



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





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

