

AQUALOCH, LLC — SEED INVESTMENT TERM SHEET

H-E-B Retail Launch & Scaled Texas Expansion Syndicate

STRICTLY
CONFIDENTIAL

This Term Sheet summarizes the principal terms of the Seed Growth round for **AquaLoch, LLC**. The offering has a baseline target of **\$1,250,000 USD** (with capacity up to **\$3,000,000 USD** for full statewide expansion), accommodating anchor checks of **\$1,000,000 USD** to finance automated Texas manufacturing, fulfillment of the confirmed 100-store H-E-B grocery contract in Early 2027, and statewide expansion.

Issuer	AquaLoch, LLC , a Texas Limited Liability Company (Veteran-Owned Small Business).
Offering Size	\$1,250,000 USD Base Target (Expandable up to \$3,000,000 USD for Statewide Moat Tier).
Anchor Allocation Capacity	\$1,000,000 USD per Anchor Investor (or proportional co-investment tranches).
Security Instrument	Class B Preferred Non-Voting Membership Units (or SAFE with Contractual Buyout Rights).
Investor Role & Governance	Silent Partner: Passive economic interest. Investors bear zero managerial responsibility, zero operational liability, and hold no voting governance seats. Day-to-day operations and executive decisions remain 100% with the Managing Members.
Pre-Money Valuation Cap	\$6,000,000 USD . Reflects proprietary bio-retention formulations, agricultural field trials, and confirmed 100-store H-E-B grocery distribution.
Conversion Discount	30% Discount to the lowest per-unit price paid by institutional investors in the next Qualified Equity Financing (Series A).
Early Buyout Call Option (3-Tier Liquidity Horizons)	Three-Horizon Buyout Architecture: • Level 1 (\$10,000,000 Buyout / Call Option): Within 24 to 36 months, Company holds call option to repurchase units at guaranteed 3.0x to 4.0x cash multiple (\$3,000,000 to \$4,000,000 cash payout on \$1,000,000 investment). • Level 2 (\$100,000,000 Strategic M&A): In a strategic acquisition by Tier-1 industry conglomerates (Scotts Miracle-Gro, Central Garden & Pet, Bayer/Envu), Investor units convert to equity yielding 10x to 14.3x return (\$10,000,000 to \$14,300,000 payout). • Level 3 (\$1,000,000,000 AgTech Unicorn / IPO): In global drought/agricultural scale exit or IPO, Investor units yield 70x to 100x+ return (\$70,000,000 to \$100,000,000+ payout).

Secondary Liquidity Rights	In the event of an institutional Series A financing or acquisition prior to the exercise of the Buyout Call Option, Investors maintain tag-along priority to sell their converted shares to incoming buyers at prevailing market valuations.
Use of Proceeds	Allocated to scale operations and capture Texas retail distribution: - Automated Texas Blending & Packaging Line: \$400,000 (Base) / \$800,000 (Moat) - Bulk Raw Materials & H-E-B Inventory: \$450,000 (Base) / \$1,100,000 (Moat) - In-Store Retail Endcaps, QR Displays & Ads: \$250,000 (Base) / \$600,000 (Moat) - Commercial HOA Division & Working Capital: \$150,000 (Base) / \$500,000 (Moat)
Liquidation Preference	1.0x non-participating senior liquidation preference over Common Units upon any dissolution or corporate sale.
Information Rights	Investors shall receive quarterly financial summaries, retail sell-through updates, and store re-order dashboards within 30 days of each quarter-end.
Closing Date	Target Closing: On or before November 30, 2026 (prior to automated equipment commissioning).

ACCEPTED AND AGREED:
AQUALOCH, LLC (ISSUER)

Mike Forostoski, Founder & CEO
Date: _____
(970) 630-2625 • mike@aqualoch.com

ACCEPTED AND AGREED:
ANCHOR ANGEL INVESTOR (SILENT PARTNER)

Investor Name: _____
Allocation Amount: **\$1,000,000.00 USD**
Date: _____