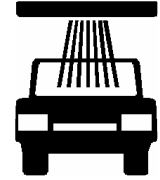




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Western Car Wash Association



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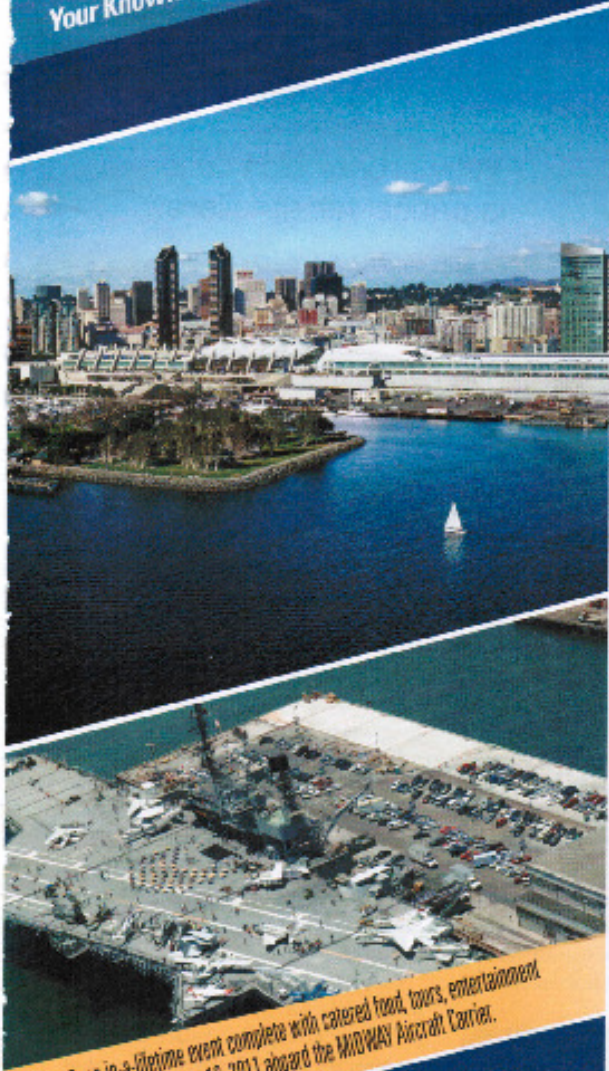
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Circle 283

How to value a car wash

October 18, 2011

By: Roger A. Pencek

So you want to know that a car wash (Full Service, Express and Self Service) is worth, operating or new build, the following should be a simple estimate of values you can use as a guide. Recently this year on October 12th, 2010 I presented a seminar at the Western Car Wash Association (WCA @ MGM convention Center) in Las Vegas Nevada as "How to value your carwash" as I have done for the past several years. As usual in the audience I found that the attendees were split evenly between the Full Service (FS), Express (E) and Self Service (SS) eagerly wanting to know what the "current" market values were due to the economy. I delivered then as now the "how to approach" of valuing a wash as a neophyte with simple and reasonable tools in evaluating a washes value. Hello, values are down by 35-45% across the USA. Don't leave yet, I'm just getting started to defend that statement. I'm sure I'll get a lot of mail denial mail over this "reality check", but Banks and Appraisers both agree with me, I'm right. I am not nor is Car Wash Brokers Inc., is nor ever have had a MAI appraiser designation, but through our experience since 1985 in selling carwashes in the USA we offer this practical information.

The individual wanting a VALUE of a wash with paperwork supporting a current value, has several options, here are the 2 most common, MAI Appraisal or Opinion of Value. To appraisers credit they are Bank / Lender certified contractors who use a more intense appraisal report generally at a cost of \$2k-3,500 per location and do a superb job IF they have direct experience and history of appraising car washes. Conversely to the MAI appraiser, there is a common Opinion of Value (OOV) that we, CPS's and Car Wash Consultants craft for a fee of approx \$800-\$1,500 per site which incorporate similar techniques we will discuss in this article, as a "acid test" of value for a seller wanting a current value of their wash, Buyer who would like a unbiased 'opinion of value' as to the value of a wash prior to making an offer, or a Lender who wants a spot check as to a current their portfolio of washes that they have loans on.

Full Service (FS): Since 2008 there has been a severe 30% decline in the FS wash market value justifiably due to the "\$18.00 wash customer" is not washing as much, and being slowly converted to the speed and economics of the evolving Express wash. There is one common way to determine a value by the income approach by which, FS washes are price valued on a multiple of EBIDTA (earnings, before, interest, depreciation, taxes and amortization). Today 5-6 's EBIDTA is the reasonable multiplier contrary to the 1995-2008 "cash cow" days of the FS 8-12'xs multiplier. There is a easy way to establish this fancy EBIDTA equation, just take the total profit centers yearly gross sales of the wash, lube, conv store and detail times .33%, which reveals the EBIDTA. In the event there is fuel at the site take .08 cents per gallon and times it by the gross gallons pumped and add it to the gross before your times it times .33%. there is a few variables to keep in mind, the variance of 4-6 times the EBIDTA has some caveats that have to be take into consideration: competition, condition of the equipment, on site or absentee owner, road construction just to mention a few. Like all wash valuations the wash has to have a history

of books and records for at least 3 years or the reproduction approach has to be used. The value system relies on the cost to rebuild the wash. The respected equation is reasonable for a new build: Land (40-60K square feet @ \$10-25 PSF) + Building (\$150.00 PSF) + Equipment (\$450K) + Convenient Store (\$150K) + Lube (\$300K) + Landscaping (\$100K) + Signage (\$50K) + water and sewer hookups (\$100-200-400K) + Soft Costs (\$200K) + Start Up (\$150K) + ADVO (\$25k), well lets call it \$3-4M out of the box.

Notice the greatest variable is the land cost that is quite different from the West coast land and the more rural areas of the Midwest. The Comparable approach is based on other washes that have sold on similar gross sales and time period, not so many right now, that's out.

In general this FS wash model has the most potential for income because of the average base wash of \$10.99 and its additional profit centers; however that also comes with a penalty of 40% of gross income as typical payroll. Therefore a break even before seeing a profit is to monitor the payroll and deliver exceptional service all in balance to achieve a minimum of 4,500 cars per month (goal 8-9K cars per month) with an average car wash ticket of \$18.00 with out lube, c store, lube, detail or fuel. Although SERVICE is the magic ingredient to success of the FS, on site ownership and the ticket writer are the keys and determine the fate of success or failure.

Express: This hybrid wash started evolving in around 2006 as an alternative to the long wash time and high priced Full Service car wash. It resembles the FS model except that it has typically a longer tunnel; about 140 feet and can wash 6-8 cars at a time and offering FREE vacuuming. The price point starts typically at \$5, \$7 and \$9 wash options. Pretty simple, for a 5 minute wash with a national average of \$6.30 per car, defiantly the "wave of the future". The key point here is the payroll of 11-15% for Express vs. the FS 40%, which makes this wash investment a superior value for the absentee owner. The income approach value is simple, take the gross sales of the last 12 months rolling (not the EBIDTA) times the multiple 4-4.3 and the value is computed. Of course again the wash has to have a history of at least 3 years which brings the wash into its prime. The wash is based on VOLUME of cars obviously times the average price per car. The goal here is to begin the wash at 8,000 cars per month for the first year and at the end of the 3rd year do 10,000 cars per month @ \$7.00 per car. In its infancy stages of growth the popularity of the express wash model by 2016 should optimistically consume 65% of the total car wash customer base. The reproduction approach as to the new build is Land (30-40,000 SF @ \$15-25 PSF) + Building (\$150K PSF @ 5,000 SF) + Equipment (\$450K) + Soft costs (\$100K) + Landscape and water hook ups (\$100-400K) + Advertising and start up costs with free washes for 30 days (\$50-75K). As you can see the reproduction cost is about \$2.4-3.2M, greatly depending on the cost of the land i.e., Geography of the wash location.

All around this Express wash model was crafted for rocket speed, convenience, economical, and security for the car wash customer since they stay in the car during the 5 minute wash experience versus the traditional FS wash. Here the value is determined simply by volume and average car washed per month as discussed above. The short fall here too is that break even for this E wash has to be at least 6,800 cars per month at \$5.85 per car. The ultimate 'sweet spot' for this E wash is 11,000 cars per month @ \$7.00 per car and with a few extra service upgrades totaling gross sales of average 12 months @ \$1M per year. The market value of this E wash can rationally achieve a \$4M price tag and EBITDA of \$400K (40%). If a buyer places \$1M down and finances \$3M @ \$20K per month debt service of \$240K minus

the \$400K EBIDTA the investor here absentee should easily enjoy a minimum \$160K PURE profit which is 16% before any depreciation, ammonization or any other deductions, and this is a real estate secured investment, who couldn't be excited about this, especially as a absentee owner?

Self Service: The typical 4-6 bay self service (coin operated) car wash typically with a single in bay automatic tunnel is the one 30-40 years ago we would go with our Dad's and wash the car on the weekend. Often called "squirters" or "coin" washes evolved in rural areas in the mid 1950's as the "go to place" to wash the family car. Generally placed on a lot that was later to be assembled into a higher and better use down the road. As populations grew in the Urban areas, so did the SS washes. In the 1980's the SS washes were so popular demand for Full Service e grew and they shared a even customer base determined directly on the customers amount of services offered and willing to pay. **Income** approach of the SS wash values are today determined on a multiple of 3-5 times Gross sales. Remember the way to get the highest value it reporting ALL THE COINS, yupp ..even the ones that fall on the floor. The owners of these washes are generally on site and do all the collections and have had a habit of poor math skills, and you "don't get it both ways" as they say in my industry. **There are ways of determining the true gross sales dependent on the % of owners water usage, utility bills and chemicals, but a expert in the wash industry can take a crack at that if needed, enough said.** The **reproduction cost** today is almost prohibitive based on the following costs: Land (30,000 sf @ \$10-20 PSF) + Building and equipment (4 -6 bays @ \$70,000 each per bay) + Building & Automatic (\$250K) + Water and sewer hookup and utilities to the site (\$150K) + Soft costs and zoning (\$100K) + Landscaping (\$50K), bottom line to build a SS 6 bay w 1 automatic w land about \$1.3-1.8M min. The obstacle today with the SS survival ,is that the average customer in the Self serve bay spends about \$4.35 per wash and the automatic which washes only one car at a time \$5.00, **has to compete with the aforementioned Express wash at a base wash of \$5 with FREE vacuuming.**

In general, the SS customer today too is seeing the value and benefits of the Express model vs. the personal manual labor the customer has to perform for about the same price point of the Express to achieve the clean car. Notwithstanding, there is an essential element of the SS wash customer especially in Rural areas that has a need for machinery, ATV's and other sport related vehicles that will always require the SS applications. The problem the SS market has to address is that the gross annual sales to break even and a profit for the owner for a typical 4-6 bay self service with one automatic is \$160K, the industry standard for income is \$2K per SS pay per month and the total sum of all the bays per month is about 60% of what the automatic should gross. If you use that equation the gross sales for a typical 6 + 1 should be \$240K times a value multiplier of say 5 = \$1.2M. Remember that what it COSTS to build a reasonable SS wash. That's a lot of quarters to have invested in a piece of Real Estate that is becoming more valuable to me a different use than a SS wash. In closing this is defiantly a mom + pop business with limited potential.

Summary: **The above valuations are at best an "Art not a Science",** since each wash has its own personality and therefore a value is only an estimate. Rely on experts, Buyer Brokers, CPA's and car wash consultants who are unbiased to clearly evaluate the washes hygiene (books and records and

trends) and PLEASE be careful of equipment car wash salespersons, who are eager to convince you they are an expert, only to provide an inflated embellished Performa; they are gone after the commission is paid and installation. There is no substitute for any of the above washes when it comes to ON SITE ownership vs., Absentee. The character and value is truly a reflection of the owner's mantra of service and marketing. The employee's of these washes are generally unskilled labor and need constant direction and leadership. Hence, the VALUE of these aforementioned multipliers are only estimates and to be used as a guide. The most important insurance policy for a buyer or owner obtaining a current value is to spend the \$ and hire an expert who is savvy to the wash industry and or pay for an Appraisal or Opinion of Value.

I will close with a comment on Denial vs. Reality on values. In the mid 1990 to 2003 the total car wash industry was in a "boom hay day of profits", an owner, buyer or builder could buy and flip a wash and make an easy 20-30% in a year. The rate of land increasing every year was a minimum of 6-8% per year, added to the 20% profit margins increasing each year, it was a roaring commodity. Today, land is flat to declining, economy the same and financing difficult. So the denial part is from the current owners that ether bought over the last 5 years high or owners in the wash business for many years hearing of inflated and high PAST sales, that cannot comprehend the current 'price adjustment reality check'. Unfortunately, retirement, divorce, partnership dissolutions, health and burnout, just to mention a few, does not have any warning when a sale is involuntarily forced, reality then prevails. There is no negotiation to the Golden Rule "get an expert to evaluate each model", it has historically saved easily 10-20% of devastation of over or underpayment of washes over the my last 28 years.

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October 18, 2011

FINANCING FOR A CAR WASH & PACKAGING LIST

By
Roger A. Pencek
President / Broker / MBA
Car Wash Brokers, Inc.

There are 2 basic forms of financing in the Car Wash business; **Institutional (Bank)** financing and **Seller Carry Back**

Institutional (Bank) Financing

Car Wash Buyers applying for a loan to close their ESCROW and existing car wash owners applying for a loan for refinancing, all have the same challenge "How Do We Get The Money"?

Banks and Borrowers unanimously have a "Love - Hate" relationship. Banks "love" to lend money but "hate" to give it up easily! To make the process easier, borrowers need to be prepared with what Lenders require. The "Perfect" information that a Banker wants is commonly accumulated in what is called a "Package"

Then a car wash is typically listed for sale the seller transfers "Bit by Bit" information relating to the business to a broker for a potential buyer. The "Big Problem" is planning, pricing, organizing books and records in preparation of marketing their business for sale. To maintain the attention of buyer for lender, pertinent information must be assembled at once to avoid buyers and lenders losing interest. Paramount to the sales process is to get all the complete information up front for multiple lenders to review. The buyer's accountants and lenders can then immediately start mustering the seller's books and records and simultaneously appraisers can begin their study since all the facts are available. The obvious delay factor "time, which is the common "deal breaker", is avoided when a proper "Package" is prepared and a deal can commence.

Each Package will include the items on the partial list below. Any Lender will require these items to do an "Acid Test" on the Borrower as well as the strength of the car wash as collateral. Remember, the borrower and car wash business are both under the Banks microscope, both have to be financially strong and history clean.

LIST OF ITEMS NEEDED: (PACKAGING)

PRUCHASE AND SALE AGREEMENT (WITH ANASET ALOCATION BREAKDOWN)

FROM SELLER:

- YEAR-TO-DATE BUSINESS FINANCIALS (*INCOME STATEMENT & BALANCE SHEET*)
- Sellers last 3 year IRS Tax Returns
- Sellers last 3 years P & L's with Balance sheets
- Last 12 month rolling P & L's
- DRB or comparable monthly report for last rolling 12 months
- All leases (including but not limited to landlord lease, if applicable)
- Complete list of all equipment
- Complete list of personal property
- Complete list of all employees with payroll records (DRB)
- Copy of current appraisal (if available)
- Current surveys, if available
- Current Phase I, if available
- Current plot map, if available

FROM BUYER

- FIRST YEAR SALES AND EXPENSE PROJECTION AFTER PURCHASE
- BUSINESS PROFILE TO SUPPORT PORJECTONS
- PERSONAL FINANCIAL STATEMENT
- SOURCE AND DOCUMENTATION OF BUYER'S CASH INJECTION
 - Bank statements, gift letters, brokerage house statements, etc.
- LAST 3 YEARS BUYER'S INDIVIDUAL TAX RETURNS
- MANAGEMENT RESUME ON BUYERS AND EXISTING MANAGEMENT
- FORM 4506 – REQUEST FOR TRANSCRIPT OF TAX FORM (Page 9)
 - Signed and dated only. Lender will complete information.
- AUTHORIZATION TO PULL CREDIT

Note: Once the information is gathered call lender to pick up information. Prequalification or decline notice typically will be provided within 48 hours by lender. Prequalification letter a will be delivered to buyer directly by lender and initial interview will be set. Selling Broker & Borrower should attend.

The well prepared list will allow the Lender to expedite their decision. Most likely any borrower will “Shop” 2 to 3 Lenders, speed up the process and give the borrower a negotiating position.

Keep in mind, a Full Service Car Wash is “Single use Business” and therefore more” Risky” for Lenders. Targeting Banks that specialize in that market is to

your benefit. Car Wash Brokers Inc. web site www.carwashbrokers.com has a REFERENCE list of qualified lenders for your perusal.

The above previous information is a “Fast Tract” model to obtain a decision from a Lender. However, the following equation is a Basic Formula that will “Self Qualify” a borrower for an institutional loan:

- 25% down payment (75% of the Purchase Price to be banked).
- Excellent borrower credit
- Experience in the car wash business
- Car wash business includes the land in a “Nut Shelf”, these 3 items can assure most borrowers that a loan will be approved

SELLER CARRY BACK - (Take Back Note)

This form of financing is when the car wash owner (Seller) is the “Bank”. As an example, the Buyer will put typically 25 – 35% cash down and the Seller will take a promissory note for the

\$1,000,000 Sales Price

\$250,000 Down

\$750,000 Promissory Note from Seller to Buyer including 8% interest amortized over 10 years payable in equal amortized payments of \$_____ (no prepayment penalty) commencing 30 days from Close of Escrow. Buyer will give a personal guarantee note with a Due on Sale Clause.

This type of financing is typically designed when the car wash is on leased land or if there is soil contamination.

SUMMARY:

Institutional (Bank) financing is a process that may take as long as 3 months to complete. The Bank will have to order appraisals, environmental reports, surveys and title policies which all consume valuable time. There are very strict guidelines for both conventional and government SBA loans. Today the Bank lending rates are very desirable (1 ½ points over prime 4.5%) 6–7 % total! Therefore, the “Exhausting Process” of using Bank financing is very popular. The challenge of course is “Qualifying” both the borrower and car wash business to the satisfaction of the Bank to lend.

“Show me the Money” is easier said than done, borrowers have to qualify to shout that phrase. Carry Back financing is the easiest financing to obtain. Often, Sellers tax implications of taking all the money from a sale at closing from a buyer is

not favorable. Therefore, both Buyer and Seller can speed up the sales process with a promissory note from the Seller to the Buyer. In this type of financing the Seller retains ownership to all the assets (As Collateral via a Recorded Lien) until the note is paid in full.

Both types of loans have their benefits. However, the borrower should be aware that legal representation is recommended due to an array of issues:

- Prepayment Penalties
- Due on Sales Clause
- Personal Guarantees
- Balloon Payments
- Interest Increases
- Note Assignment Clause

For further information our web site www.carwashbrokers.com has a REFERRAL section that can offer Lenders who specialize in financing car washes. In addition, our web site PACKAGING section will provide a Buyer and Seller specific information in preparing a Package to Lenders for a quick decision.

Car Wash Brokers, Inc. is not MAI Certified or in any way claim to be Certified Appraisers, nor purport to be experts in appraisals. CWB's acid tests, opinions of value or market value analysis are estimates and purely based on real estate expertise in listing and selling car washes. For purposes of bank financing, CWB Inc. recommends a Certified MAI that specializes in carwash appraisals.

Roger A. Pencek (Author) is the President and founder of Car Wash Brokers Inc., and has been selling and brokering car washes since 1985 and now licensed in 9 states with 14 offices within the USA.

Don't Enter Without an Exit Strategy

By: Roger Pencek

October 18, 2011

So, your childhood dream is finally accomplished. You own a carwash! Everything's in place. Glamorous times lie ahead (as well as money to be made) and all you have to do is woo the customer with your charming personality, right? But what if you want to exit the carwash business because of health reasons, personal issues, retirement or just burn-out?

Recognizing the reality of exiting — and being prepared for it — is just as important as your entry efforts into the carwash business. Your job is never over. I advise existing owners to consider reviewing the wash as if it were on the market for sale each day. Believe me — of all the washes we have sold in the last 28 years, most of the owners are in some kind of denial regarding the condition of their business, whether it's customer service, customer satisfaction, the state of their equipment, the status of their competition, or the maintenance of their books and records.

The maintenance of books and records is to selling, what location is to buying. If you decide to exit and sell your carwash, you're not just selling property. Both investors and mom-and-pop buyers alike are looking for a return on their time and investment; when a business element is attached to a sale, your books and records will be key in accomplishing that sale.

It's time to let the cat out of the bag: DO NOT buy or sell on proformas! That said, you'll be avoiding creative sellers and charming equipment salespeople who try to woo owners and newbie buyers into overbuying. Be on your guard when you hear promises — don't buy or build Taj-Mahal-like carwashes in order to increase sales. What buyers want are the facts of your performance history that ALONE will produce the future. Equipment and chemical salespeople, although they mean well, are simply not qualified to hold Real Estate licenses or be considered experts if they are giving you embellished proformas. no one can serve 2 MASTERS.

Brokers and appraisers are licensed; thus they have to walk the line. But buyers and sellers have no way out when eager carwash-equipment or chemical salespeople (you know who you are) create inflated proformas. Unfortunately, when these costly equipment packages do not match the proformas they've been given, owners end up buried in debt, and buyers for new builds are stuck. Every carwash has its own personality, created by the owner's business acumen and the geographic location. However, if the physical wash is over-built or the demographics in the neighborhood don't match up with the typical carwash customer, any exit down the road will be a challenge.

The reality is this: the potential buyer looking at your wash is no different than you when you were the buyer. So hire a licensed and experienced real estate broker, consultant, CPA or attorney who specializes in the carwash business, and gather your books and records for their easy review. Qualified experts can produce a package for you that will tell the complete story of your business — and do so for a minimal fee. To get the best package, make sure you provide

photos, area demographics, traffic counts, and the last three years of your IRS tax returns, end-of-the-year profit and loss numbers, and a current appraisal. This streamlines the process of exiting because it helps buyers easily interpret the value of your business.

The current trend today is to build express carwashes from scratch or convert closed gas stations or existing self- or full-service washes into express washes. As this express hybrid trend continues, there will be car wash customers converted from the full and self service side to this speed and economy driven business. This is just one example of the things that will affect your exit. Planning an exit is complicated. You have to think strategically about the value of your wash — and you can't just wait until it's time to sell.

Whatever they're buying (full-serve, self-serve or express), buyers want a reasonable return on their investments. As a seller, you have to ask yourself whether you would buy your own wash for the price you're asking. If you can answer "yes," you have a good exit strategy in place. Your exit, as much as is possible, should be planned in advance and monitored on a consistent basis. Your competition, the state of the economy, the demographics of your area, your past and present books and records, and your reputation (customer service) all need to be evaluated constantly.

I'll leave with the **golden rules** of exiting: keep accurate and quality books and records, keep your fingers on the pulse of the market, get expert advice and don't rely on proformas.

Roger A. Pencek is founder, president and broker of Carwash Brokers Inc., which has corporate offices in Phoenix and operates 17 offices throughout the United States. CWB primarily represents sellers of gas stations and carwashes with values between \$800,000 and \$4 million per location. Roger can be contacted through the company Web site at www.carwashbrokers.com.

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\$1,000 PER LOCATION

WHAT IS A CAR WASH WORTH?

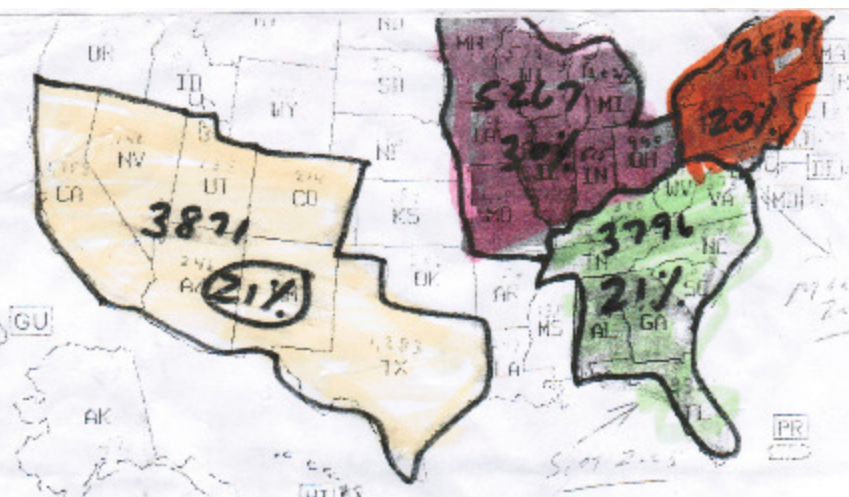
- **BUYERS GET AN INDEPENDENT VALUATION BEFORE YOU BUY**
- **SELLERS DON'T SELL *SHORT***
- **CWB INC., WILL COMPILE AN " OPINION OF VALUE" FEE OF \$1,000 PER LOCATION**
- **VALUATION IS CRAFTED FOR THE SOLE SUPPORT OF THE SELLER'S EXPECTATION OF PRICE & BUYERS RATIONAL FOR AN OFFER**

(ABI LLC nor CWB Inc. is nor suggests that they are a MAI certified appraiser, but offer their experience and current market information to provide said "Opinion of Value". Generally, Banks will not use our Opinion of Values for loan qualifications, Clients are advise d that this is not a acceptable report for Bank loan packages.)

DETAILS CALL:

**Roger A. Pencek, Broker, MBA
CAR WASH BROKERS, INC.**

18,397
TAM



CAR WASHES P/ STATE + Population

248 Alabama (1)	38 Hawaii (11)	328 Minnesota (23)	548 Ohio (25)	372 Virginia (6)
47 Alaska (2)	89 Idaho (12)	138 Mississippi (24)	206 Oklahoma (36)	282 Washington (7)
246 Arizona (3)	1076 Illinois (13)	418 Missouri (25)	188 Oregon (27)	114 West Virginia (8)
154 Arkansas (4)	525 Indiana (14)	59 Montana (20)	832 Pennsylvania (28)	579 Wisconsin (9)
1,759 California (5)	330 Iowa (15)	153 Nebraska (27)	- Puerto Rico (3)	43 Wyoming (10)
214 Colorado (6)	189 Kansas (16)	140 Nevada (25)	58 Rhode Island (29)	
299 Connecticut (7)	300 Kentucky (17)	84 New Hampshire (31)	301 South Carolina (42)	
54 Delaware (8)	247 Louisiana (18)	589 New Jersey (30)	54 South Dakota (41)	
18 District of Columbia	99 Maine (19)	92 New Mexico (31)	327 Tennessee (43)	(5) 3,44
932 Florida (9)	253 Maryland (20)	826 New York (32)	283 Texas (43)	(11) 8,24
606 Georgia (10)	62 Massachusetts (21)	75 North Carolina (23)	138 Utah (44)	(10) 11, 68
- Guam	1,023 Michigan (22)	63 North Dakota (24)	43 Vermont (45)	(50)

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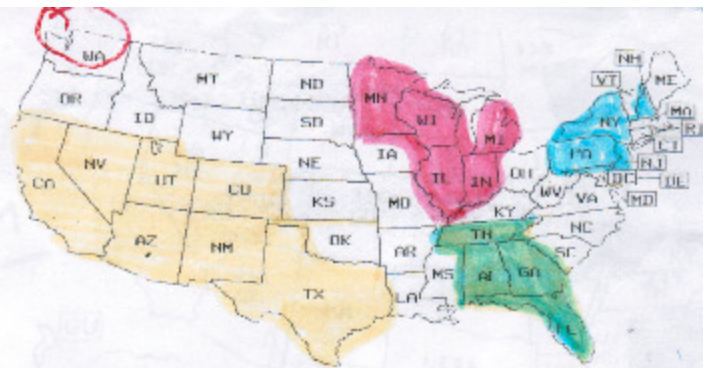
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OF CARWASH & STATE POLULATION

258	38	1023	21	283
Alabama	Hawaii	Michigan	North Carolina	Texas
4,464,356	1,224,398	9,990,817	11,373,541	21,325,018
47	89	328	63	138
Alaska	Idaho	Minnesota	North Dakota	Utah
634,892	1,321,006	4,972,294	634,448	2,269,789
246	1,076	138	998	43
Arizona	Illinois	Mississippi	Ohio	Vermont
5,307,331	12,482,301	2,858,029	11,373,541	613,090
156	515	418	206	373
Arkansas	Indiana	Missouri	Oklahoma	Virginia
2,692,090	6,114,745	5,629,707	3,460,097	7,187,734
1,758	330	59	188	282
California	Iowa	Montana	Oregon	Washington
34,501,130	2,923,179	904,433	3,472,867	5,987,973
214	189	153	832	114
Colorado	Kansas	Nebraska	Pennsylvania	West Virginia
4,417,714	2,294,641	1,713,235	12,287,150	1,801,916
293	300	140		579
Connecticut	Kentucky	Nevada	Puerto Rico	Wisconsin
3,425,074	4,065,556	2,106,074		5,401,906
54	247	84	57	43
Delaware	Louisiana	New Hampshire	Rhode Island	Wyoming
765,165	4,465,430	1,259,131	1,058,920	494,423
18	99	580	301	
District of Columbia	Maine	New Jersey	South Carolina	
1,286,670	8,484,431	4,063,011		
932	253	92	54	
Florida	Maryland	New Mexico	South Dakota	
16,398,515	5,375,156	1,829,146	756,600	
606	362	836	327	
Georgia	Massachusetts	New York	Tennessee	
8,383,915	6,379,304	19,011,378	5,740,021	

Guam

SUMMARY:

\$17.85/plu

F/S →
(No Func/Lubs)

\$1.5M - GS P14
 \$450K - ERIDTA
 X 5.6
 \$2.8M - SP

COST APP: L = 800K + E = 600K } \$2.3M
 B = 900K + P2 = 200K }
 33% ERIDTA

\$5.32

E →

\$800K P14 @ 150K P14
 X 4.3 12.5K P14
 \$3.4M - SP

COST APP: L = 700K E = 450K } \$2.1M
 B = 700K P2 = 200K }
 46% ERIDTA

\$4.30

SS →

\$180K
 X 5
 \$900K
 ARILD = 150K P14 (200K) = \$570K
 L = 30K X 12 P14 = \$360K
 \$50K P/Bay X 5 = \$250K
 COST APP: \$250K P/Auto X 1 = 250K

52% ERIDTA

“ How to value your car wash- (denial vs. reality) ? ”

By: Roger A. Pencek
Pres.-MBA-Broker

October 18, 2011, 4:15 pm
(WCA)-San Diego, CA

Self Service: (4.6-5 x gs) (5)

- Self Serve 4 Bay +2 Auto
- \$180K per year gross
- \$1.4-2M to build



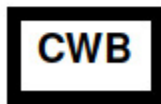
Express: (4.3-5 x gs) (4.3)

- *8-10K cpm @ 7.35 per car
- *\$600k-\$1m gs per year
- \$2.7-3.6M to build



Full service:(5.6-6 x ebidta) (5.6-6)

- Wash \$14.85 pc (wash,c-store)
- Wash, fuel, lube, detail
- \$3.6-\$6M to build *(ebidta + 33% of GS)



Branch Offices** USA

Contact: Roger A. Pencek - Broker



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Roger A. Pencek,- President / Broker / M.B.A.

Experienced Real Estate Broker in Selling & Marketing Car Wash Business since 1985. Roger molded his early Merger and Acquisitions career in management capacity at General Motors Corporation and International Harvester upon graduation from Western Illinois University in 1974 with his BS degree. His MBA was obtained 1985 from the University of Phoenix.

Since 1985 he has founded and owns ABI L.L.C. (Acquisitions, Businesses & Investments L.L.C.) which specializes in the sale of businesses in the \$250K - \$20MM range. For the last fifteen years he has gained the reputation of "**Car Wash Broker**," specializing in the sale of washes in the Pacific Southwest (AZ, CA, CO, NV, TX).

Today, he now also has to his credit, created and owns "Car Wash Brokers, Inc.," (CWB, Inc.) a National Company solely specializing in the sale of **Full Service and Self Service Car Wash Businesses** in the USA! His goal is to have CWB Inc., agents in every state of the USA and representation in Canada and Europe.

Roger has provided expert witness testimony and consultation for car wash related cases. He is a frequent speaker and composes articles for Car Wash Associations and magazines.

CWB Inc., Mission Statement:

CWB is national network of licensed agents marketing existing car washes to the public, in an ethical and professional manner acknowledged as the expert in the industry.

CWB Inc., web site www.carwashbrokers.com will provide further references and Car Wash credentials.