

**ACTION PLAN
REBUILD AMERICA**

**submitted by
WATERLESS CO. LLC
9/20/99**

1. Company Overview

Waterless Co. LLC is headquartered in San Diego, California. The Company was founded in May 1991 with the mission to establish itself as the leader for a new waterless plumbing fixture. Waterless Co. has developed and is marketing a proprietary urinal system that works completely without water. This fixture, the No-Flush™ Urinal, requires for its use BlueSeal®, a special sealing liquid. In lieu of a water flush, the urine in the outlet drain is sealed from the room atmosphere by a floating layer of this light-weight immiscible liquid. Waterless Co. considers itself to be an important innovator in a world increasingly concerned with water conservation.

The Company designs, develops, manufactures, licenses and markets these leading edge water conservation products for sales in the US, and overseas.

Test installations of Waterless urinals began in April 1992. The company assisted the American National Standard Institute in the preparation of a new standard, ANSI Z124.9 for plastic urinals, which specified Waterless Co.'s design features. This Standard is a pre-condition for subsequent approvals by a multitude of regional, state and municipal bodies for plumbing code listings in all commercial applications. The end of 1992 marked the final design and tooling for commercial production, and active marketing began in May, 1993.

The Company has installed thousands of its fiberglass No-Flush™ Urinals to date throughout the United States. All units are operating successfully and all locations are reference sites for future sales. Significant cost savings have been achieved at all locations, and a new niche in the plumbing industry has created - Waterless No-Flush™ Urinals.

Initially, the Company focused on the largest opportunity in replacing, or "retrofitting", existing conventional water using fixtures. Acceptance into new construction specification has now been established. A very strong cost savings advantage is reinforced by the increasing popular awareness of the need for water conservation and exceptional short payback periods make it an easy decision for facility management. In addition, the No-Flush™ fixture reduces maintenance costs and provides solutions for numerous peripheral plumbing problems.

The following are target customer groups which are most receptive to retrofit scenarios and implement water conservation faster than the rest of the country:

Federal Agencies and Military. A 1994 White House Executive Order mandates strict water saving measures for all federal buildings. The 1994 White House Executive Order was superseded by a 1999 new Executive Order accelerating energy and water conservation in Federal facilities. No-Flush™ urinals are now listed by FEMP as the best alternative in the urinal category.

Municipalities with Incentive Programs. Municipalities with rebate/voucher programs maximize conservation and economic returns for facilities using No-Flush™ Urinals. Currently,

the City and County of San Diego, the City of San Antonio, the City of Seattle and Los Angeles and various smaller cities have issued rebates/voucher programs to include No-Flush™ urinals.

Large User Facilities. Operators of large restrooms, such as schools, universities, factories and stadiums, find Waterless urinals to be the most cost effective of all conservation and plumbing fixtures. High traffic and high price water locations will realize paybacks in a matter of months. Schools in particular are in need of cost saving fixtures due to budget constraints. Additionally, Waterless Co. recognizes that schools offer an excellent venue to develop water conservation awareness in our future generations.

The urinal market can be categorized into new construction and retrofit segments. The Waterless urinal initiates a powerful economic rationale for retrofit. Both markets will inevitably increase: the new construction market as building improves, the retrofit market as environmental demand increases.

There are approximately 7,800,000 conventional urinals in use, flushing away approximately 35 billion gallons of precious drinking water a year. Additionally, 250,000 water flushed urinals are being sold, per year, at current levels of new construction demand.

General administration and sales are headquartered in Del Mar, California. Manufacturing and quality control of all product components is done in the Los Angeles factory.

Klaus Reichardt, President, holds B.S. and M.B.A. degrees in Business and Management. He has 16 years of experience in marketing and importing consumer products. Mr. Reichardt started the business ,created the product's image and established a nationwide distributor/representative network

Kate Lindemuth, VP Operations, holds a B.A. degree in Political Science and is instrumental in company policy, finances and legal affairs.

Lewis Lindemuth, serving as resident Engineer, is a retired major steel company executive. His engineering and chemical background is in new product development.

Bill Slaughter, Manager, Federal Sales, has been associated with Waterless Co. LLC for five years and has a strong sales background as a former regional manager for a large sales company. Mr. Slaughter handles all Federal landbased sales.

Waterless Co. LLC currently has commissioned sales people and distributors in 23 States. The company attends and exhibits at tradeshow throughout the country, advertises in major industry magazines and maintains a website for customers. Waterless Co. sponsors, where feasible, environmental endeavors through financial assistance or through donations in kind.

Mr. Reichardt maintains memberships with :

- AWWA- American Water Works Association, and is a participating member of the Water Conservation Branch of AWWA
- IAPMO- International Association of Plumbing & Mechanical Officials
- ICBO- International Conference of Building Officials
- ASPE- American Society of Plumbing Engineers
- Has completed some courses with APEM - Association of Professional Energy Managers
- Waterless Co. has recently joined the US Green Building Council as a member.

Waterless Co. received a Water Conservation Award from the Department of Interior for best Water Conservation Product in 1995. Waterless urinals were chosen twice in the Best Product category by American School and University Magazine. Recreation resources Magazine bestowed an Editor's Choice Award to No-Flush™ urinals.

Klaus Reichardt has been invited to write editorials on water conservation in the New York Real Estate Journal and has been a featured speaker with CONSERV through AWWA. Mr. Reichardt is a featured speaker for the upcoming National Convention for the Association of Toll Road and Turnpike Association.

2. Products and Services

The present product line includes five fiberglass urinal models that resemble conventional vitreous china fixtures. Recognizable desert names, such as Sonora™ and Kalahari™, suggest their arid character. A disposable plastic trap insert, the EcoTrap®, holds a floating layer of the biodegradable BlueSeal® liquid which seals the urine from the restroom atmosphere.

The fixture's design with its smooth surface causes the urine to drain completely into this trap. Urine odors are totally eliminated. BlueSeal® and EcoTrap® are repeat sales items required for the use of the urinals. Installation costs are 50%, and maintenance/operating costs average 30%, of conventional urinals. The No-Flush™ Urinal is applicable in all men's restrooms. Conventional water using fixtures with flush valves can be easily replaced or "retrofitted" with a Waterless urinal. The company has related products in the research and development stage.

The Sonora™ urinal model is a 18" wide ADA (American Disability Act) model. The Kalahari™ is an 18" conventionally shaped model. Both models are offered in sanitary white and can be produced in other colors and finishes. Both models are also large size urinals to eliminate tile and other work when replacing flushed fixtures resulting in additional savings. The Sonora™ and Kalahari unit are available as bottom drain units to effectively change out old trough type urinals. The Del Mar™ urinal is a smaller urinal for shipboard use.

The company is continuously involved and promotes water and plumbing issues and considers itself a specialist in the urinal/restroom water conservation category. The accumulated

information is freely given to architects, engineers, schools, facility management and others. Dissemination of company and third party certifier information has helped the company to attain more sales. Waterless Co. LLC provides the following services to prospective and current customers:

- Restrooms survey and auditing for urinals and provides savings evaluation paperwork; available in print or file format.
- Free presentation of the product line as well as basic training in product knowledge.
- After sale training for custodians. Follow-up training if needed.
- Free video showing product maintenance and product features.
- Company representatives are available for educational talks and training.
- Financing, if desired, can be arranged through leasing companies the company is working with.
- Installation of no-Flush™ urinals is usually done by in-house plumber of the customer or through contracted plumbers. The product is very easy to install.

Being a single product company, sales, training, installation and after installation follow-up are accomplished rather easily, for the company as well as for the client. However, the drastic cost and water savings achieved through the product make it ideal as a single product purchase for the client.

3. Promotion for Rebuild America

Once chosen to be a Rebuild America Partner, Waterless Co. LLC will promote the goals of Rebuild America in the following manner:

- Display the Rebuild America logo on all literature, letter heads promotional materials and website.
- Inform its current customers and prospective clients of the advantages of Rebuild America.
- Display and promote Rebuild America in its trade show displays.
- Attend and exhibit in local, regional and national meetings and conferences with Rebuild America.
- Dispatch the company's representatives to Rebuild America directed prospective clients.
- Share the company's knowledge of water conservation issues with Rebuild America staff and clients.
- Provide technical expertise and assistance to Rebuild America partners.
- Offer PowerPoint or Overhead presentations to Rebuild America staff free of charge.
- Offer customized evaluations for Rebuild America partners.

4. Company Point of Contact

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