



# Eco-\$mart Air

Manufacturer of the First  
Self-Contained Water-Cooled Heat Pump

## Investment Opportunity Overview

Brought to you by: Eco-\$mart, Inc.

[www.eco-smart.com](http://www.eco-smart.com)





# Executive Summary



- Eco-\$mart Air is a newly formed division of Eco-\$mart, Inc., a world-wide, one-stop, green construction supply company, in business since 1993. Eco-\$mart, Inc. is a Service Disabled Veteran Owned Business (SDVOB).
- Eco-\$mart Air has obtained the exclusive international manufacturing rights for an innovative self-contained water-cooled heat pump.
- A water-cooled heat pump is the most efficient air conditioner at high outside air temperatures, and qualifies for utility rebates that require efficient winter heating.





# Executive Summary



- Initial Investment made by Eco-\$mart: \$250,000
- Add'l Investment/Funding Needed: \$950,000
- **Return Summary:**
  1. Fixed return of 10% annually for three years (\$7,917 per month x 36 months = \$285,000.00) with full loan amortization over the next 5 years at 10%.
  2. Equity ownership stake in Eco-\$mart Air of 25% with a Put equal to 2x Book Value at the end of Year 7 if sale Exit Strategy not completed.





# Market Advantages of Water-Cooled Heat Pump



- **BEST PERFORMANCE IN HOT WEATHER** (during summer heat waves)
- **LOWER PRICED HIGH EFFICIENCY EQUIPMENT** (and offers highest utility rebates)
- **SELF-CONTAINED WATER-COOLED HEAT PUMP** (meets heating efficiency requirements)
- **BETTER HUMIDITY CONTROL** (important factor for indoor air quality, including mold avoidance)
- **REDUCED WATER USE** (air coil lowers temperature of refrigerant, reducing evaporation)





# Market Advantages of Water-Cooled Heat Pump



- **SYSTEM CAN RUN WITHOUT WATER** (air coil is sufficient to cool the space - redundancy)
- **LONGER LASTING EQUIPMENT** (lower pressures, water washes coils, avoiding corrosion)
- **QUIETER OPERATION** (smaller condenser fan, lower temperatures and pressures)
- **LOWER MAINTENANCE** (lower pressures and temperatures make compressor last longer)





# Use of Funds, Profits

- **License Fee, Manufacturing Setup, Certification: \$200,000.00** This includes ARI, EPA, UL certifications
  - **Office Startup, Website Development, Trade Show and Marketing Materials: \$60,000.00**
  - **Initial Inventory: \$248,000.00**
  - **Monthly Overhead: \$60,000.00**
  - **Months to profitability point: 8**
  - **Years 1, 2 & 3 Net Income: \$40K, \$252K & \$1.0M**
- Detailed financial analysis available





# Management / Advisors



President: **Matt Ross**, Founder, Eco-\$mart, Inc.

Board of Advisors:

**John Lambie**, Founder, Florida House Institute for Sustainable Development

**Stanford Ross**, Founder, House of Golf

**Frank Folsom Smith**, Real Estate Developer, Architect

**Stuart Levine**, Attorney

**Brian Palmer**, Accountant

**Jaime Rodriguez**, Architect, Engineer, General Contractor





# Market Conditions

- Summer heat waves are projected for years to come all across the U.S.
- The water-cooled heat pump is the most efficient air conditioner at high outside air temperatures, and qualifies for the highest utility rebates.
- Utility rates are projected to continue to rise as fuel prices increase.
- The U.S and many other countries are increasingly creating incentives for reducing energy consumption.
- When homes or businesses have air conditioners fail, they must replace the units. This creates a steady demand for replacement equipment, regardless of economic growth or construction starts.







# Eco-\$mart Air Investment Summary



- Eco-\$mart Air is producing a new product, yet taking advantage of Eco-\$mart, Inc.'s 20 years of marketing experience, including water-cooled air conditioning.
- Eco-\$mart Air has the exclusive manufacturing rights for the self-contained water-cooled heat pump technology.
- Eco-\$mart Air will be first to market, creating the "Frigidaire" of self-contained water-cooled heat pumps.
- Eco-\$mart Air offers an investment opportunity with a reasonable entry cost and high returns, based on conservative analysis of the market.
- The timing of this investment is very good, with time to get the units in production and certified for all permitting and rebates before the 2013 cooling season begins.





# Eco-Smart Air Water-Cooled Heat Pump Image / Diagram

