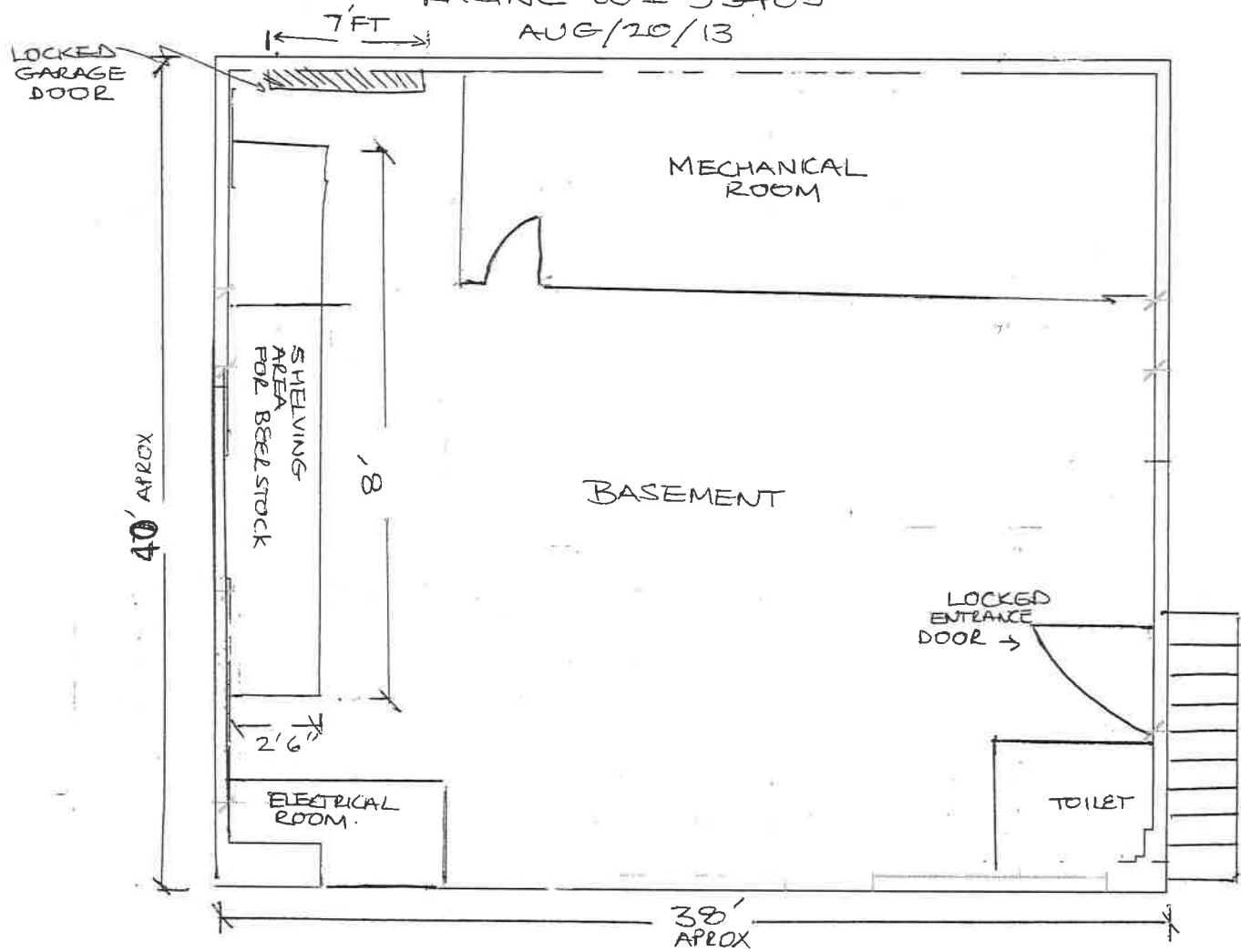
STORE: RACINE BP--
 ADDRESS: 4301 WASHINGTON AVE.
 CUSTOMER NUMBER: --
 DATE: APRIL 2011

PRELIMINARY DESIGN, NOT FOR CONSTRUCTION



WASHINGTON AVE

RZQ OIL, INC
 NASIR HANIF
 WASHINGTON PETRO MART
 4301 WASHINGTON AVE
 RACINE WI 53405
 AUG/20/13



WASHINGTON PETRO MART

| | |
|---|---|
|  <p>CHAMBERS & OWEN, INC. 1733 MORSE ST. JANESVILLE, WI 53547-1489 1-800-236-3338</p> | <p>STORE: RACINE BP-- ADDRESS: 4301 WASHINGTON AVE. CUSTOMER NUMBER: -- DATE: APRIL 2011 AUG/2013</p> |
| | <p>PRELIMINARY DESIGN, NOT FOR CONSTRUCTION</p> |



addressing a need state, has been influential. "Probiotic juices, protein milks, therapeutic beverages for post-exercise—consumers are looking for it," he said. "And retailers must be willing and quick to accommodate those sets and change."

He challenged retailers to review their cooler door counts and potentially add doors, as his company has done.

"Look at your competitors," he said. "This is a category that will grow for us. What will you have to do?"

New Thirst for Beer

Another segment picking back up for the industry is beer. A national average that includes stores that don't sell beer puts sales increases at 7.6%, but for those selling beer, 2012 saw a 13% jump in sales, Smartt said. The industry experienced a similar increase in margins.

Though cross-channel competitors are entering beer sales, Smartt suggested knowing the competitor and the target demographic. Premiums continue to account for half the category sales, but microbrews saw a 76.2% increase in sales in 2012, while superpremiums and flavored malt beverages saw double-digit increases, according to Nielsen Syndicated data.

From his perspective, Smartt said manufacturers are targeting millennials, who are driving demand for sweeter products with higher alcohol content.

Another area to watch is specialty imports. Smartt's Texas-based chain sees a lot of movement in beers from Mexico. Overall, it's a subcategory in which "space is premium and where [retailers] need to demand movement," he said.

Finding Foodservice

At 15.8% sales contribution, foodservice continues to drive new revenue to the

industry, with standouts in the category including frozen dispensed and cold dispensed beverages, and commissary items. Trends show gross profit dollars outpacing sales by about 4%, according to NACS CSX numbers over the past three years.

Foodservice as a whole maintained high margins, with prepared foods at 52.4%, frozen dispensed beverages at 52.5% and hot dispensed beverages at 60.5%. Average sales were \$16,308 for prepared food, \$899 for frozen dispensed and \$5,869 for hot dispensed.

"Here's the hard part about food," Smartt said. "It's not like ... we're all selling the same pack of cigarettes. For foodservice, someone's selling chicken, someone has a franchise or is doing a proprietary program, so it's difficult for us to get an in-depth look at foodservice."

He suggested retailers review numbers from quick-service restaurants (QSR) to evaluate the potential of their own foodservice offers. "If you sell pizza, look at a Pizza Hut," he said. "That's who we need to be benchmarking against. That's how we'll raise the bar on foodservice."

And while foodservice accounted for about 16% of inside sales, top performers are clearly embracing the category as a way to thrive as other core categories flounder. Top-quartile companies did almost triple that of second-quartile companies in prepared foods and almost double in hot dispensed beverages.

SOI numbers also indicated potential trends—some logical, some dubious. For instance, top performers made more on foodservice but less on cigarettes, possibly using cigarettes as a traffic driver. At the same time, bottom performers sold a lot of foodservice but barely made money at it.

"Clearly we have an ongoing debate," Smartt said. "Retailers need to understand what they're making."

Summarizing Results

In looking back at his observations, Smartt said SOI numbers for 2012 told both category-specific stories and those of a broader scope:

- ▶ OTP remains strong, with the growth of smokeless and e-cigarettes helping address falling demand for cigarettes.


- ▶ Snacking is sizzling. Manufacturers are meeting a demand for healthier alternatives, with calorie-controlled packaging and healthier ingredients.

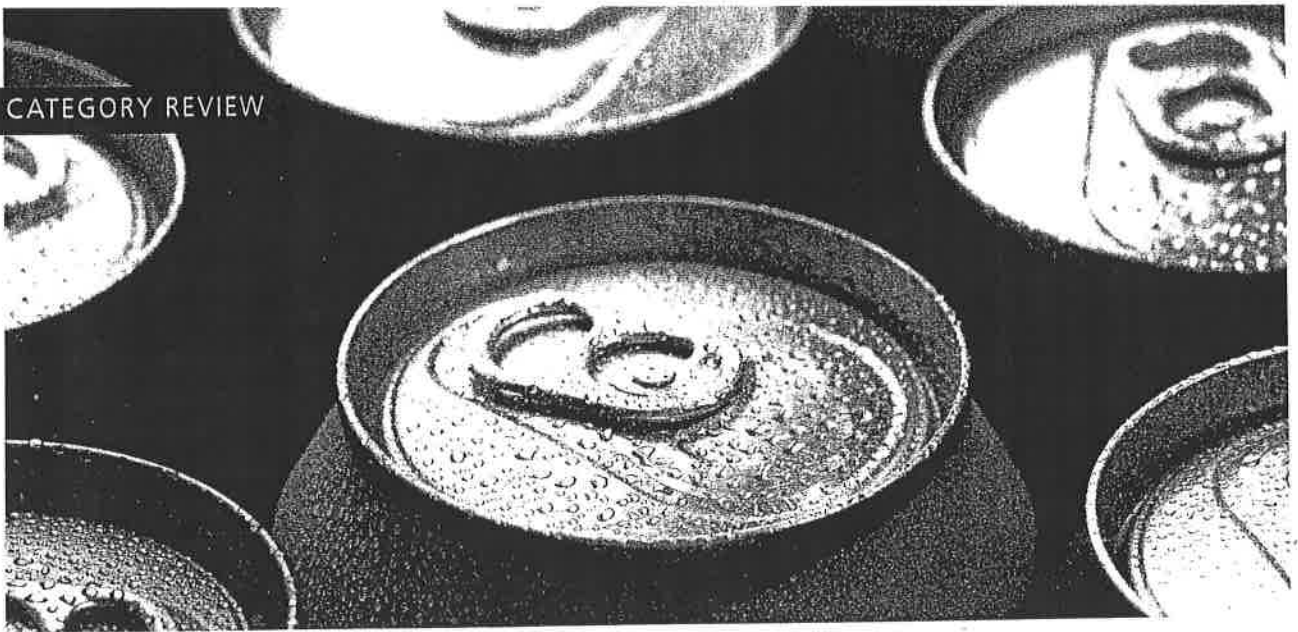
- ▶ Packaged beverages are a home-run category but, Smartt said, "Don't get sleepy because we've had success. Examine your cooler size and reinvest."

- ▶ Beer innovation is chasing demand, hitting a chord with millennials, who prefer sweeter options with higher alcohol content. It means space is at a premium, with high turns a prerequisite for all products.

- ▶ Foodservice trends continue upward, but Smartt advised benchmarking against QSR chains with equivalent menu selections as a way to motivate growth.

Lastly, Smartt asked retailers to get involved with the legislative process. "Look at how many of our categories are facing punitive [mandates]: cigarette taxation, menu labeling, anti-caffeine and anti-sugar [efforts]," he said. "Our voice needs to be heard." ■

 **Editor's Note:** Data presented at the 2013 NACS State of the Industry Summit was preliminary and derived from company submissions as of March 31, 2013. Final industry data will appear in the NACS® State of the Industry Report of 2012 Data, available for order online at www.nacsonline.com.



► In-Store Sales Trends

The makeup and rank of the industry's top 10 categories held steady despite overall industry sales increases that appeared to show advances in areas of foodservice, packaged beverages and beer. However, small declines in cigarettes were evident.

In-Store Sales Contribution

| Category | Share of in-store sales |
|--------------------|-------------------------|
| Cigarettes | 36.3% |
| Foodservice | 15.8% |
| Packaged beverages | 14.7% |
| Beer | 7.6% |
| OTP | 4.4% |

► Leaders in Merchandise Sales

According to the same-firm sample, cigarette sales fell 2.7% in 2012, averaging \$51,863 per store per month. Sales of alternative and salty snacks grew in double digits, as did the milk category.

| Category | Sales dollars* | PCYA** |
|--------------------|----------------|--------|
| Cigarettes | \$51,863 | -0.9% |
| Packaged beverages | \$21,117 | +7.0% |
| Beer | \$16,506 | +4.7% |
| OTP | \$6,571 | +6.5% |
| Salty snacks | \$6,297 | +9.4% |

Source: NACS; preliminary data. Final data to appear in the NACS® State of the Industry Report of 2012 Data

* Per store per month

** Percent change from a year ago

► In-Store Gross-Profit-Dollar Contribution

| Category | Share of in-store gross profit \$ |
|---------------------------------|-----------------------------------|
| Foodservice | 27.1% |
| Packaged beverages | 18.8% |
| Tobacco | 21.0% |
| Center store (snacks/candy) | 13.7% |
| Beer (all industry average) | 4.6% |
| Beer (only stores selling beer) | 8.0% |
| All other | 14.8% |

► Top Gross-Margin Earners

Packaged beverages led as the top gross-margin earner in 2012. Packaged sweet and salty snacks posted double-digit gains in sales and gross-profit dollars among these categories, according to the same-firm sample.

CITY OF RACINE 06-11

Supplemental Application Form for ALL NEW Alcohol Establishments

Date AUG - 20 - 2013

Name of Corporation/LLC/Individual RZQ OIL, INC.

Address of Licensed Premise 4304 WASHINGTON AVE, RACINE WI - 53405

PART 1

1. Have you contacted the alderman and neighborhood business association for the area in which you intend to locate? YES NO
2. Are there any special conditions desired by the neighborhood? YES NO
3. What type of business do you or will you conduct at this location? (check all that apply)
(Other licenses/permits may be required to operate your business.)

| | |
|--|---|
| <input type="checkbox"/> Full Service Restaurant | <input type="checkbox"/> Grocery Store |
| <input type="checkbox"/> Bed and Breakfast | <input type="checkbox"/> Convenience Market without Gas |
| <input checked="" type="checkbox"/> Convenience Market with Gas | <input type="checkbox"/> Billiard Center (Billiard Hall License Required) |
| <input type="checkbox"/> Bowling Center (Bowling alley license req.) | <input type="checkbox"/> Catering (Sales only allowed on the premises issued an alcohol beverage license) |
| <input type="checkbox"/> Comedy Club | <input type="checkbox"/> Indoor Golf Facility |
| <input type="checkbox"/> Hotel | <input type="checkbox"/> Gift Shop Museum Center for the Visual and Performing Arts |
| <input type="checkbox"/> Video Game Center 6 or more games (Amusement Center license req.) | <input type="checkbox"/> Veterans Club |
| <input type="checkbox"/> Night Club (Dance Hall License Required) | <input type="checkbox"/> Tavern |
| <input type="checkbox"/> Brew Pub | <input type="checkbox"/> Volleyball Court (Permanent expansion of premises required) |
| <input type="checkbox"/> Fraternal Club | <input type="checkbox"/> Wine Tasting Room |
| <input type="checkbox"/> Theater Performances | <input type="checkbox"/> Liquor Store |
| <input type="checkbox"/> Private Sports Club | <input type="checkbox"/> OTHER (Please List) |
| <input type="checkbox"/> Department Store/Drug Store | <input type="checkbox"/> |
| <input type="checkbox"/> Cafe/Coffee Shop | <input type="checkbox"/> |

MON - FRI 6:00AM - 10:00 PM SUNDAY: 8:00AM - 8:00 PM
SAT 7:00AM - 10:00 PM

4. Hours of Operation MON - FRI 6:00AM - 10:00 PM SUNDAY: 8:00AM - 8:00 PM
SAT 7:00AM - 10:00 PM
Indicate the intended hours of operation by day. If your establishment will be open past midnight, the indicated losing time will be understood to be the day following the indicated time your establishment will be open for business. Example: Friday-Sunday 4 pm-1am)

5. How many customers do you anticipate on your busiest days:
 25-50 50-100 100-200 200-400 X More than 400

6. Ratio of Food to Alcohol (Exclusive of any cover charge)
 X 75% or more food Snacks Only Other 50/50 No Food

7. Drink Specials
 Will Drink Specials be offered? Y (N)

What Kind NO ALCOHOL BEVERAGES
 Page 1 of 6 SERVED OR ALLOWED TO CONSUME ON PREMISES / TAKE AWAY ONLY.

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Supplemental Application Form for ALL NEW Alcohol Establishments

8. What type of license(s) do you hold at this premise? (check all that apply)

| | |
|---|---|
| <input checked="" type="checkbox"/> Cigarette | <input checked="" type="checkbox"/> Food (Apply at the Health Dept) |
| <input checked="" type="checkbox"/> Gas Station (Apply at Clerk's Office) | <input checked="" type="checkbox"/> SODA, WATER |
| <input type="checkbox"/> Other (LIST) | <input type="checkbox"/> |

9. If applying for a Class B or C license, what type of food service will you have at this location?
(check all that apply)

| | |
|--|--|
| <input type="checkbox"/> None | <input type="checkbox"/> Prepackaged Foods |
| <input type="checkbox"/> Snacks/Appetizers | <input type="checkbox"/> Catered Events |
| <input type="checkbox"/> Full Meals -Hours of Food Service. From _____ To _____ (attach additional sheets) | |

10. Is this premise under construction? Yes No If yes, estimated completion date?

11. Is this a franchise? Yes No

12. Is this premise currently licensed? Yes No If yes list type of license GAS STATION

13. Is the current licensee operating? Yes No If no, list date closed _____

LITTER/GARBAGE: What are your plans to keep the grounds clean? (check all that apply)

| | |
|---|--|
| <input checked="" type="checkbox"/> Sweep | <input checked="" type="checkbox"/> Pressure Wash |
| <input checked="" type="checkbox"/> Pick up litter | <input type="checkbox"/> Hired Maintenance |
| <input checked="" type="checkbox"/> Building owner responsibility | <input checked="" type="checkbox"/> Garbage Cans Outside |
| <input type="checkbox"/> Other (List) | <input type="checkbox"/> |

Who is responsible to keep the grounds clean? (Licensee/Building Owner/Hired Maintenance/Other)

LICENSEE OWNER / STATION EMPLOYEES

How Often? (Daily, Weekly, Other) 3 TIMES DAILY AT SHIFT CHANGE

NOISE: How are noise issues addressed? (check all that apply)

| | |
|--|--|
| <input type="checkbox"/> Security | <input checked="" type="checkbox"/> Manager approaches customer(s) |
| <input checked="" type="checkbox"/> Call Police | <input checked="" type="checkbox"/> Signs Posted |
| <input checked="" type="checkbox"/> Other (List) <u>SECURITY CAMERAS</u> | <input type="checkbox"/> |

SECURITY: What is your security plan? (check all that apply)

| | |
|--|---|
| <input type="checkbox"/> None | <input type="checkbox"/> Bouncers |
| <input type="checkbox"/> Hired Security Officers | <input type="checkbox"/> Off Duty Police Officers |
| <input type="checkbox"/> Other (List) | <input checked="" type="checkbox"/> Digital Video Camera System |

Supplemental Application Form for ALL NEW Alcohol Establishments

PART 2: DETAILED BUSINESS SITE PLAN

A: ATTACH BUSINESS PLAN which outlines the type of business you plan to operate if granted a license. This should be typed and include the following:

- Hours of operation
- Alcohol sales based on a percentage of total sales
- Sample Menu (if applicable)
- Security
- Parking
- Staffing
- Plan to deal with non-smoking laws
- Any special events/plans
- Good neighbor practices (i.e. litter control)
- Detailed Budget including estimated costs/profits

B: ATTACH DETAILED FLOOR PLAN-You will need to submit a detailed floor plan.

READ ALL INSTRUCTIONS BEFORE PREPARING THE FLOOR PLAN.

- Any application submitted without the detailed floor plan (including all required items as listed below) will not be accepted.
- Even if the premise had previously been licensed and a floor plan submitted, a new floor plan must be submitted with this application.
- The floor plan must be filed on 8 1/2" by 11" size paper.
- A separate sheet of paper must be filed for each floor where alcohol will be stored, displayed, sold, given away and/or consumed.
- Even if the basement is being used for alcohol storage only, a floor plan is still required for the basement.
- Hand drawn floor plans in ink are acceptable. Plans do not need to be architectural drawings or need to be to scale.

THE FLOOR PLAN MUST INCLUDE ALL OF THE FOLLOWING ITEMS:

1. Dimensions of the Premises.
2. Total Square Feet of the Premise (length x width=square feet).
3. Label all entrances and exits.
4. Label all alcohol storage areas (coolers, etc).
5. Provide dimensions of all alcohol storage areas (length x width)
6. Label all alcohol display areas (behind the bar, shelves, etc.)
7. Provide dimensions of all alcohol display areas (length x width)
8. Class B & C Applicants Only: Label all seating areas, bars, and food preparation areas (kitchen)

Supplemental Application Form for ALL NEW Alcohol Establishments

9. Class B & C Applicants Only: Label all outdoor areas used for the sale of service of alcohol beverages (for example, patios, beer gardens, sidewalk cafes)
10. Class B & C Applicants Only: Provide dimensions of all outdoor areas used for the sale or service of alcohol beverages (length x width)
11. Label all parking areas on the premises (do not include street parking) (This is required if the parking is shared, for example, a strip mall.)
12. Provide dimensions of all parking areas available on the premises (length x width). The parking areas(s) should be marked on the floor plan for the first floor showing the relation to the building.
13. Mark the North Point (N) on each page.
14. Write the date on each page.
15. Write the Legal Entity Name (and Agent's Name if a corporation or LLC) on each page
16. Write the Trade (Business) Name on each page.
17. Write the Premise address on each page.

IF YOU LEASE THE BUILDING, ANSWER THE FOLLOWING QUESTIONS:

Have you signed the lease? Yes No

Date lease begins: _____ Expires _____

Monthly Rental: \$ _____

Do you have an option to renew the lease? Yes No

Does your lease allow for the assignment to another party without consent of the owner? Yes No

For what length of time have you been guaranteed occupancy? (number of years) _____

In addition to paying monthly rental, will you have to pay anything additional to the owner of the building to guarantee performance of the lease? Yes No Explain if Yes _____

Does the present owner or occupant object to the granting of your license? Yes No

Explain if Yes _____

The City of Racine requires that you describe the type and general nature of entertainment that you will have under the following licenses:

- **Amusement** - COMPLETE SECTIONS A & B
Allows entertainment or exhibitions consisting of music, dancing, singing and floorshows performances. Includes Dance, Instrumental Music and Record Spin.
- **Dance License** - COMPLETE SECTION A ONLY
Allows dancing on the premises by patrons only. Dancing by performers is not allowed. This license also allows the playing of pre-recorded music machines (Record Spin) and instrumental Music by musicians. Singing is permitted if done by the persons actually engaged in the playing of the musical instruments.

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Supplemental Application Form for ALL NEW Alcohol Establishments

- **Instrumental Music** - COMPLETE SECTION A ONLY
Permits the playing of instrumental music only, with singing on the part of and only by persons actually engaged in the playing of such musical instruments. No dancing allowed.
- **Record Spin** - COMPLETE SECTION A ONLY
Permits DJ's, karaoke and CD players. No dancing allowed.

N/A SECTION A: CHECK ALL THE TYPES OF MUSIC THAT APPLY: ("Variety" is not an acceptable answer.)

| | | |
|---|---|--------------------------------------|
| <input type="checkbox"/> Blues | <input type="checkbox"/> Latin Pop | <input type="checkbox"/> Hard Rock |
| <input type="checkbox"/> Reggae | <input type="checkbox"/> Classic Rock | <input type="checkbox"/> Country |
| <input type="checkbox"/> Easy Listening | <input type="checkbox"/> Contemporary R&B | <input type="checkbox"/> Dance - Pop |
| <input type="checkbox"/> Irish | <input type="checkbox"/> Tropical | <input type="checkbox"/> Other(list) |
| <input type="checkbox"/> Mexican Top 40 | <input type="checkbox"/> New Age | <input type="checkbox"/> |
| <input type="checkbox"/> Modern Rock | <input type="checkbox"/> Rap | <input type="checkbox"/> |
| <input type="checkbox"/> Heavy Metal | <input type="checkbox"/> Jazz | <input type="checkbox"/> |
| <input type="checkbox"/> Hip- Hop | <input type="checkbox"/> Classic R&B | <input type="checkbox"/> |
| <input type="checkbox"/> Dance - R&B | <input type="checkbox"/> Techno | <input type="checkbox"/> |
| <input type="checkbox"/> Polka | <input type="checkbox"/> Folk | <input type="checkbox"/> |

SECTION B: OTHER (check all that apply) X **NOT APPLICABLE**

| | |
|--|---|
| <input type="checkbox"/> Battle of the Bands | <input type="checkbox"/> Comedy Acts |
| <input type="checkbox"/> Disc Jockey | <input type="checkbox"/> Live Musicians |
| <input type="checkbox"/> Magic Shows | <input type="checkbox"/> Poetry Readings |
| <input type="checkbox"/> Rapping/Rap Contests | <input type="checkbox"/> Solo Singers/Groups |
| <input type="checkbox"/> Dancing by Performers-Describe | <input type="checkbox"/> Wrestling-Describe |
| <input type="checkbox"/> Fashion Shows-Describe | <input type="checkbox"/> Patron Contests-Describe |
| <input type="checkbox"/> Exotic Dancer/Stripper/Adult Entertainment-Describe | <input type="checkbox"/> Other - Describe |

Attach additional pages if necessary

If the type of entertainment is not listed above, please describe the type of entertainment you will have:

CITY OF RACINE 06-11

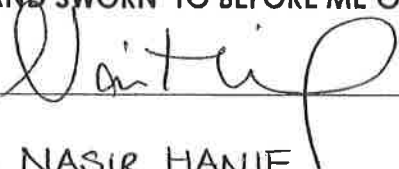
Supplemental Application Form for ALL NEW Alcohol Establishments

IF AFTER THE LICENSE HAS BEEN GRANTED OR ISSUED, YOU WISH TO DEVIATE FROM THE TYPE(S) OF ENTERTAINMENT LISTED. YOU MUST SUBMIT A "REQUEST TO CHANGE THE PLAN OF OPERATION". NO CHANGES IN ENTERTAINMENT SHALL TAKE PLACE UNTIL THE REQUEST HAS BEEN APPROVED BY THE PUBLIC SAFETY LICENSING AND/OR CITY OF RACINE COMMON COUNCIL. _____ (INITIAL)

I (we), the undersigned have a knowledge of the City Ordinances and State Laws currently regulating these licenses and being duly sworn under oath, depose and say that I am (we are) the person(s) and that all statements made in the foregoing application are true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME ON AUG-21, 2013

Signature _____



Printed Name NASIR HANIF

Address 4301 WASHINGTON AVE
RACINE, WI 53405

