

**Estimated 37.4% Cash on Cash Return (ROC)**  
**for the**  
**Typical New-to-Industry In-Bay / Rollover Automatic Carwash**

<b>Background Information</b>	<b>Statistics</b>	<b>Comment</b>
<p><b>Definitions – Types of Carwashes:</b></p> <ol style="list-style-type: none"> <li>1. Self-Serve</li> <li>2. In-Bay Automatic</li>   <li>3. Tunnel – Full Service Tunnel – Exterior Conveyor</li> <li>4. <b>Total in Industry</b></li>   <li>5. Home Driveway CW Person (primary new customer target)</li>   <p>Estimated Industry Revenue Estimated Washes Annually Estimated Washes per Day</p> <p><b>Greatest Growth / Industry Trends</b></p> <ol style="list-style-type: none"> <li>1. EXPRESS Exterior Tunnels</li> <li>2. Multiple Automatics w/ Self-Serve Bays</li> <li>3. Short Exterior Tunnels</li> <li>4. Free Vacuuming</li> <li>5. Flex Service for existing full service tunnels</li> <li>6. Twin Tunnels</li> </ol> </ol>	<p><b># in service:</b></p> <p style="text-align: right;">36,000 58,000</p> <p style="text-align: right;">9,000 <u>10,500</u></p> <p style="text-align: right;"><b><u>113,500</u></b></p> <p style="text-align: right;">38.0%</p> <p style="text-align: right;">\$48+ Billion 2.3 Billion 8 Million</p>	<p>a.k.a. “wand wash” or “25 cents wash” a.k.a. “Rollover Automatic”; vehicle remains stationary, machine moves over / around vehicle; commonly found at gas stations and self-serve carwashes.</p> <p>Vehicle placed on conveyor and moved through building; several variations are deployed.</p> <p>Represents only 62.0% of cars washed</p> <p>By far, the largest market segment at 38% but it’s declining; was 44.5% in 1999 per ICWA studies. Trend is moving from “Do it yourself” to “Do it for me”.</p> <p>(includes gas) Vehicles Vehicles</p> <p><b>Customer Washing Attitudes</b> Respondents’ ratings of importance for factors in selecting a car wash:</p> <ol style="list-style-type: none"> <li>1. Quality of Wash</li> <li>2. Less Work</li> <li>3. Faster Overall</li> <li>4. Conveniently Located</li> <li>5. Ease of Use</li> <li>6. Cost</li> <li>7. Safety of Car’s Exterior</li> <li>8. Value (quality of wash for money spent)</li> </ol>

<p><b>Important Statistics:</b></p> <ol style="list-style-type: none"> <li>2003 Avg Monthly revenue per SS bay \$1,243</li> <li>2004 Avg Monthly revenue per SS bay \$1,489</li> <li>Average Usage* is just 10%</li> </ol> <p>*24 hr x 60 min x 30 days = "Usage" 10%</p> <p><i>Source: Professional Car Washing &amp; Detailing (PC&amp;D)</i></p> <ol style="list-style-type: none"> <li>Average Traffic Count (*avg # cars passing per day) <ul style="list-style-type: none"> <li>13,828 Pass In-Bays Overall</li> <li>13,139 Pass Self-Serve Bays, no gas</li> <li>14,393 Pass facilities w/o SS Bays and sell gas</li> <li>14,000 Good average for in-bay facilities</li> </ul> </li> <li># "Wash Days" per year <ul style="list-style-type: none"> <li>~ "Normal" year (Nat'l Avg) 310</li> <li>~ "Rainy Year" (Nat'l Avg) 250</li> <li>~ "Southern California" 320</li> </ul> </li> </ol> <p><i>Source: 2000 Cost of Doing Business Study by PC&amp;D</i></p>		
<p><b>In-Bay / Rollover Automatic Investment Model</b></p>		<p><b>Comment</b></p>
<p><b>Estimated Market Share in USA:</b></p> <ul style="list-style-type: none"> <li>40% of all sites (Higher in Texas)</li> <li>55% employs Touch-Free equipment</li> <li>45% employs Soft Cloth / Friction equipment</li> </ul>		<p><b>In-Bay / Rollover Considerations:</b></p> <ul style="list-style-type: none"> <li>Purchases are impulse driven</li> <li>Primary Real Estate = \$8-\$12 SF, \$25-\$35 SF in So. Calif.</li> <li>Capture Rate is .5 to 1.5%</li> <li>Rooftops Critical</li> <li>Demographics Important</li> <li>Typical Investment (before land &amp; building) is \$200,000 for equipment</li> </ul>
<p><b>In-Bay / Rollover Financial Model</b></p> <p><b>Cost Estimates:</b></p> <p><b>Land:</b> 21,500 SF (incl brokerage fee, if any) x \$25 = \$538,000</p> <p><b>Building Cost:</b></p> <ol style="list-style-type: none"> <li>Size: 750 SF x \$125 = 94,000</li> <li>Fees: Arch, GC, ME, etc = 50,000</li> <li>Govt. Fees: Impact, C.U.P., = 50,000</li> </ol>		<ul style="list-style-type: none"> <li>Impulse Driven "A" Sites &amp; Traffic Dependent</li> </ul>

Bldg Permit, etc <b>Equipment:</b> 1. Automatic \$150,000 x 1 bays 2. Self-Serve \$ _____ x ___ Bays 3. Other  <b>Estimated Project Cost</b> (land + building + equipment)	= 150,000  = \$ _____ = \$ _____  = <b><u>\$882,000</u></b>	
<b>Financial Results – In-Bay / Rollover Automatic Carwash</b> <ul style="list-style-type: none"> <li>Total Investment</li> <li>Cash Down 20%**</li> </ul> Revenue <ul style="list-style-type: none"> <li>Total Revenue</li> </ul> Expenses <ul style="list-style-type: none"> <li>Mortgage \$705,000 @ 8% / 20 yrs = \$5,900 / mo</li> <li>Variable Expenses</li> <li>Fixed Expenses</li> </ul> <b>Net</b>  <b>Return on Cash Invested</b>	= \$882,000 = \$177,000  = \$201,500  = \$ 70,800 = \$ 40,300 = <u>\$ 24,200</u>  = <b><u>\$ 66,200</u></b>  = <b><u>37.4%</u></b>	<ul style="list-style-type: none"> <li>20,000 ADT x 0.5% = 100 cpd x 310 wash days x \$6.50 = \$201,500</li> <li>20% x Gross Revenue</li> <li>12% Gross Revenue</li> <li>\$66,200 / \$177,000 = 37.4%</li> </ul>
** SBA loans require 15%-25% cash down		

*Source of above information not accredited elsewhere is Fred Grauer, Executive V. P. – Investor Market, Conveyors, Ryko Manufacturing Company. Fred is a second generation industry participant whose family has owned over 100 bays of self-serve and more than 70 tunnel carwashes*

Due to the great success experienced by Big Oil when it combined the above concept with its sale of automotive fuels, the In-Bay Rollover / Automatic Carwash is seen at the majority of gas stations providing the land parcel will accommodate same. Most of the others are found at Self-Serve Carwashes. Few are seen as stand-alone operations.

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