



**Eco-\$mart Air**  
**A Division of Eco-\$mart, Inc.**  
**Executive Summary**



Eco-\$mart, Inc. (ESI), a Service Disabled Veteran Owned Business (SDVOB) distributor of green construction materials, in business for 20 years, is raising funds to open a new division, Eco-\$mart Air (ESA), to capitalize on obtaining the exclusive manufacturing rights to a unique, efficient, cost effective dual source heat pump (DSHP), an improvement on an existing technology offering significant benefits versus any other air conditioner / heat pump on the market today.

The DSHP will be the most efficient air conditioner available at summer peak temperatures (predicted to continue to rise) which can typically triple the cooling costs for a home. With the DSHP, air conditioning costs are reduced by 50 percent versus conventional air conditioners, a 20 percent reduction in the entire electric bill, and the DSHP is the first water-cooled air conditioner to offer efficient heating from the same unit. This "dual coil" feature provides redundancy that other water-cooled equipment can't offer – if the water pump should fail, the air coil still provides cooling - and the use of air coil in the refrigerant circuit during cooling reduces water use significantly. The design is rust-proof, extending unit life, even in salt air coastal environments. The DSHP will be the least expensive air conditioner that achieves anywhere near the efficiency of the unit. It also will qualify for the largest utility rebates in the industry, making the net cost to the buyer very low, and the value proposition the best in the industry.

ESI's headquarters is in Sarasota, has two third-party warehouses, and has a network of approximately 65 sales representatives covering 25 U.S. States and 10 foreign countries. ESI has over 15 years experience in marketing and distribution of water-cooled air conditioning, with connections in the marketplace (including large contractors and national air conditioning distributors) already expressing interest in the DSHP. The unit will be manufactured in the U.S., making it "Made in USA" and Service Disabled Veteran Owned Business Made, opening many U.S. government purchasing channels. At a recent U.S. Government business conference for SDVOB companies, several federal government procurement officers complained that they could not meet their targets for SDVOB purchases, and needed help from the business community to fill the gap.

The market for air conditioning is always going to be viable, and large. When a home or small business has an air conditioner fail, it must be replaced. With buyers looking for a good up front price and good efficiency to keep their electric bills low, the DSHP will be an attractive option, capturing a significant market share. ESA plans to match the DSHP with a Trane air handler, the best performing inside unit for efficiency and humidity control. This choice will create not only high quality Trane air conditioning contractors with an interest to purchase and sell the DSHP, but also will create a potential exit strategy, once ESA has proven the effectiveness and reliability of the product: sell the manufacturing rights to Trane.

ESA seeks \$950,000 in capital in the form of debt with a 25% equity bonus to funding source to produce and certify the DSHP, expand its sales and management team, and market and distribute the product. ESA's owners have invested over \$250,000.00 in the development of the unit and market, to date. The funding source will receive a 10% interest rate plus a stock re-purchase if the company is not acquired at 2x Book Value at the end of year 7. Book Value at the end of year 3 is projected to be \$1.3 million. A return on investment is projected to be 30 to 60 percent annually for the first five years, growing exponentially after that period. A complete business plan with detailed financial projections is available upon request.

First National Consulting has been retained by ESI to assist ESA in locating funding for its needs to develop its manufacturing operations.

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