



SOIL OPTIMIZATION & REGENERATION TECHNOLOGIES

CONFIDENTIAL OFFERING

VETERAN-OWNED SMALL BUSINESS

Date: October 2026 • Private Placement

SEED GROWTH INVESTMENT MEMORANDUM

\$1,250,000 Target Seed Round (Expandable to \$3,000,000 Statewide Moat Tier)

Pitching Three (3) Anchor Investors with \$1,000,000 Check Capacity • H-E-B Retail Launch

1. EXECUTIVE SUMMARY & INVESTMENT OPPORTUNITY

AquaLoch, LLC ("AquaLoch" or the "Company") is an emerging agronomic soil optimization and bio-retention manufacturing enterprise. The Company formulates, manufactures, and distributes breakthrough bio-mineral soil amendments and proprietary moisture-retention technologies engineered specifically to combat heat stress, severe drought, and hardpan compaction throughout Texas and the Southern United States.

The Company has achieved a momentous commercial milestone: **securing a confirmed retail contract to place AquaLoch products onto the shelves of 100 H-E-B Grocery stores across Texas starting in Early 2027**. H-E-B is Texas's premier grocer with over 340 locations, \$38+ Billion in annual sales, and the highest retail foot-traffic loyalty in the state.

AquaLoch is raising a **\$1,250,000 Baseline Seed Round** to finance automated Texas blending and packaging infrastructure, bulk raw-material procurement, retail barcoding/EDI compliance, and aggressive in-store marketing. The Company is currently pitching **three (3) prospective anchor investors who each possess \$1,000,000 allocation capacity**. The round is structured to accept either one lead anchor (\$1.0M) plus co-investors, or expand up to **\$3,000,000** if all three investors participate concurrently to lock in total Texas market dominance.

\$1.25M –

\$3.0M

OFFERING RANGE

\$1,000,000

ANCHOR TICKET CAPACITY

100 Stores

H-E-B ROLLOUT EARLY 2027

The Early Investor Price-Lock & Buyout Promise:

To reward our foundational investors for growth capital, this offering establishes a **\$6,000,000 Pre-Money Valuation Cap** and a **30% discount** against future institutional financing. Furthermore, the Company provides a structured contractual **Call Option & Buyout Right**: upon reaching institutional expansion or Series A financing within 24–36 months at an anticipated \$25M–\$40M valuation, the Company may buy out investor shares at a guaranteed multiple of **3.0x to 4.0x on invested capital (\$3,000,000 to \$4,000,000 cash payout on a \$1,000,000 check)**, or investors may participate in secondary sales to institutional buyers at the prevailing market valuation.

2. SUMMARY OF INVESTMENT TERMS

Term	Description / Provision
Issuer	AquaLoch, LLC (Texas Limited Liability Company, Veteran-Owned Business)
Offering Target	\$1,250,000 USD (Expandable up to \$3,000,000 for Statewide Moat Tier)
Anchor Ticket Size	\$1,000,000 per Anchor Investor (or proportional co-investment tranches)
Security Instrument	Class B Preferred Non-Voting SAFE / Convertible Units with Buyout Rights
Investor Role & Governance	Silent Partner: Passive economic interest. Zero operational liability, zero day-to-day management burdens. Full limited liability protections.
Pre-Money Valuation Cap	\$6,000,000 USD (~14.3%–17.2% equity allocation on \$1.0M–\$1.25M)
Conversion Discount	30% Discount to share price established in next institutional priced round (Series A)
Contractual Buyout Option	Company maintains a 24- to 36-month call option to repurchase investor units at a minimum 3.0x to 4.0x cash return multiple (\$3,000,000 to \$4,000,000 payout on a \$1.0M check)
Information Rights	Quarterly financial statements, retail sell-through updates, and store re-order dashboards
Liquidation Preference	1.0x Senior non-participating return of capital prior to Common equity distributions

3. THE MACRO PROBLEM: SEVERE DROUGHT & BROKEN LAWN CHEMISTRY

Texas is facing an unprecedented ecological and municipal water crisis. Summer heatwaves consistently exceed 100°F, while Stage 2 and Stage 3 municipal watering restrictions legally restrict irrigation to once per week or ban sprinklers entirely across major metros (San Antonio, Austin, Houston, Dallas). Homeowners and property managers watch thousands of dollars in sod, shrubs, and ornamental trees burn out.

Simultaneously, traditional synthetic fertilizer products (Scotts, Miracle-Gro) exacerbate the disaster:

- **Synthetic Salt Degradation:** Legacy fertilizers rely on high-salt chemical nitrogen (e.g. 24-0-4) that forces rapid vegetative growth while sterilizing native mycorrhizal fungi and beneficial soil biology.
- **Hardpan Compaction & 60% Water Runoff:** Compacted soil forms an impenetrable hardpan clay barrier. Up to **60% of applied irrigation water runs off wasted** into street storm drains without reaching root depth.
- **Consumer Fatigue:** Homeowners spend \$400–\$800 annually on complex multi-step chemical calendars, only to suffer dead lawns by mid-summer.

4. THE AQUALOCH SOLUTION & PROPRIETARY AGRONOMIC IP

AquaLoch solves this crisis with a proprietary **"Soil-First" bio-retention architecture** that restores soil physics and biology rather than masking symptoms with synthetic salts:

1. TerraLoch™ Sodium CMC Hydrogel Matrix

Unlike toxic synthetic polyacrylamides (PAM), AquaLoch uses pharmaceutical-grade **Sodium Carboxymethylcellulose (CMC)** bio-polymers. When hydrated, TerraLoch holds hundreds of times its weight in water, creating microscopic subsurface reservoirs right at the root zone and slashing irrigation demand by **30% to 50%**.

2. Holistic Bio-Mineral Regeneration

Formulated with concentrated organic worm castings, volcanic zeolite, biochar, carbon sugars, and biostimulants. Specialized fungal networks decompact clay, unlock bound phosphorus, and deliver **zero chemical burn** for children, family pets, and Texas water tables.

5. FIELD VALIDATED: EMPIRICAL AGRICULTURAL & COMMERCIAL PROOF

- **Moore Oats Agricultural Trial:** A 25% cut in synthetic fertilizer paired with AquaLoch produced higher crop yield, deeper root penetration, and superior drought persistence compared to untreated control acreage.

- **Bobby Ledom Pasture Trial:** Proven increase in pasture forage biomass and cattle stocking capacity during high-heat drought without adding artificial synthetic fertilizers.
- **Parks Residential Lawn & Crepe Myrtle Trials:** 14-day turnaround on chlorotic, heat-shocked turf and ornamental trees; full leaf canopy restoration with 40% reduction in watering.
- **FirstService Residential Master-Planned Communities:** Enterprise HOA pilot programs in San Antonio validating multi-property commercial viability.

6. THE CORE CATALYST: 100 H-E-B GROCERY STORES IN EARLY 2027

The cornerstone of AquaLoch's retail expansion is our confirmed placement in **100 H-E-B Grocery stores** across San Antonio and Central Texas in **Early 2027**:

1. **Prime Seasonal Window:** Delivered in February 2027 to capture the massive Texas spring lawn preparation surge (February–May).
2. **Impulse Price Point:** Packaged in high-convenience stand-up pouches with an accessible MSRP of **\$24.99 – \$29.99**, priced for spontaneous grocery basket addition.
3. **Statewide Chain Expansion:** Demonstrating sell-through in the initial 100 stores creates a turnkey pathway to expand across all 340+ H-E-B stores statewide.

7. THE OMNICHANNEL FLYWHEEL: H-E-B + PREMIER NURSERIES + HOAS

H-E-B creates mass brand awareness. AquaLoch converts that awareness into high-margin bulk sales across independent garden centers and commercial accounts:

The Grocery-to-Nursery Conversion: H-E-B carries consumer trial-size pouches. When homeowners see dramatic lawn recovery, they seek larger quantities and pallet orders for full yards.

Our regional ads direct them to **Authorized Premier Nursery Partners** earning **40% to 55%+ gross margins**. Concurrently, our commercial division captures enterprise B2B contracts with master-planned HOAs (FirstService Residential) and golf courses purchasing bulk drums and totes.

8. UNIT ECONOMICS & 3-YEAR SCALED PRO FORMA FINANCIALS

Deploying capital into automated Texas manufacturing lowers unit COGS from \$5.25 down to \$3.80, expanding gross profit margins to **75.5%**:

Component	Hand-Compounded (Initial)	Automated Plant (Scaled)	Notes
Consumer Retail MSRP	\$25.99	\$25.99	Accessible impulse grocery price point
H-E-B Wholesale Price	\$15.50	\$15.50	40.4% retailer gross margin
Raw Materials (CMC, Castings, Minerals)	\$2.80	\$2.10	Bulk volume purchasing discounts
Packaging Pouches, Barcoding & Labor	\$1.60	\$1.10	Automated rotary pouch fill & seal line
Pallet Freight & Logistics	\$0.85	\$0.60	Full-truckload logistics efficiency
Total Unit COGS	\$5.25	\$3.80	35% Reduction in Unit Production Cost
AquaLoch Gross Profit per Unit	\$10.25 (66.1%)	\$11.70 (75.5%)	Industry-Leading Cash Generation

3-Year Financial Model (2027 – 2029)

Financial Metric	2027 (Launch Year)	2028 (Statewide Scale)	2029 (Regional Expansion)
Active Retail Doors (H-E-B + Nurseries)	100 H-E-B + 25 Nurseries	340+ H-E-B + 80 Nurseries	850+ Retail Doors
Total Retail Units Sold	110,000 units	360,000 units	950,000 units
Gross Wholesale Revenue	\$1,705,000	\$5,580,000	\$14,725,000
Commercial / Bulk HOA Revenue	\$245,000	\$820,000	\$2,100,000
Total Gross Revenue	\$1,950,000	\$6,400,000	\$16,825,000
Cost of Goods Sold (COGS)	\$478,000	\$1,568,000	\$4,120,000
Gross Profit	\$1,472,000 (75.5%)	\$4,832,000 (75.5%)	\$12,705,000 (75.5%)
Operating Expenses (SG&A, Logistics, Ads)	\$887,000	\$2,682,000	\$7,055,000
Net EBITDA / Operating Income	\$585,000 (30.0%)	\$2,150,000 (33.6%)	\$5,650,000 (33.6%)

9. CAPITAL ALLOCATION: \$1.25M TARGET VS. \$3.0M EXPANSION TIER

Category	\$1.25M Core Target	\$3.0M Moat Tier (3 x \$1M)	Operational Impact
Plant Automation & Equipment	\$400,000	\$800,000	Rotary pouch packaging machinery, bulk ribbon blenders, and Texas warehouse buildout.
Raw Materials & Inventory	\$450,000	\$1,100,000	Bulk Sodium CMC polymers, worm casting reserves, zeolite, and chain-wide H-E-B inventory.
Marketing, Displays & Co-Op Ads	\$250,000	\$600,000	In-store retail endcaps, QR displays, geo-targeted ads, regional radio, and influencer campaigns.
Commercial Division & Working Capital	\$150,000	\$500,000	Commercial sales team (HOAs, golf courses), 60-day invoice float, and reserve cushion.
Total Capital	\$1,250,000	\$3,000,000	Execution of Confirmed H-E-B Contract and Texas Market Capture

10. SILENT PARTNER GOVERNANCE & CONTRACTUAL BUYOUT STRUCTURE

Investors enter as silent partners holding Class B Preferred Units with no management duties or operational liabilities. In exchange for early risk capital, the investment package provides exceptional downside protection and defined upside liquidity:

Contractual Buyout & Liquidity Mechanics

1. **\$6,000,000 Pre-Money Valuation Cap:** Locks in an attractive entry valuation (~14.3%–17.2% equity allocation on \$1.0M–\$1.25M).
2. **Automatic 30% Pricing Discount:** Angel shares convert at a 30% discount to institutional share price in the subsequent priced Series A financing.
3. **The Contractual Buyout Call Option (24–36 Months):** As the Company demonstrates strong retail sell-through across Texas and reaches Series A institutional financing (\$25M–\$40M valuation), the Company holds the exclusive right to repurchase investor units at a guaranteed multiple of **3.0x to 4.0x on invested capital**:
 - A **\$1,000,000 investment** is repurchased for **\$3,000,000 to \$4,000,000 cash** (\$2,000,000 to \$3,000,000 net profit).
4. **Secondary Tag-Along Rights:** If the Company executes an institutional equity round or strategic acquisition, investors have priority rights to sell their converted shares directly to institutional buyers at prevailing market valuations.

11. THE THREE HORIZONS OF ENTERPRISE BUYOUT: VALUATING EARLY SHARES AT \$10M, \$100M & \$1 BILLION

Early seed investors in AquaLoch participate in an asymmetric return profile. Because early shares enter at an advantageous **\$6,000,000 Pre-Money Valuation Cap**, early seed capital compounds dramatically across three distinct enterprise exit milestones:

Buyout Horizon	Commercial Catalyst & Trigger	Acquirer / Exit Profile	\$1,000,000 Anchor Payout	ROI Multiple & Net Gain
LEVEL 1: \$10,000,000 Regional Retail Buyout	Validation of 100 to 340+ H-E-B stores across Texas, 50+ premier independent nurseries, and commercial HOA contracts with FirstService Residential.	Regional Lawn & Garden Consolidator, lower-middle market Private Equity recapitalization, or Company Buyout Call.	\$1.5M – \$3.0M (Protected by 3.0x Floor)	1.5x – 3.0x ROI +\$500K to +\$2.0M Net Profit
LEVEL 2: \$100,000,000 National Strategic M&A	Sunbelt & nationwide retail expansion across Lowe's, Home Depot, Ace Hardware, Tractor Supply, and multi-state HOA and golf course accounts (\$25M+ revenue).	Tier-1 Strategic Conglomerates: Scotts Miracle-Gro, Central Garden & Pet, Bayer/Envu, BioWorks, Corteva , or mega-fund PE rollup.	\$10.0M – \$14.3M (Accounting for expansion dilution)	10x – 14.3x ROI +\$9.0M to +\$13.3M Pure Profit
LEVEL 3: \$1,000,000,000 Global AgTech Unicorn	Global Macro Drought Disruption. Subsurface bio-hydrogels replacing synthetic nitrogen across millions of industrial row-crop acres, global anti-desertification contracts (US Southwest, Middle East, Australia), and carbon credits.	Mega-Cap Global AgTech Buyout (Nutrien, Syngenta, BASF, Deere & Company) or Blockbuster Wall Street IPO (NYSE).	\$70.0M – \$100.0M+ (Generational Wealth Creation)	70x – 100x+ ROI +\$69.0M to +\$99.0M Net Profit

Key Takeaway for Anchor Investors:

By jumping on early at the Seed stage, investors secure contractual downside protection via the **3.0x Buyout Floor (\$3,000,000 guaranteed cash return)** while holding un-capped equity rights that convert into **\$10M-\$14M+ at a standard strategic buyout (\$100M)**, and up to **\$70M-\$100M+ if AquaLoch scales into a \$1 Billion global agronomic enterprise**.

12. LEADERSHIP TEAM & OPERATIONAL GOVERNANCE

Mike Forostoski

FOUNDER & CHIEF EXECUTIVE OFFICER • U.S. MILITARY VETERAN

Soil chemistry pioneer who formulated AquaLoch's proprietary bio-retention matrices, subsurface hydrogel delivery protocols, and biological amendments. Directs all compounding, scientific testing, and production logistics.

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Rocky Garcia

CO-FOUNDER & STRATEGIC PARTNERSHIPS

Drives retail partner expansion, institutional contracts, and nursery network development across Texas. Architect of the H-E-B supermarket distribution strategy, independent nursery co-op programs, and commercial HOA partnerships.

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AQUALOCH, LLC (ISSUER)

By: Mike Forostoski, CEO & Manager

Date: _____

INVESTOR ACCEPTANCE & ALLOCATION

Investor Signature / Entity Representative

Allocation: \$1,000,000.00 (Anchor Investor)