

Small is Good...The Next Wave in Carwash Configurations!

<p><u>Small is Good!</u> Anybody can clean in 120 feet! But not everybody can clean in 50 feet! Why can smaller be better?</p> <ol style="list-style-type: none"> 1. Smaller properties = more opportunity 2. Smaller buildings use less space 3. Smaller washes open up more doors 4. Smaller systems offer the advantage of being unattended 5. Smaller washes offer better risk management 6. Smaller footprint on high traffic offers the chance for dual tunnels 7. There are more opportunities for multiple sales 8. Nobody is better at cleaning in compact areas than Ryko! 9. Ryko's competition isn't there. 	
<p><u>The Next Wave!</u> Conveyor site 25K CPD / 1% Capture 250 CPD @ 250 WDY = 62,500 CPY The solution and Investment:</p> <ul style="list-style-type: none"> • Dual 60' tunnels with equipment / retail • 2 @ 900 sq. ft. (Bldg & Equip) @ \$350 per sq. ft. • 1 Equip / Retail 800 sq. ft. @ \$300 per sq. ft. • Land: 20,000 sq. ft. @ \$25 • Soft Costs • Total 	<p>= \$630,000 = 240,000 = 500,000 = <u>130,000</u> <u>\$1,500,000</u></p>
<p><u>The Next Wave! Financial Opportunity</u> 250 CPD x 250 WDY = 62,500 CPY 62,500 x \$8 per car = \$500,000 Less:</p> <ul style="list-style-type: none"> • 30% Variable • Insurance, Taxes, Credit Card • Misc. <p>Net Operating Income (EBITDA) Annual debt service (\$1,500,000 - \$300,000) \$1,200,000 @ 8% / 20 yr = Net after debt reduction Return on cash (105,000 / \$300,000)</p>	<p>\$150,000 75,000 <u>50,000</u> \$225,000 <u>\$120,000</u> <u>\$105,000</u> <u>35%</u></p>

<p><u>The Next Wave!</u></p> <p>By comparison, a 120 CPH tunnel:</p> <ul style="list-style-type: none"> • 120 cph = 120' x 30' • @ \$350 per sq. ft. • Land @ \$25 per sq. ft. <p>Total Investment</p> <p>Comparisons:</p> <ol style="list-style-type: none"> 1. Conventional tunnel is \$270,000 more expensive 2. Conventional operating expense is greater 3. Conventional has less flexibility 4. Dual is unique 5. Dual can operate 24 / 7 unattended! 	<p>3,600 sq ft</p> <p>\$1,260,000</p> <p><u>500,000</u></p> <p><u>\$1,760,000</u></p>
---	--

Source of above information: 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

Dual 60' tunnels on a 20,000 SF high traffic count corner sound intriguing. These will surely capture the attention of investors who are set on rapid and widespread expansion of their holdings. While one or more may be open and operating in Southern California, Jack Muellerleile has yet to personally conduct an onsite inspection of same.

Clients interested in this strategy should allow time for added due diligence involving travel to other parts of the country after Jack has rounded up the existing sites to be visited.

Jack Muellerleile is a Petro / Carwash-related consultant and real estate broker with extensive experience including 23 years with Big Oil and 20 years on his own. He may be contacted as follows:

J. R. “Jack” Muellerleile
V. 714.220.1806 ~ F. 714.826.1143 ~ C. 714.865.6494
E. sitepro1@ca.rr.com ~ W. www.4VQP.com

jrm.12.04.07