

# Locking Line Barriers Corporation

*dba* **WaterBlocks™**

## Private Placement Memorandum

**Effective: June 30, 2020**

**The Offer:** Five Hundred Thousand (500,000) no-par value Series A Preferred Stock Shares, at Ten Dollars (\$10.00) per share with an annual cumulative dividend rate of 6.50%, with a variable sixty (60) month conversion right as described herein.

PREPARED EXCLUSIVELY

FOR:

**ACCREDITED INVESTORS ONLY**



**New Technology for Flood Control and Mitigation**

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## CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

# Locking Line Barriers Corporation

*dba* **WaterBlocks™**

### \$5,000,000 Private Offering Series A – Cumulative, Convertible Preferred Stock

Maximum Shares Offered: 500,000

Minimum Shares Offered: 1,000

Price Per Share: \$10.00

Minimum Investment: 1,000 Shares (\$10,000)

### Offering Details

**Locking Line Barriers Corporation dba WaterBlocks™** (the “Company” or “LLB”), a Colorado “C” Corporation, the Company, is offering up to 500,000 shares of no-par value Series A Preferred Stock, with an annual cumulative dividend rate of 6.50%, and including a conversion right as described herein (the “Preferred Stock” or “Shares”). Offered on a “best efforts” basis pursuant to Regulation D 506(c) et.al., of the Securities Act of 1934, as amended (the “Securities Act”), with a minimum tender requirement of 1,000 shares, (which at the Company’s discretion may be reduced), at a purchase price of \$10.00 per share or accepted Strike Price (the “Per Share Purchase Price”), for total gross proceeds of up to \$5,000,000 (the “Maximum Offering”) which the Company retains the right to increase or decrease at any time, to Accredited Investors only as defined by the Securities Act;

**Liquidation Preference:** One times the Strike Price plus cumulative and unpaid dividends on each Preferred Series A share, the balance of proceeds to be paid to Common Shareholders. A merger, reorganization or similar transaction will be treated as a liquidation.

**Conversion Rights:** In accordance with the following schedule, the Investor may elect to convert these Preferred Stock shares held, Preferred Shares in whole or in part to “WaterBlocks” Common Class A, Voting Shares; as follows:

<b>Preferred Series 1 Shares Conversion to Common Class A Voting Shares:</b>					
<b>500,000 shares at assumed strike price of \$10.00 each</b>					
<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Annual Value of Dividend (6.5%)</b>	\$325,000.00	\$325,000.00	\$325,000.00	\$325,000.00	\$325,000.00
<b>Annual Cumulative Value</b>	N/A	\$5,650,000.00	\$5,975,000.00	\$6,300,000.00	\$6,625,000.00
<b><u>The following table assumes:</u></b>					
<b><u>All Shares Converted as of the end of previous year held</u></b>					
<b><u>\$0.00 increase in Corporate Valuation over time</u></b>					
<b>Conversion Schedule End of Year(s)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b><u>Conversion Ratios</u></b>	<b>0</b>	<b>1:1</b>	<b>1.25:1</b>	<b>1.50:1</b>	<b>2.00:1</b>
<b>Preferred Series 1 to Class A Common Voting</b>	<b>1</b>	<b>1.25</b>	<b>1.5</b>	<b>2</b>	<b>2</b>
<b>All Preferred Shares simultaneously converted &amp; Issued:</b>	<b>565,000</b>	<b>746,875</b>	<b>945,000</b>	<b>1,325,000</b>	<b>1,325,000</b>
<b>Each Preferred share Converts to Class A Common Shares:</b>	<b>1.1</b>	<b>1.5</b>	<b>1.9</b>	<b>2.7</b>	<b>2.7</b>

**For Accredited Investors Only**

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1934, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF COLORADO, OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 506 PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT THEY MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY'S STOCK / SHARES AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE SHARES WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE SHARES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SHARES IS BEING UNDERTAKEN PURSUANT TO RULE 506 OF REGULATION D UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE SHARES, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD. THE OFFERING PRICE OF THE SECURITIES TO WHICH THE CONFIDENTIAL TERM SHEET RELATES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE. THIS OFFERING HAS NOT BEEN UNDERWRITTEN. THE COMPANY IS A STARTUP ORGANIZATION AT THIS TIME. THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES.

ANY OFFER(S) TENDERED BY UNCONFIRMED "ACCREDITED INVESTOR(S)" OR PROSPECTIVE PURCHASERS / INVESTORS SHALL NOT AND CANNOT BE ACCEPTED BY THE OFFEREE. ALL "ACCREDITED INVESTOR(S)" ARE THE ULTIMATE RESPONSIBLE PARTY INDIVIDUALLY FOR PROVIDING TO THE OFFEREE SUFFICIENT AND ACCEPTABLE EVIDENCE AS DETERMINED AND REQUIRED BY REGULATIONS AND THE OFFEREE.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER SUCH ACT AND ALL SUCH APPLICABLE LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. AND THE SHARES ISSUED HEREBY SHALL BEAR THIS RESTRICTION UNTIL REMOVED AS REQUIRED.

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## **I. JURISDICTIONAL (NASAA) LEGENDS**

**FOR RESIDENTS OF ALL STATES: THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN A PARTICULAR STATE. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE HEREBY ADVISED TO CONTACT THE COMPANY. THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS (COMMONLY CALLED "BLUE SKY" LAWS). THESE SECURITIES MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER SUCH LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THE STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OF SALE MAY BE MADE IN ANY PARTICULAR STATE.**

**1. NOTICE TO ALABAMA RESIDENTS ONLY:** THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**2. NOTICE TO ALASKA RESIDENTS ONLY:** THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH THE ADMINISTRATOR OF SECURITIES OF THE STATE OF ALASKA UNDER PROVISIONS OF 3 AAC 08.503 AAC 08.506. THE INVESTOR IS ADVISED THAT THE ADMINISTRATOR HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE ADMINISTRATOR. THE FACT OF REGISTRATION DOES NOT MEAN THAT THE ADMINISTRATOR HAS PASSED IN ANY WAY UPON THE MERITS, RECOMMENDED, OR APPROVED THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF 45.55.170. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.

**3. NOTICE TO ARIZONA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844 (1) AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE ALSO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**4. NOTICE TO ARKANSAS RESIDENTS ONLY:** THESE SECURITIES ARE OFFERED IN RELIANCE UPON CLAIMS OF EXEMPTION UNDER THE ARKANSAS SECURITIES ACT AND SECTION 4(2) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**5. FOR CALIFORNIA RESIDENTS ONLY:** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATIONS IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPTED FROM QUALIFICATION BY SECTION 25100, 25102, OR 25104 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITION UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

**6. FOR COLORADO RESIDENTS ONLY:** THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991 BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE RESOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991, IF SUCH REGISTRATION IS REQUIRED.

**7. NOTICE TO CONNECTICUT RESIDENTS ONLY:** SHARES ACQUIRED BY CONNECTICUT RESIDENTS ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 36b-31-21b-9b OF THE CONNECTICUT, UNIFORM SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF CONNECTICUT. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SHARES.

**8. NOTICE TO DELAWARE RESIDENTS ONLY:** IF YOU ARE A DELAWARE RESIDENT, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE DELAWARE SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

**9. NOTICE TO DISTRICT OF COLUMBIA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES BUREAU OF THE DISTRICT OF COLUMBIA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**10. NOTICE TO FLORIDA RESIDENTS ONLY:** THE SHARES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION UNDER THE FLORIDA SECURITIES ACT. THE SHARES REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061 OF SAID ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL OFFEREEES WHO ARE FLORIDA RESIDENTS SHOULD BE AWARE THAT SECTION 517.061(11)(a)(5) OF THE ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN [FLORIDA], ANY SALE IN [FLORIDA] MADE PURSUANT TO [THIS SECTION] IS VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER." THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SECTION 517.061(11) IS HEREBY COMMUNICATED TO EACH FLORIDA OFFEREE. EACH PERSON ENTITLED TO EXERCISE THE PRIVILEGE TO AVOID SALES GRANTED BY SECTION 517.061 (11) (A)(5) AND WHO WISHES TO EXERCISE SUCH RIGHT, MUST, WITHIN 3 DAYS AFTER THE TENDER OF ANY AMOUNT TO THE COMPANY OR TO ANY AGENT OF THE COMPANY (INCLUDING THE SELLING AGENT OR ANY OTHER DEALER ACTING ON BEHALF OF THE PARTNERSHIP OR ANY SALESMAN OF SUCH DEALER) OR AN ESCROW AGENT CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE COMPANY AT THE ADDRESS PROVIDED IN THIS CONFIDENTIAL EXECUTIVE SUMMARY. SUCH LETTER OR TELEGRAM MUST BE SENT AND, IF POSTMARKED, POSTMARKED ON OR PRIOR TO THE END OF THE AFOREMENTIONED THIRD DAY. IF A PERSON IS SENDING A LETTER, IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD A PERSON MAKE THIS REQUEST ORALLY, HE MUST ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

**11. NOTICE TO GEORGIA RESIDENTS ONLY:** THESE SECURITIES ARE OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE GEORGIA SECURITIES ACT PURSUANT TO REGULATION 590-4-5-04 AND -01. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A

TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

**12. NOTICE TO HAWAII RESIDENTS ONLY:** NEITHER THIS PROSPECTUS NOR THE SECURITIES DESCRIBED HEREIN BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.

**13. NOTICE TO IDAHO RESIDENTS ONLY:** THESE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT IN RELIANCE UPON EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 30-14-203 OR 302(c) THEREOF AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SAID ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SAID ACT.

**14. NOTICE TO ILLINOIS RESIDENTS:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF THE STATE OF ILLINOIS NOR HAS THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**15. NOTICE TO INDIANA RESIDENTS ONLY:** THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 23-2-1-2 OF THE INDIANA SECURITIES LAW AND HAVE NOT BEEN REGISTERED UNDER SECTION 23-2-1-3. THEY CANNOT THEREFORE BE RESOLD UNLESS THEY ARE REGISTERED UNDER SAID LAW OR UNLESS AN EXEMPTION FORM REGISTRATION IS AVAILABLE. A CLAIM OF EXEMPTION UNDER SAID LAW HAS BEEN FILED, AND IF SUCH EXEMPTION IS NOT DISALLOWED SALES OF THESE SECURITIES MAY BE MADE. HOWEVER, UNTIL SUCH EXEMPTION IS GRANTED, ANY OFFER MADE PURSUANT HERETO IS PRELIMINARY AND SUBJECT TO MATERIAL CHANGE.

**16. NOTICE TO IOWA RESIDENTS ONLY:** IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED; THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

**17. NOTICE TO KANSAS RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 81-5-15 OF THE KANSAS SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**18. NOTICE TO KENTUCKY RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER TITLE 808 KAR 10:210 OF THE KENTUCKY SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**19. NOTICE TO LOUISIANA RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND

ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER RULE 1 OF THE LOUISIANA SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**20. NOTICE TO MAINE RESIDENTS ONLY:** THE ISSUER IS REQUIRED TO MAKE A REASONABLE FINDING THAT THE SECURITIES OFFERED ARE A SUITABLE INVESTMENT FOR THE PURCHASER AND THAT THE PURCHASER IS FINANCIALLY ABLE TO BEAR THE RISK OF LOSING THE ENTIRE AMOUNT INVESTED.

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION UNDER §16202(15) OF THE MAINE UNIFORM SECURITIES ACT AND ARE NOT REGISTERED WITH THE SECURITIES ADMINISTRATOR OF THE STATE OF MAINE.

THE SECURITIES OFFERED FOR SALE MAY BE RESTRICTED SECURITIES AND THE HOLDER MAY NOT BE ABLE TO RESELL THE SECURITIES UNLESS:

- (1) THE SECURITIES ARE REGISTERED UNDER STATE AND FEDERAL SECURITIES LAWS, OR
- (2) AN EXEMPTION IS AVAILABLE UNDER THOSE LAWS.

**21. NOTICE TO MARYLAND RESIDENTS ONLY:** IF YOU ARE A MARYLAND RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 11-602(9) OF THE MARYLAND SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MARYLAND. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SHARES.

**22. NOTICE TO MASSACHUSETTS RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THIS OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**23. NOTICE TO MICHIGAN RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 451.701 OF THE MICHIGAN UNIFORM SECURITIES ACT (THE ACT) AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF MICHIGAN ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT, OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

**24. NOTICE TO MINNESOTA RESIDENTS ONLY:** THESE SECURITIES BEING OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER CHAPTER 80A OF THE MINNESOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

**25. NOTICE TO MISSISSIPPI RESIDENTS ONLY:** THE SHARES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MISSISSIPPI SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MISSISSIPPI SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECRETARY OF STATE NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, OR APPROVED OR DISAPPROVED THIS OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES. EACH PURCHASER OF THE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF THIS INVESTMENT. THE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE (1) YEAR EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE MISSISSIPPI SECURITIES ACT OR IN A TRANSACTION IN COMPLIANCE WITH THE MISSISSIPPI SECURITIES ACT.



**26. FOR MISSOURI RESIDENTS ONLY:** THE SECURITIES OFFERED HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE PURCHASER IN A TRANSACTION EXEMPT UNDER SECTION 4.G OF THE MISSOURI SECURITIES LAW OF 1953, AS AMENDED. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MISSOURI. UNLESS THE SECURITIES ARE SO REGISTERED, THEY MAY NOT BE OFFERED FOR SALE OR RESOLD IN THE STATE OF MISSOURI, EXCEPT AS A SECURITY, OR IN A TRANSACTION EXEMPT UNDER SAID ACT.

**27. NOTICE TO MONTANA RESIDENTS ONLY:** IN ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A MONTANA RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF FIVE (5) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SHARES.

**28. NOTICE TO NEBRASKA RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER CHAPTER 15 OF THE NEBRASKA SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**29. NOTICE TO NEVADA RESIDENTS ONLY:** IF ANY INVESTOR ACCEPTS ANY OFFER TO PURCHASE THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION NRS 92.520 OF THE NEVADA SECURITIES LAW. THE INVESTOR IS HEREBY ADVISED THAT THE ATTORNEY GENERAL OF THE STATE OF NEVADA HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING AND THE FILING OF THE OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE, OR SALE THEREOF, BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEVADA. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. NEVADA ALLOWS THE SALE OF SECURITIES TO 25 OR FEWER PURCHASERS IN THE STATE WITHOUT REGISTRATION. HOWEVER, CERTAIN CONDITIONS APPLY, I.E., COMMISSIONS ARE LIMITED TO LICENSED BROKER-DEALERS. THIS EXEMPTION IS GENERALLY USED WHERE THE PROSPECTIVE INVESTOR IS ALREADY KNOWN AND HAS A PRE-EXISTING RELATIONSHIP WITH THE COMPANY. (SEE NRS 90.530.11.)

**30. NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY:** NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

**31. NOTICE TO NEW JERSEY RESIDENTS ONLY:** IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**32. NOTICE TO NEW MEXICO RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE NEW MEXICO DEPARTMENT OF BANKING NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**33. NOTICE TO NEW YORK RESIDENTS ONLY:** THIS DOCUMENT HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMPANY HAS TAKEN NO STEPS TO CREATE AN AFTER MARKET FOR THE SHARES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OF OTHERS TO TRADE OR MAKE A MARKET IN THE SHARES. AT SOME TIME IN THE FUTURE, THE COMPANY MAY ATTEMPT TO ARRANGE FOR INTERESTED BROKERS TO TRADE OR MAKE A MARKET IN THE SECURITIES AND TO QUOTE THE SAME IN A PUBLISHED QUOTATION MEDIUM, HOWEVER, NO SUCH ARRANGEMENTS HAVE BEEN MADE AND THERE IS NO ASSURANCE THAT ANY BROKERS WILL EVER HAVE SUCH AN INTEREST IN THE SECURITIES OF THE COMPANY OR THAT THERE WILL EVER BE A MARKET THEREFORE.

**34. NOTICE TO NORTH CAROLINA RESIDENTS ONLY:** IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FORGOING AUTHORITIES HAVE NOT CONFIRMED ACCURACY OR DETERMINED ADEQUACY OF THIS DOCUMENT. REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

**35. NOTICE TO NORTH DAKOTA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**36. NOTICE TO OHIO RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 1707.3(X) OF THE OHIO SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**37. NOTICE TO OKLAHOMA RESIDENTS ONLY:** THESE SECURITIES ARE OFFERED FOR SALE IN THE STATE OF OKLAHOMA IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION FOR PRIVATE OFFERINGS. ALTHOUGH A PRIOR FILING OF THIS MEMORANDUM AND THE INFORMATION HAS BEEN MADE WITH THE OKLAHOMA SECURITIES COMMISSION, SUCH FILING IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE AN APPROVAL, RECOMMENDATION OR ENDORSEMENT, AND IN NO SENSE IS TO BE REPRESENTED AS AN INDICATION OF THE INVESTMENT MERIT OF SUCH SECURITIES. ANY SUCH REPRESENTATION IS UNLAWFUL.

**38. NOTICE TO OREGON RESIDENTS ONLY:** THE SECURITIES OFFERED HAVE BEEN REGISTERED WITH THE CORPORATION COMMISSION OF THE STATE OF OREGON UNDER PROVISIONS OF ORS 59.049. THE INVESTOR IS ADVISED THAT THE COMMISSIONER HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS DOCUMENT SINCE THE DOCUMENT IS NOT REQUIRED TO BE FILED WITH THE COMMISSIONER. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE COMPANY CREATING THE SECURITIES, AND THE TERMS OF THE OFFERING

INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.

**39. NOTICE TO PENNSYLVANIA RESIDENTS ONLY:** EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THIS ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(m)), YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. NO SALE OF THE SECURITIES WILL BE MADE TO RESIDENTS OF THE STATE OF PENNSYLVANIA WHO ARE NON-ACCREDITED INVESTORS. EACH PENNSYLVANIA RESIDENT MUST AGREE NOT TO SELL THESE SECURITIES FOR A PERIOD OF TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION. THE SECURITIES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

**40. NOTICE TO RHODE ISLAND RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE DEPARTMENT OF BUSINESS REGULATION OF THE STATE OF RHODE ISLAND NOR HAS THE DIRECTOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**41. NOTICE TO SOUTH CAROLINA RESIDENTS ONLY:** THESE SECURITIES ARE BEING OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSIONER. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**42. NOTICE TO SOUTH DAKOTA RESIDENTS ONLY:** THESE SECURITIES ARE BEING OFFERED FOR SALE IN THE STATE OF SOUTH DAKOTA PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SOUTH DAKOTA BLUE SKY LAW, CHAPTER 47-31, WITH THE DIRECTOR OF THE DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE AND REGULATION OF THE STATE OF SOUTH DAKOTA. THE EXEMPTION DOES NOT CONSTITUTE A FINDING THAT THIS MEMORANDUM IS TRUE, COMPLETE, AND NOT MISLEADING, NOR HAS THE DIRECTOR OF THE DIVISION OF SECURITIES PASSED IN ANY WAY UPON

THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**43. NOTICE TO TENNESSEE RESIDENT ONLY:** IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD. EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

**44. NOTICE TO TEXAS RESIDENTS ONLY:** THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 UNDER THE TEXAS SECURITIES ACT, THE COMPANY IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON CERTIFICATES REPRESENTING SECURITIES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE WILL NOT SELL THE SUBJECT SECURITIES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

**45. NOTICE TO UTAH RESIDENTS ONLY:** THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE UTAH SECURITIES ACT. THE SECURITIES CANNOT BE TRANSFERRED OR SOLD EXCEPT IN TRANSACTIONS WHICH ARE EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

**46. NOTICE TO VERMONT RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE STATE OF VERMONT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**47. NOTICE TO VIRGINIA RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION UNDER SECTION 13.1-514 OF THE VIRGINIA SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**48. NOTICE TO WASHINGTON RESIDENTS ONLY:** THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OR PRIVATE PLACEMENT MEMORANDUM AND THE SECURITIES HAVE NOT BEEN REGISTERED IN RELIANCE UPON THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, OR UNLESS AN EXEMPTION FROM REGISTRATION IS MADE AVAILABLE.

**49. NOTICE TO WEST VIRGINIA RESIDENTS ONLY:** IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 15.06(b)(9) OF THE WEST VIRGINIA SECURITIES LAW AND MAY NOT BE REOFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

**50. NOTICE TO WISCONSIN RESIDENTS ONLY:** IN ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A WISCONSIN RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF THREE AND ONE-THIRD (3 1/3) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SHARES OFFERED HEREIN.

**51. FOR WYOMING RESIDENTS ONLY:** ALL WYOMING RESIDENTS WHO SUBSCRIBE TO PURCHASE SHARES OFFERED BY THE COMPANY MUST SATISFY THE FOLLOWING MINIMUM FINANCIAL SUITABILITY REQUIREMENTS IN ORDER TO PURCHASE SHARES:

(1) A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000); AND

(2) THE PURCHASE PRICE OF SHARES SUBSCRIBED FOR MAY NOT EXCEED TWENTY PERCENT (20%) OF THE NET WORTH OF THE SUBSCRIBER; AND

(3) "TAXABLE INCOME" AS DEFINED IN SECTION 63 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, DURING THE LAST TAX YEAR AND ESTIMATED "TAXABLE INCOME" DURING THE CURRENT TAX YEAR SUBJECT TO A FEDERAL INCOME TAX RATE OF NOT LESS THAN THIRTY-THREE PERCENT (33%).

ALL WYOMING RESIDENT SUBSCRIBERS ARE REQUIRED TO VERIFY THEY MEET THESE REQUIREMENTS.



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## II. SUMMARY OF THE OFFERING

EACH PROSPECTIVE INVESTOR WILL BE GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM MANAGEMENT OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING, AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORTS OR EXPENSE. SHOULD YOU HAVE ANY QUESTIONS REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM PLEASE CONTACT US; PHONE 303-360-7535, OR EMAIL INFO@WATERBLOCKS.NET.

The following material is intended to summarize information contained elsewhere in this Limited Offering Memorandum (the “Memorandum”). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing to purchase shares.

### **The Effective Date of this Memorandum is June 30, 2020**

- (1) This Offering is not underwritten. The Shares are offered on a “best efforts” basis by the Company through its officers and directors. The Company has set a minimum offering amount of 1,000 Shares with minimum gross proceeds of \$10,000 for this Offering. The Company reserves the right to waive the 1,000 Share minimum subscription for any qualified investor and to discount the price per share.
- (2) The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) Feb 28, 2021, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “Offering Period”) by the Registrar.
- (3) The Company will serve as its own registrar and transfer agent with respect to its Cumulative Convertible Series A Preferred Stock Shares. The Company may, at its discretion, during the offering elect to employ an outside Registrar and/or Transfer Agent at any time.
- (4) Convertible Series A Preferred Stock Ownership: upon the sale of the stated number of Shares from this Offering, the number of issued and outstanding Series A Preferred Shares held will be as follows; **Present Shareholders (0%), New Shareholders (100%)**
- (5) **The Company is actively accepting investments via its Title III - Regulation Crowdfunding Campaign at <https://www.startengine.com/llbusa> for its Class B Non-Voting Common Shares. See this website for full current disclosures and information.**
- (6) No person is authorized to give any information or make any representation not contained in this Memorandum and any information or representation not contained herein must not be relied upon.
- (7) Nothing in this Memorandum should be construed as legal or tax advice.
- (8) The Management of the Company has provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company’s performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.
- (9) Other than the Company’s Management, no one has been authorized to give any information or to make any representation with respect to the Company or the Shares that is not contained in this Memorandum. Investors should only rely on information contained in this Memorandum.
- (10) This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so. This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.
- (11) This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company’s discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of Shares subscribed for by such prospective investor.
- (12) This Memorandum has been prepared solely for the information of the person to whom it has been delivered to by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery

of this Memorandum, agrees to return or destroy it and all other documents received by them if the prospective investor's subscription is not accepted or if the Offering is terminated.

- (13) By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Shares. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

## DESCRIPTION OF SHARES OFFERED

**Locking Line Barriers Corporation dba WaterBlocks™** (the "Company" or "LLB"), a Colorado "C" Corporation, the Company, is offering up to 500,000 shares of no-par value Series A Preferred Stock, with an annual cumulative dividend rate of 6.50%, and including a conversion right as described herein (the "Preferred Stock" or "Shares"). Offered on a "best efforts" basis pursuant to Regulation D 506(c) et.al., of the Securities Act of 1934, as amended (the "Securities Act"), with a minimum tender requirement of 1,000 shares, (which at the Company's discretion may be reduced), at a purchase price of \$10.00 per share or accepted Strike Price (the "Per Share Purchase Price"), for total gross proceeds of up to \$5,000,000 (the "Maximum Offering") unless modified by the Company, to Accredited Investors only as defined by the Securities Act;

**Liquidation Preference:** One times the Strike Price plus cumulative and unpaid dividends on each Preferred Series A share, the balance of proceeds to be paid to Common Shareholders. A merger, reorganization or similar transaction will be treated as a liquidation.

**Conversion Rights:** In accordance with the following schedule, the Investor may elect to convert these Preferred Stock shares held, Preferred Shares in whole or in part to "WaterBlocks" Common Class A, Voting Shares; as follows:

<b>Preferred Series 1 Shares Conversion to Common Class A Voting Shares:</b>					
<b>500,000 shares at assumed strike price of \$10.00 each</b>					
<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Annual Value of Dividend (6.5%)</b>	<b>\$325,000.00</b>	<b>\$325,000.00</b>	<b>\$325,000.00</b>	<b>\$325,000.00</b>	<b>\$325,000.00</b>
<b>Annual Cumulative Value</b>	<b>N/A</b>	<b>\$5,650,000.00</b>	<b>\$5,975,000.00</b>	<b>\$6,300,000.00</b>	<b>\$6,625,000.00</b>
<b><i>The following table assumes:</i></b>					
<b><i>All Shares Converted as of the end of previous year held</i></b>					
<b><i>\$0.00 increase in Corporate Valuation over time</i></b>					
<b>Conversion Schedule End of Year(s)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b><u>Conversion Ratios</u></b>	<b>0</b>	<b>1:1</b>	<b>1.25:1</b>	<b>1.50:1</b>	<b>2.00:1</b>
<b>Preferred Series 1 to Class A Common Voting</b>	<b>1</b>	<b>1.25</b>	<b>1.5</b>	<b>2</b>	
<b>All Preferred Shares simultaneously converted &amp; Issued:</b>	<b>565,000</b>	<b>746,875</b>	<b>945,000</b>	<b>1,325,000</b>	
<b>Each Preferred share Converts to Class A Common Shares:</b>	<b>1.1</b>	<b>1.5</b>	<b>1.9</b>	<b>2.7</b>	

## WaterBlocks™ – Anticipated Use of Offering Proceeds

The company estimates that, at a per share price of \$10.00, the net proceeds to the issuer from the sale of the 500,000 Preferred Shares in this offering will be approximately \$4,250,000, after deducting the estimated offering expenses of approximately \$750,000 (including payment to escrow, marketing, legal, advertising, accounting professional fees and other expenses).

Our marketing costs consist mainly of internal salaries for brand managers, lead generation associates, inside sales people and third-party companies specialized in incoming lead conversion through telephone and emails. Also included are advertising costs on several types of media, including television, radio, podcasts and internet services such as Facebook and Google. These costs include engaging distributors and local reps as needed.

The table below reflects the net proceeds the company would receive from this offering assuming an offering size of \$1 million, \$2.5 million and \$5 million, and the intended use of those proceeds. There is no guarantee that we will be successful in selling any of the Series A Preferred Stock we are offering.



WaterBlocks Anticipated Use of Proceeds				
	Amount Raised	\$1,000,000	\$2,500,000	\$5,000,000
	Offering Expenses	\$150,000	\$450,000	\$750,000
	Net Proceeds to Issuer	\$850,000	\$2,050,000	\$4,250,000
	Inventory & Equipment	\$250,000	\$600,000	\$1,500,000
	Testing & Certifications	\$50,000	\$200,000	\$300,000
	Marketing	\$220,000	\$500,000	\$1,000,000
	Operations	\$250,000	\$550,000	\$1,000,000
	Product Development	\$30,000	\$100,000	\$150,000
	Cash Reserves	\$50,000	\$100,000	\$300,000

Inventory and related equipment is our most important and expected expenditure. Product is needed to fill orders timely as well as providing exhibits of our product across the country. Equipment to handle the product is also a requirement.

Invest in WaterBlocks™ dba Locking Line Barriers Corporation with confidence as we prepare to go to market with our revolutionary WaterBlocks™ product line and related services. Funds from this raise will be used to support our efforts to; begin operations, recruit staff, create inventory, expand marketing, promotions, and product line sales at trade shows as well as promotional events with municipalities across the country and globally, research and development, and general operating expenses.

Product development is an expected expenditure. This includes salaries for the internal mechanical engineers and software development team. These engineers will assist with improving our existing products and services as well as developing our planned new barrier sharing network services. Testing and certifications are planned to obtain various government agencies 'Certifications' (like Homeland Security) for our products.

### III. THE COMPANY AND ITS BUSINESS

#### The Company

##### Purpose

Locking Line Barriers Corporation (the "Company" or "LLB" or "WaterBlocks") was formed on October 10, 2015, as a Colorado corporation for the purpose of accepting a twenty (20) year exclusive license (the License) and related rights to globally exploit, market, sub-license, distribute, and sell the product(s) now known as the trademarked name "WaterBlocks", their accouterments and related services as developed.

The License was issued to LLB by Great American Holdings, Inc. (GAH), a Colorado Corporation, created in March 2009, for the purpose of holding and providing a safe harbor for the ownership and related rights to the intellectual property created by its shareholders.

The Company has not yet begun actual operations, pending its ability to raise the capital necessary to do so, and being managed by Strategic Solutions Team, Inc. (SST) until it has the capital to operate as described more fully herein.

#### OFFICE OF THE SECRETARY OF STATE OF THE STATE OF COLORADO

#### CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Locking Line Barriers Corporation

is a  
Corporation

formed or registered on 10/10/2015 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20151657477.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 02/13/2020 that have been posted, and by documents delivered to this office electronically through 02/15/2020 @ 15:14:47.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 02/15/2020 @ 15:14:47 in accordance with applicable law. This certificate is assigned Confirmation Number 12088536.



*Jena Griswold*  
Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*



## **Corporate Mission**

Combine Innovation with the latest Technology to produce and/or provide a line of multi-use products and services capable of saving and protecting life, communities, property, and our environment when Disaster Strikes. Utilizing a cost sharing network methodology to ensure our solutions are cost effective, rapidly deployable and easily managed. Thereby providing the emergency management and response organizations with new tools and solutions to address the recurring problems they face protecting their communities.

## **Organizational Structure**

The Company is a "C" corporation, consisting of presently over 550 Shareholders, a Board of Directors of five (5) persons and one (1) Officer and employee, pending the start of operations. The affairs of the Company are temporarily being managed by a related company, Strategic Solutions Team, Inc., to minimize costs, expenses, and a credit facility in the interim, until the initial product inventory is acquired and operations begin.

## **Business Description**

The Company is in the business of purchasing the WaterBlocks products from the exclusive licensed manufacturer for marketing, sub-licensing, selling, and renting multi-use "WaterBlocks" barriers and barrier systems, for flood, crowd, traffic, as well as hazardous waste and disaster, management and control worldwide. Its principal offices are presently located at 4155 E. Jewell Ave Suite 610, Denver, Colorado 80222, telephone (303) 360-7535. The Company's current activities are limited to Raising Capital and Preliminary Branding and Marketing efforts.

## **Liabilities and Litigation**

The Company has no litigation in progress or known to be pending. The Company's current liabilities are limited to the "Perks" provided for in the ongoing Crowd Funding "CF" Online Public Offering (see [www.OPO2.com](http://www.OPO2.com)) and the accrued management fees and reimbursable expenses to be determined upon the conclusion of the management services and the start of operations. The Company's product license carries with it a contingent liability to sustain and manage all aspects related to the maintenance and expansion of the product patent(s), in order to control the marketing and sublicensing progression of the products and services geographically.

## **The Management Team**

### **Officers and Directors:**

**Joe Daniluk CEO & COB**

**Steve Tannenbaum Finance Director**

**Ambassador Sam Zakhem Director Government Relations**

**Will Hunziker Patent & Licensing Director**

**Scott Saxman Product Development & Global Expansion Director**

Management Team Resumes are included in the Exhibits.

## **IV. THE WATERBLOCKS BUSINESS PLAN**

### **OVERVIEW**

The Company's sole intent and primary objective is to raise sufficient capital necessary to begin operations at the earliest possible date. Our Business Plan is dependent upon and will be scaled based on a direct correlation to the amount of capital raised.

In summary we will be undertaking the following actions:

- acquire sufficient office space to accommodate staffing
- higher staffing as needed
- install and initialize IT operations to automate the company
- begin marketing operations
- attend industry related shows for product demonstrations
- create a software development and action plan for the Barrier Sharing Network
- begin the development of a global licensing program

these activities will result in the initial Revenue Generation anticipated.

Our secondary objective is to pursue a number of other sources of barrier sharing network inventory for further development through the creation of revenue sharing agreement(s) as investment opportunities, for Corporate Social Responsibility departments and the thousands of nonprofit (501C(3)) charitable organizations to participate in. We intend to use this tool to provide an ongoing expansion of inventory of truckloads of WaterBlocks on the Barrier Sharing Network.

## The Problem to Resolve:

### How Do You Stop a Flood?

**You Don't!** All you can do is divert the flood waters elsewhere.

So what can stand between a **community** and a **flood**?

Flooding is a **growing concern for millions of people and municipalities nationwide**. Despite that, there haven't been any major enhancements to flood protection over past years, leaving us relegated to **these basic tools**:



concrete walls



jersey barriers



sandbags



anything handy

**Fact is** - once it starts raining, it's already too late. Communities need a **faster, more reliable solution** to this looming threat. Most all **flood control tools currently** available in the US are **heavy, not easily moveable or deployable** and typically **permanent** once constructed.

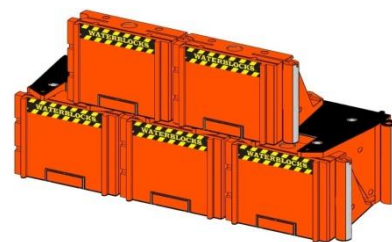
Over the past three years we have had extensive discussions with **municipalities and various governmental agencies** reflecting a common theme professed by all; “**an additional source of flood barrier supply and support is needed**. Our *communities'* needs can't just rely on FEMA, NGO's and the occasional local vendor.” See our 'Market Feasibility Study in the Exhibits.

There are, of course, a number of existing plastic barriers on the market. However, being designed for traffic safety and control, their uses are **limited**, and the design rendering them **useless** for flood control or liquid overflow management.



\*\*\*\* **SO WHAT ARE THE SOLUTIONS?** \*\*\*\*

## A. The Solution - Part 1



In response to the unresolved need for new and improved flood, crowd, and environmental protection systems, **Locking Line Barriers proudly introduces WaterBlocks™ to the world.**

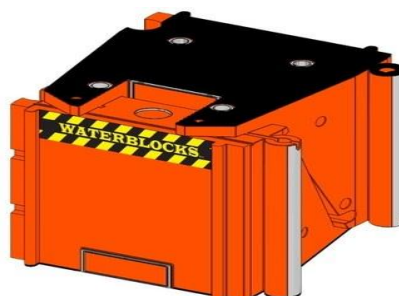
**WaterBlocks™** are our proprietary line of **steel-reinforced plastic polyethylene blocks which link and lock together** using vinyl seals to create a **rapidly-deployable plastic wall of watertight protection** that prevents liquid penetration at the joints, provides a dry side of protection and diverts the flow of flood water and other fluids.

Since disaster response calls for fast action, we've also ingeniously designed our lightweight blocks to **fit together both when deployed and during shipping** - so that an entire fleet of **WaterBlocks™** may be rapidly-deployed via semi-trailer trucks.

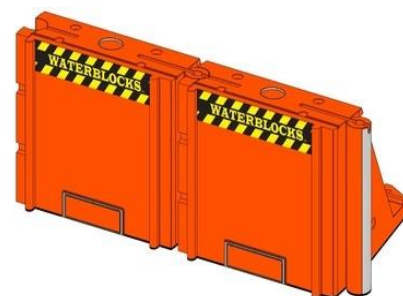
### WaterBlocks™ Rapid Deployment Design



Main Unit



Shipping Set

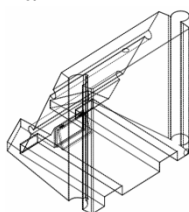


Deployment

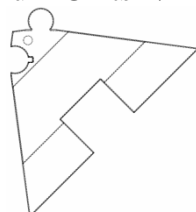
### The Product(s) – WaterBlocks:

The initial products are flood, fluids, crowd and traffic control barrier systems comprised of five components; Main units, End Caps, Left, and Right turning units and Quick Release Q/R units. The main units become one and stand alone or, by incorporating the other units, can be assembled into a temporary barrier wall configured to almost any topography.

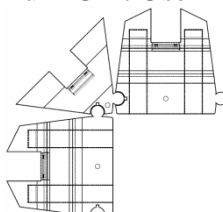
Main



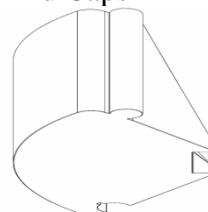
Turn Units L/R



Turn Unit Use



End Caps



Quick Release

Drawing  
Proprietary at  
this time.

Each unit is hollow and constructed of steel reinforced polyethylene via a roto-molding process. Product assembly includes the installation of the vinyl seals to create a watertight joint between units, and installation of the ballast doors that permit water to enter and exit the unit. Final assembly includes the application of warning messages and any advertising messages, some of which may be molded into the product. Each unit has a minimum life expectancy of twenty (20) years, based upon the raw material supplier's warranty of 18 years.

The initial “Flood Control Design” has been modified numerous times during the past three years to accommodate improvements and new innovations to expand the versatility and usage applications of the products and thereby expand the potential market for the product. The most notable design changes include:

**Specialized 2 and 3-way doors:** To permit barrier filling water to be added both by mechanical means and by the rising flood waters automatically. This design permits the barrier to be emptied quickly and provide access to utilize mechanical lifting of the barriers.

**The inclusion:** Of an opening in the center of the male joint to accept the insertion of a standard steel fence pole in the joint. The water filled barriers provide a suitable foundation to permit the addition of multiple types of fencing (walls) of suitable height and materials to be added as needed.

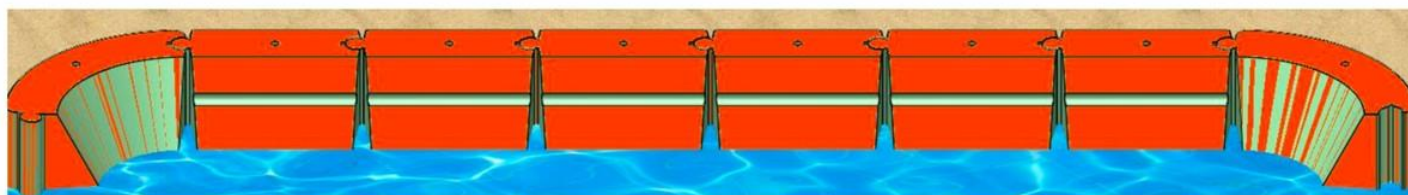
**Double Stacking Capability:** Design changes permit (1) cube of (2) barriers to lock a third barrier on top of the cube and thereby increase the height of the stack to 8 Feet, final dimensions for such a stack would be 4' L x 4' W x 8' H. When water filled: the 4' wide stack would increase the stack weight from approximately 150 lbs. empty to 5,250 lbs.

**Permanent Markings:** Permanently molded into the plastic for the life of the product with custom colors on the barriers on the Billboard Style front area which allows for custom artwork, logos and notifications to be emblazoned permanently into the product.

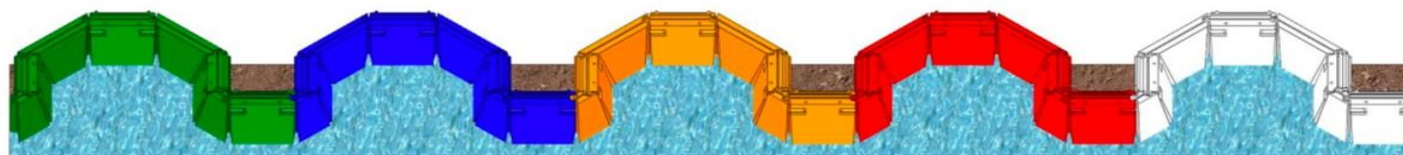
**New Polyethylene Resins:** Guaranteed to extend product life for 18 to 20 years.

**Block Wall Unitization:** We have designed, developed and filed for patent protection as to the means and methodology to unitize and lock together a double stacked wall of Locking Line Barriers in such a fashion as to be able to stop a rubber tired vehicle, such as a semi-trailer truck with a 40,000 lb. load of cargo, traveling at 50mph dead in its tracks. We estimate no more than about 20' of wall movement resulting from such an impact as the wall collapses around the vehicle, minimizing any exploding shrapnel as it is absorbed by the water in the barriers. The Company intends to seek Grant(s) of \$1M+ from either or both Department of Homeland Security and the Department of Defense to fund an actual physical test of this feature to become a DHS Certified Terrorist Threat Deterrent.

### WaterBlocks™ Multiple Use – Multiple Markets Design and Applications



**Containment Walls**  
*For keeping flood water out*



**Diversionary Walls**  
*For re-directing flood water as needed*

The team at LLB is always striving to create the very best product and marketable solutions. We've already incorporated numerous design enhancements and improvements to expand the versatility, function and range of applications for WaterBlocks™. And while our main focus is and will continue to be to provide superior flood protection, our ingenious line of products may also be utilized for a wide range of other uses.

Locking Line Barriers Corporation offers a multi-use product line with the versatility and features capable of providing unique solutions in multiple markets.





**Construction & Drilling Site Safety**  
 INCLUDING fence post holes for additional height & security

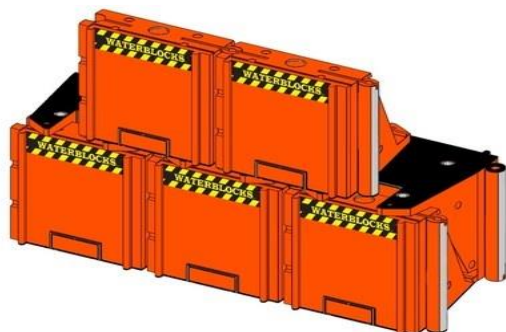


**Pools & Ponds**  
 For protection / conservation of water and/or other natural resources



**Islands of Safety**  
 Strong, mobile protection from flood water & other threats

In addition to fine-tuning a range of extended applications, WaterBlocks™ the has a new design, developed and filed for patent-protection, as Truck Blockade Walls, we call it the TruckCrusher!



The standard width of a street in the USA is 29' curb to curb.

***Double-stacked 4' wide x 8' tall x 28' long (21 barriers) is approximately 34,700 lbs. of protective stopping power!***

When double-stacked together, WaterBlocks can stop a rubber-tired vehicle in its tracks, i.e., a direct hit from a semi-trailer truck with 20-tons worth of cargo will result in the wall of water-filled blocks crushing the vehicle and mitigating the force of any exploding shrapnel from a weaponized vehicle terrorist attack.

Such applications make WaterBlocks™ particularly marketable to municipalities, public organizations and private companies executing large-scale events with large crowd attendance.

## B. The Solution - Part 2



Each WaterBlock™ is equipped with an RFID Chip for easy inventory tracking.

And every Trailer is GPS-enabled, on the Barrier Sharing Network presenting a nationwide network of readily-available WaterBlocks™ inventory which can be rapidly-deployed to communities in need before flooding strikes.

Flooding strikes randomly and with little notice for preparation. There is no solution to permit everyone to be prepared with adequate barrier protection. Therefore, a need exists to create a pool of Barriers that can be rapidly moved on short notice quickly and cost effectively in response to pending flood threats regardless of location, which we named the Barrier Sharing Network (BSN).

The solution is to create a network of barrier inventories located around the country that can be rapidly deployed to those in need when the time comes. Barriers that can be delivered in large quantities on short notice is the best solution for mitigating flood damage and destruction.

**The Barrier Sharing Network** is the solution. It is an intangible asset consisting of the software platform (that may be patentable) and the management thereof which can function worldwide and be managed from a central location. Like the Uber model, it is a high tech solution providing a simple and cost sharing solution to a complex problem.

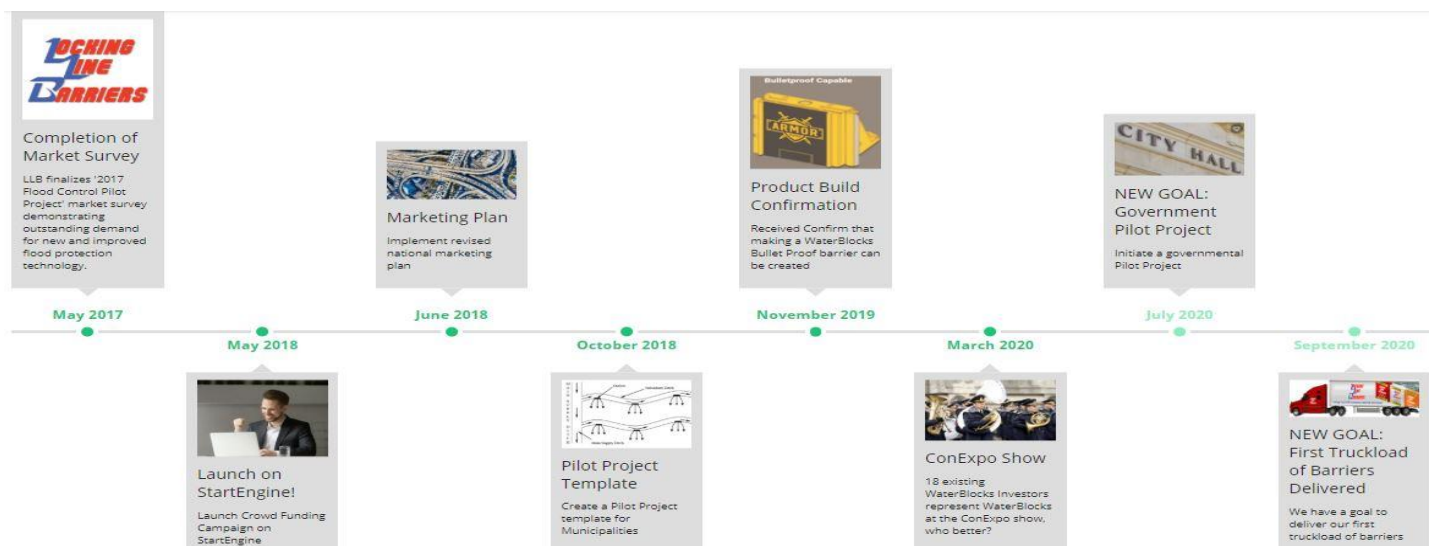
Network Members are enrolled: municipalities, major corporations, cities and states, shall agree as follows:

- To receive, distribute, store and care for the Barriers provided, until they are retrieved,
- To pay the shipping costs to deliver the Barriers requested if not provided by BSN,
- To report on the BSN web site the Barriers status changes / In Service or In Storage,
- To store the Barriers when not in use until the need for the Barriers arise elsewhere,
- During Storage the Barriers can be rented for other needs; Traffic and Crowd Control, and etc.
- Local Businesses and individuals in need simply contact their municipality for availability.

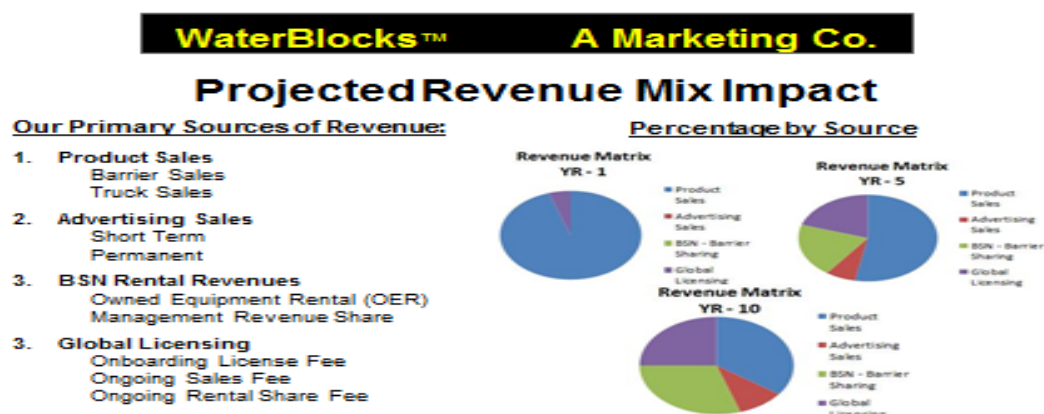
As each barrier has its own unique serial number BSN keeps track of the location of each unit and matches requests to current available inventory locations in real-time. BSN can arrange and manage the movement of the inventories to the point of need as requested.

**The Company believes membership fees and related services in addition to barrier rentals will become a significant revenue stream in a relatively short period of time.**

## C.The WaterBlocks Benchmarks



## D.WaterBlocks™ Resulting Revenue Mix



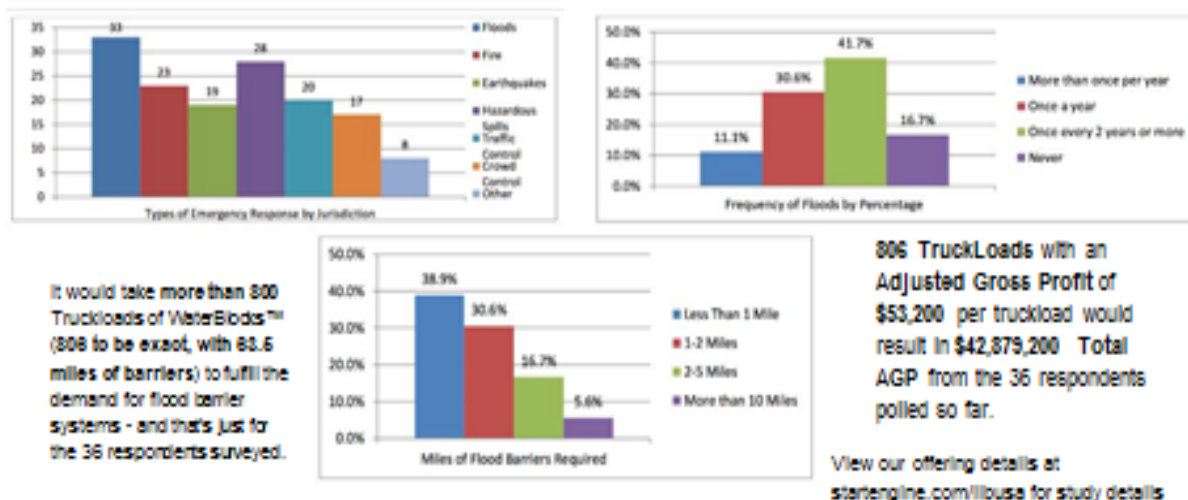
## E. WaterBlocks™ – Marketing Forecast

### WaterBlocks™ The Demand

Looking Line Barriers Corporation commissioned a detailed study of 36 respondents to evaluate market acceptance, need and overall demand for rapidly-deployable flood protection and multi-use barrier systems. The research resulted in these key findings:

- Market need & demand for flood barriers far exceeds the current availability of a sufficient supply
- Until WaterBlocks™ saturate the market, the need & demand will remain unfulfilled for the foreseeable future.

The Results are as follows:

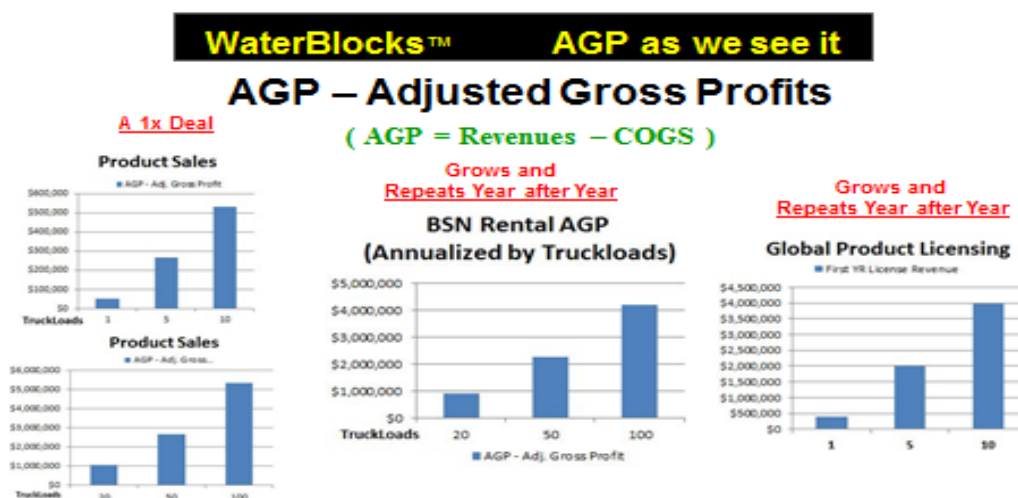


## F. WaterBlocks™ Sales

**Our initial sales efforts are focused on TEN key targets and events:**

1. Product Sales to government agencies and municipalities
2. Product Sales to major corporations in the Construction and Petroleum industries
3. Government agencies, municipalities and major corporations – presenting our product to this our largest group of potential users and enrolling them as members in BSN. This effort includes building a BSN Labeled truck trailer with a full load of barriers, to take to trade shows and other related events around the country.
4. Distributorship Development and Expansion domestically and globally
5. Sponsorship sales to major Corporate Social Responsibility (CSR) departments for BSN inventory expansion.
6. Crowdfunding Revenue Sharing Agreement Investments in BSN inventory Expansion
7. Revenue Sharing Agreement Investment Sales and Grants from Charitable 501c3 organizations for BSN inventory expansion based on the following:
  - Foundations – 501c3 organizations – sponsorship grants to provide our product to those in need while providing the organization with recognition of their contributions to help save Lives, Communities and our Environment.
8. Launched our product lines successfully at ConExpo 2020 in Las Vegas March 10, 2020
9. Launch a national TV campaign July 25, 2020, filming completed
10. Develop a municipal pilot project by August 2020.

## G. WaterBlocks™ Adjusted Gross Profit Projections



## H. WaterBlocks™ – Current Status

The Company remains in a pre-operation and transition mode, pending the successful raise of sufficient capital to become operational. The affairs of the Company are being managed by Strategic Solutions Team, Inc. (SST) and led by their CEO, Joe Daniluk. The activities to date include: raising capital, marketing of both; the capital raising efforts and marketing responses to product inquiries, and maintaining the Company's private credit facility (PCF) in a current status. From time to time, SST has employed (2 or more as needed) independent contractors as needed to continue progressing forward. In this fashion, the Company has been able to minimize the costs and expenses necessary to keep the burn rate below \$20,000 per month.

The regulatory and economic impact of the CoronaVirus-19 pandemic has affected WaterBlocks timelines and its ability to complete certain business activities as rapidly as before. However, the Company continues to function with minimal financial impact as a result of the management services provided by SST. We believe as regulatory mandates diminish and the economy restarts our momentum will return and we can get back on our schedule.

### MOMENTUM 2019:

- The Crowd Funding (CF) Offering continues to be successful reaching about \$250,000 from about 550 new investors. The proceeds from the rolling CF closes has provided sufficient funds to maintain the current status. An analysis of the time taken, our product production and promotional costs required, to achieve our success to date. The incorporation of a larger capital offering, this one is required for the purpose of providing an investment vehicle for accredited investors, financially capable of larger investments, who would normally not consider smaller CF offerings.
- Our manufacturer reported the first two molds were ordered and construction began. The Molds were completed and the first product prototypes were run in October and finished out in December.
- Two new product models were developed and added to our line; a low cost 'Crowd Control' barrier system and a Bullet-Proof barrier system for military use.
- The Company determined the best possible 'Product Launch' would be held at ConExpo, North America's largest manufacturer's trade show held in Las Vegas, NV in March 2020 to present the Company and its product line to the public for the first time. This show will have 120,000 visitors from around the globe.
- In November 2019, the Company was selected to be the 'featured start-up company' on a new nationally syndicated television show, Americas Next Investment. Filming was completed in January 2020, and airing on three national networks will commence in March 2020. (CV-19 has delayed this project until 7-25-20).
- February 2020 the first production run of Crowd Control barriers began in order to provide product samples and displays for ConExpo and other future marketing opportunities.



- Throughout the year of 2019, the following related events took place:
    - Global ‘Utility Patent(s)’ and TradeMark were filed,
    - Our web presence and marketing materials were upgraded and enhanced,
    - Three different Roto-molding companies with six separate facilities are on board to produce our product,
    - Negotiations with a Mold Making Firm, to produce the molds on a large enough scale to provide the mold tooling necessary to go globally are nearing completion,
    - We have three different companies under consideration to provide existing and proven software to accommodate our requirements for our Barrier Sharing Network,
    - We have several inquiries nationally and foreign for distribution rights,
- We have successfully reached a point to go to market.

## 2020 ould Prove to be a Very Productive Year.

### I. Capital Structure and current ownership

#### CURRENT COMMON STOCK OWNERSHIP CONTROL (10% or more):

Joseph Daniluk, 13.33% ownership, Class A and Class B  
 Great American Holdings, Inc. (GAH), 38.89% ownership, Class A and Class B  
 Owned and operated by Joseph Daniluk, GAH – CEO

#### Corporate Classes of Securities

The Company, in accordance with its Articles of Incorporation, is authorized to issue both 20 million Preferred shares and 20 million Common shares of capital stock. On February 28, 2020, the shareholders, at the annual meeting increased these numbers to 100 million Preferred and 100 million Common shares in anticipation of the possibility of the Company becoming a publicly trading company on a major exchange. Currently only designated Common shares have and include voting rights. As of February 28, 2020, the following provides the status of the Company’s Capital Stock:

	Par	Authorized	Issued and Outstanding	
Class of Stock	Value	Shares/Units	Shares/Units As Reported	Holder
Common Stock		20,000,000	As Reported on the Company Books	
Class A Common	None		7,500,000	Public
Class A Common	None		1,000,000	Treasury
Class B Common	None		1,500,000	Public
Class B Common	None		1,000,000	Treasury*
Class B Common	None		*From Treasury	Start Engine Sales
<b>Total Issued Excluding Pending</b>			11,000,000	
<b>Authorized and Unissued</b>			9,000,000	To Date
Preferred Stock		20,000,000		
Class A Preferred	None		400,000	Pending
<b>Total Issued Excluding Pending</b>			0	
<b>Authorized and Unissued</b>			20,000,000	To Date

**Class A Voting Common Stock:** **8,500,000 Issued**  
**1,000,000 Issued and held in Treasury**

**Class B Non-Voting Common Stock:** **2,500,000 Issued**  
**1,000,000 Issued and held in Treasury less CF Sales**

### **Voting Rights (of this security)**

The holders of the Series A Preferred Shares offered herein have no voting rights until converted to the Company's Class A Voting Common Stock, no par value per share ("Voting Common Stock") which are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders.

### **Voting Rights (of this security) NONE**

The holders of shares of the Company's Class B Non-Voting Common Stock, no par value per share are not entitled to vote individually and/or cumulatively on any matters submitted to a vote of the shareholders except as required under applicable law.

### **Dividend Rights.**

Subject to preferences that may be granted to any then outstanding Preferred Stock, holders of shares of Common Stock, by Class, are entitled to receive ratably such dividends as may be declared by the Board from funds legally available therefore as well as any distribution to the shareholders. The payment of dividends on the Common Stock will be a business decision to be made by the Board from time to time based upon the results of the Company's operations and financial condition and any other factors that our board of directors considers relevant. Payment of dividends on the Common Stock may be restricted by law and by loan agreements, indentures and other transactions entered into by us from time to time. The Company has never paid a dividend and does not intend to pay dividends to Common Shareholders in the foreseeable future, which means that common shareholders may not receive any return on their investment from dividends.

### **Liquidation Rights.**

In the event of our liquidation, dissolution, or winding up, holders of Common Stock are entitled to share ratably in all of our assets remaining after payment of liabilities and the liquidation preference of any then outstanding preferred stock or other legal obligations.

### **Rights and Preferences**

The rights, preferences and privileges of the holders of the company's Capital Stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Class A and B Common Shares, Preferred Shares and any additional classes of preferred and/or common stock that we may have previously designated or may designate in the future.

**Authorized Preferred Stock Shares: 100,000,000**  
**Current Issued Preferred Stock Shares: 0**

**New Series A Preferred Stock Shares to be issued by this Offering upon conversion: up to; 700,000 shares.**

Authority is vested in the board of directors of the corporation to prescribe, in a resolution providing for the issuance of such shares, the classes, series, the number of each class or series of stock to be issued and the voting powers or no voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of stock. The corporation shall have one or more classes of shares that together have unlimited voting rights and one or more classes that together are entitled to receive the corporation's net assets upon dissolution.

### **What it means to be a Minority Holder**

The only stock currently being offered hereby is Locking Line Barriers Corporation Preferred Stock Series A NON-voting Preferred Stock, please be advised: In our Company, the classes and voting structure of our stock has the effect of concentrating voting control with a few people, specifically the founders along with a small number of shareholders. As a result, these few people collectively have the ability to make all major decisions regarding the Company. As a minority holder of Locking Line Barriers Corporation's Preferred Stock Series A NON-voting preferred shares, you will have limited ability, if any at all, to influence company policies or any other corporate matter(s), including the election of directors, changes to the Company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the Company or of assets of the Company, or transactions with related parties.

## **Dilution**

The purchasers of these Cumulative Redeemable/Convertible Series A, Preferred Stock Shares offered by this Memorandum will experience no immediate or substantial dilution of their investments. In the event of a Common Class A Stock split or reverse split, prior to conversion, Conversion of Series A Preferred shares to Common Class A Shares, shall receive their proportionate share of Common Class A shares accordingly at the time of conversion.

Investors should understand the potential for dilution. Each Investor's stake in the Company, could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will decrease, even though the value of the Company may increase. You will own a smaller piece of a larger company. This increases in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible notes, preferred shares or warrants) into stock. If the company decides to issue more shares, an Investor could experience value dilution, with each share being worth less than before. There may also be earnings dilution, with a reduction in the amount earned per share (although this typically occurs only if the Company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the Company). The type of dilution that hurts early-stage investors mostly occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings. If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it is important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share. PLEASE ensure you review other investment risks disclosed in our RISK DISCLOSER Section, herein.

## **Transferability of securities**

For a period of one year, the securities can only be resold: In an IPO; To the company; To an accredited investor; and To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or close of the Offering. Shares are redeemable and do have conversion rights as described herein. The Shares to be issued upon completion of this Offering will be, fully paid and non-assessable. In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the shareholders will be distributed ratably first to Preferred Shares among such shareholders in proportion to their Shares and then to other classes of shareholders.

## **J. Risk Disclosures and other Important Factors**

**Risk Disclosures:** The SEC requires the Company to identify risks that are specific to its business and its financial condition. The Company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments. Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest. These are the principal risks that relate to the Company and its business:

**Competitive Risks:** Once the product is in use, we anticipate many 'copycats' may try to redesign the basic concepts and attempt to compete with this product. Patent infringement and development costs may deter such attempts. LLB believes, once the Barrier Sharing Network is operational, this network service will negatively impact the 'copycat profitability equation', as an investment in a costly competitive product that is readily available through the Network at a reduced effective cost may thwart copycats.

**Marketing and Sales Risks:** There has been no similar product or related advertising scheme on the market in the US prior to 2016. Consequently, there is no data upon which to formulate metrics for company valuations, marketing, sales and profitability, analysis or other common types of investment due diligence. All projections and forward-looking statements contained herein are simply estimates the company believes to be reasonable. Standalone sales of the product, without advertising, will take place primarily with government agencies, where ownership and control of the product is more important than the cost factor. This may also be true for some large corporations. We anticipate less than 40% of our revenue will come from this source of sales during the first three years of operations, due to the lag time normally encountered with such organizations to execute such a purchase. Our target market is other municipalities, agencies and other business enterprises which have an interest in a cost sharing networking methodology for the acquisition of disaster support equipment. We will be relying on need versus cost for the successful marketing of our Products and Network memberships. Membership fees and nominal equipment rental charges are anticipated to provide only an estimated 10-15% of our revenue during our first three years of operations. All sales of the WaterBlocks product line must, contractually, come through LLB. We anticipate the bulk of our sales and revenues to be generated from our marketing efforts and the marketing efforts of our affiliates and future distributors. This would include the sale of "Barrier Sharing Network Revenue Sharing Agreements" by and through LLB and its affiliates. There having been no such sales or efforts to sell revenue sharing agreements to date, LLB is unable to provide any reliable forecast or expectation regarding the viability of such sales. Advertising Sales to sponsors and donors is estimated to generate 10-15% of the company's revenue. It is possible the company could completely fail in this marketing endeavor. The company has no previous experience in selling or marketing advertising. There are no competitive similarities to this advertising medium, or any other known facts to formulate standard advertising industry sales metrics as to impressions or cost per impression. Such advertising sales will remain conceptual, for the most part, until such time as the barriers are shown working and controlling floodwaters on national news. The only factor making such sales conceivable is the low advertising cost/rate when amortized over the life of the product and the advertisement thereon.

**Ordinary, normal and common startup company Risks:** This Company is a Startup. It is a high-risk venture, an unknown undertaking that will be subject to all the risks experienced by any new startup company. There are no known management personnel available with previous experience in this specific endeavor. There are no known competitors to provide related comparisons. The one and only known factor available to the Company is the "Demand for such a product and rental service", which is enormous. The challenge is the Company's ability to bring the product and service to market successfully.

**The company depends on two primary product lines (Crowd Control and Flood Control Barriers, and related services to start: Others will be developed and added as the opportunities to do so permit.**

The company's primary product is the WaterBlocks Product Line. Although it is developing other products, the company's survival in the near term depends upon being able to sell or rent the WaterBlocks in sufficient quantities to make a profit.

**The delivery of the Company's product line is dependent upon third-party manufacturers.** The company's primary product is manufactured by third parties. The Company, by Contract is required to purchase the product from the licensed exclusive Manufacturer and must rely on the manufacturer for the products and related warranties. Difficulties encountered by the manufacturer may result in the inability to deliver product or in a timely manner, the Company may be impacted. The exclusive Manufacturer is owned and controlled by WaterBlocks CEO, Joseph Daniluk.

**If the company is unable to raise sufficient funding. It will not succeed.** There can be no assurance that the company will meet our projections, goals objectives and/or our capital requirements. There is no assurance that the Company will be successful raising the capital necessary to succeed. There can be no assurance that there will be sufficient acceptance and sales of the product to succeed.

**The company is controlled by its CEO** LLB's CEO who also controls the ownership of the intellectual property rights, Great American Holdings, Inc., and Manufacturing Contractors, Inc., the exclusive manufacturer of the WaterBlocks product line.

**Patent / Intellectual Property License Risks:** Locking Line Barriers Corporation, LLB's, only intellectual property rights are those rights conveyed in the Global Distribution and Licensing Agreement. LLB has no other rights to or in the intellectual property related to the "WaterBlocks" project. LLB has a legal obligation under its license agreement to pay all related costs and expenses to develop, expand and protect the existing intellectual property rights in consideration of having the control of the expansion of the intellectual property rights and the exploitation thereof globally. The related Product License(s) we rely on for various underlying intellectual property rights in order to minimize competitive impact on the operation our business including pending patents, may not be sufficiently broad or otherwise may not result in a significant competitive advantage. In addition, the steps that we are required to take to maintain and protect the intellectual property rights may not prevent our rights from being challenged, invalidated, circumvented or designed-around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons. Any failure by the Company to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect the intellectual property or detect or prevent circumvention or unauthorized use of such property, could adversely impact our competitive position and results of operations. We also rely on nondisclosure and noncompetition agreements with vendors, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. As we expand our business, protecting the intellectual property rights will become increasingly important. The protective steps we have taken may be inadequate to deter competitors from using the proprietary information. In order to protect or enforce our intellectual property rights, we may be required to initiate litigation against third parties, such as infringement lawsuit(s). Further, these third parties may assert claims against us with or without provocation. Such lawsuits could be expensive, take significant time and could divert management's attention from other business concerns. The law relating to the scope and validity of claims in the technology field in which we operate is still evolving and, consequently, intellectual property positions in our industry are generally uncertain. We cannot assure you that we will prevail in any of these potential suits or that the damages or other remedies awarded, if any, would be commercially valuable. Patent, processes, maintenance and infringement enforcement costs could be significant as the product is expanded to other countries. Many of the patent pending accouterments claimed could be rejected by the examiners, which won't be known for some time.

**General Start Up Business Risks:** Locking Line Barriers Corporation, LLB, is a StartUp, it has no transactional history. It only possesses a License to develop and market a new idea, which has no comparable to rely upon for data or guidance on how to proceed. Certain other RISKS may exist and remain unknown or unforeseen and thereby not specified in this offering. Therefore, there are no guarantees of any kind that the business can succeed and prosper. The Company and its Team can only put forth its Best Efforts to proceed in accordance with this offering and representations.

## K. OTHER Risk Factors

**Investing in the Company's Shares is very risky. You should be able to bear a complete loss of your investment. You should carefully consider the following factors, including those listed in the accompanying business plan.**

**Further, the Company has no way to determine and/or forecast the effects of the CoronaVirus-19 pandemic on its business specifically or in general. The only thing we know for certain is that CoronaVirus-19 cannot stop future flooding and any other natural disasters.**

**Unanticipated obstacles may hinder the execution of the Company's business plan.**

Because of the number and range of the assumptions underlying our projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond our reasonable control, some of the assumptions inevitably will not materialize and unanticipated obstacles may occur subsequent to the date of this offering, including:

- The affects and impact of the Covid-19 on the economy and on our business operations;
- Our prospective clients may suffer downturns, financial instability or budget cuts;
- Our failure to develop and introduce new products due to insufficient capital resources;
- Our inability to produce sufficient quantities of products due to insufficient capital;

- Adverse changes affecting our suppliers and other third-party service providers;
- Adverse Governmental Rules, Regulations and/or executive orders related to CV-19
- Adverse changes in business or macroeconomic conditions from regulatory changes.

The occurrence of any of these unanticipated obstacles will hinder the execution of our business plan and adversely affect our operating results. And further, may require immediate changes and modifications to our business plans.

**Our financial results will fluctuate in the future, which makes them difficult to predict.**

### **Seed Capital Stage - Start Up Business**

Locking Line Barriers Corporation, is organized as an ‘C’ Corporation under the laws of the State of Colorado. The Company expanded its Board in December 2017 and elected to begin raising the capital necessary to begin operations. It has only a limited history upon which an evaluation of its prospects and future performance can be made. The Company’s proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Company’s success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a new business, operation in a competitive industry, and the continued development of advertising, promotions and developing a corresponding customer base. There is a possibility that the Company could sustain losses in the future. There can be no assurances that the Company will ever operate profitably.

### **Inadequacy of Funds**

If certain assumptions contained in Management’s business plans prove to be incorrect, the Company may have inadequate funds to fully develop its business and may need debt financing or other capital investment to fully implement the Company’s business plans. The Company is relying on the Private Credit Facility (PCF) described herein to financially support its transition to full operations in addition to the capital it raises. The PCF is provided by credit providers through a number of persons and entities related to the company and/or it’s CEO. The PCF could lose one or more of its credit providers at any time, for any or no reason. Such an event may create a burden or even jeopardize the entire PCF, and thereby the ongoing progress of the Company. Every effort is made to keep the status and operation of the PCF in good standing. The Company intends to retire the PCF as noted in the use of proceeds herein and keep the PCF in reserve for the foreseeable future.

### **Dependence on Management**

In the early stages of development, the Company’s business will be significantly dependent on the Company’s management team. The Company’s success will be particularly dependent upon: Joe Daniluk, CEO. The loss of any one of these individuals could have a material adverse effect on the Company. Management staffing will begin upon starting operations as funding becomes available.

### **Trend in Consumer Preferences and Spending**

The Company’s operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of customers, competitive pricing, debt service and principal reduction payments, and general economic conditions. There is no assurance that the Company will be successful in marketing any of its products, or that the revenues from the sale of such products will be significant or sufficient. Consequently, the Company’s revenues may vary significantly by quarter, and the Company’s operating results may experience extreme fluctuations.

### **Risks of Borrowing**

When the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness including the existing PCF. Typical loan agreements also might contain restrictive covenants, which may impair the Company’s operating flexibility. Such loan agreements could also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of shareholders of the Company. A judgment creditor would have the right to foreclose on any of the Company’s assets resulting in a material adverse effect on the Company’s business, operating results or financial condition.

## **Weather Trends**

The Company anticipates weather to be a major factor affecting revenues and profits. The Company may experience seasonal cycles that impact revenues and profits on a recurring basis.

## **Unanticipated Obstacles to Execution of the Business Plan**

The Company's business plans may change significantly. Many of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies and plans depending on future events.

## **Management Discretion as to Use of Proceeds**

The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its shareholders in order to address changing circumstances and/or opportunities. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of Management with respect to application and allocation of the net proceeds of this Offering. Investors for the Shares offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion investors must depend and accept.

The Company has broad discretion as to how to spend the proceeds from this offering and may spend these proceeds in ways in which you may not agree. We currently intend to use the proceeds of this offering to fund further expansion and for other working capital and general corporate purposes. While we expect to use the proceeds of this offering as described in this memorandum, we may use the remaining proceeds for other purposes. There can be no assurance that any investment of the proceeds will yield a favorable return, or any return at all.

## **Risks Associated with Expansion**

The Company plans on expanding its business through the introduction of a sophisticated marketing campaign. Any expansion of operations the Company may undertake will entail risks. Such actions may involve specific operational activities, which may negatively impact the profitability of the Company. Consequently, shareholders must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert Management's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities.

In order to fund future growth and development, the Company will probably need to raise additional funds in the future by offering shares of its preferred stock and/or other classes of equity or debt that convert into shares of preferred or common stock, any of which offerings would dilute the ownership percentage of investors in this offering.

## **Control by Management**

As of May 21, 2018, the Company's Directors, Executive Officers and other related Shareholders owned approximately 100% of the Company's outstanding Common voting Shares. Upon completion of this Offering, the Company's Directors, Executive Officers and other Shareholders will still own approximately 87+% of the issued and outstanding Common voting Shares, and will be able to continue to control the Company. Investor, preferred shareholders will own a minority percentage of the Company and will have no voting rights until converted to common shares. Investors will not have the ability to control the Company's Shareholders, Directors and/or Executive Officers. We expect to raise additional capital through equity and/or debt offerings and to provide our employees with equity incentives. Therefore, your ownership interest in the Company is likely to continue to be diluted and subordinated. However, such additional capital should in most cases increase the value of the company which may offset the impact of the dilution.

## **Return of Profits**

The Company intends to retain any initial future earnings to fund operations and expand the Company's business while building financial strength. Common shareholders will be entitled to receive revenue profits as Dividends proportionate to the number of Shares held by that shareholder, only when the Company's Board of Directors establishes a profit distribution and dividend plan based upon the Company's results of operations, financial condition, capital requirements, and other circumstances from time to time.

## **No Assurances of Protection for Proprietary Rights; Reliance on Trade Secrets**

In certain cases, the Company may rely on trade secrets to protect intellectual property, proprietary technology and processes, which the Company has acquired, developed or may develop in the future. There can be no assurances that secrecy obligations will be honored or that others will not independently develop similar or superior products or technology. The protection of intellectual property and/or proprietary technology through claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defense of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. The Company, in common with other firms, may also be subject to claims by other parties with regard to the use of intellectual property, technology information and data, which may be deemed proprietary to others.

## **Limited Transferability and Liquidity**

To satisfy the requirements of certain exemptions from registration under the Securities Act, and to conform with applicable state securities laws, each investor must acquire his Shares for investment purposes only and not with a view towards distribution. Consequently, certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer, or other disposition of the Shares. Some of these conditions may include a minimum holding period, availability of certain reports, including financial statements from Locking Line Barriers Corporation, limitations on the percentage of Shares sold and the manner in which they are sold. The Company can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to Locking Line Barriers Corporation, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Shares and no market is expected to develop. Consequently, owners of the Shares may have to hold their investment indefinitely and may not be able to liquidate their investments in Locking Line Barriers Corporation or pledge them as collateral for a loan in the event of an emergency.

## **Broker - Dealer Sales of Shares**

The Company's Capital Stock Shares are not presently included for trading on any exchange, and there can be no assurances that the Company will ultimately be registered on any exchange. The NASDAQ Stock Market, Inc. has recently enacted certain changes to the entry and maintenance criteria for listing eligibility on the NASDAQ SmallCap Market. The entry standards require at least \$4 million in net tangible assets or \$750,000 net income in two of the last three years. The proposed entry standards would also require a public float of at least 1 million shares, \$5 million value of public float, a minimum bid price of \$2.00 per share, at least three market makers, and at least 300 shareholders. The maintenance standards (as opposed to entry standards) require at least \$2 million in net tangible assets or \$500,000 in net income in two of the last three years, a public float of at least 500,000 shares, a \$1 million market value of public float, a minimum bid price of \$1.00 per share, at least two market makers, and at least 300 shareholders. No assurance can be given that the Common Stock Share of the Company will ever qualify for inclusion on the NASDAQ System or any other trading market until such time as Management deems it necessary. As a result, the Company's Capital Stock Shares are covered by a Securities and Exchange Commission rule that opposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell the Company's securities and affect the ability of shareholders to sell their Shares in the secondary market.

## **Dilution**

**Purchasers of Shares will experience NO immediate and/or substantial dilution in net tangible book value per share.** Additional Shares issued by the Company in the future may and probably will dilute a purchaser's investment in the purchased shares particularly in the event of Preferred Stock Conversions to Common shares, which remains unknown.



## **Long Term Nature of Investment**

An investment in the Shares may be long term and illiquid. As discussed above, the offer and sale of the Shares will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration, which depends in part on the investment intent of the investors. Prospective investors will be required to represent in writing that they are purchasing the Shares for their own account for long-term investment and not with a view towards resale or distribution. Accordingly, purchasers of Shares must be willing and able to bear the economic risk of their investment for an indefinite period of time. It is likely that investors will not be able to liquidate their investment in the event of an emergency.

## **Compliance with Securities Laws**

The Shares are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act, applicable Colorado Securities Laws, and other applicable state securities laws. If the sale of Shares were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of Shares. If a number of purchasers were to obtain rescission, the Company would face significant financial demands, which could adversely affect the Company as a whole, as well as any non-rescinding purchasers.

## **Projections: Forward Looking Information**

Management has prepared projections regarding the Company's anticipated financial performance. The Company's projections are hypothetical and based upon a presumed financial performance of the Company, the addition of a sophisticated and well-funded marketing plan, and other factors influencing the business of the Company, all of which have been impacted by the CoronaVirus-19 pandemic. The projections are based on Management's best estimate of the probable results of operations of the Company, based on present circumstances, and have not been reviewed by the Company's independent accountants. These projections are based on several assumptions, set forth therein, which Management believes are reasonable. Some assumptions, upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond Management's control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, CoronaVirus-19 pandemic, unforeseen regulatory changes, the entry into the Company's market by additional competitors, the terms and conditions of future capitalization, and other risks inherent to the Company's business. While Management believes that the projections accurately reflect possible future results of the Company's operations, those results cannot be and are not guaranteed.

## **Lack of Firm Underwriter**

The Shares offered hereby are on a "best efforts" basis by the Management of the Company without compensation, and on a "best efforts" basis through certain FINRA registered broker-dealers, which enter into Participating Broker-Dealer Agreements with the Company. Accordingly, there is no assurance that the Company, or any FINRA broker-dealer, will sell the maximum Shares offered or any lesser amount.

## **No Current Market For Shares**

There is no current market for the Shares offered in this Private Offering and no market is expected to develop in the near future.

## **Irregular Use of Proceeds**

The Company will incur Irregular Use of Proceeds that may include but are not limited to the following over \$1,000: Vendor payments, and compensation or salary made to one's self, a friend or relative; any expense labeled "Administration Expenses" that is not strictly for administrative purposes; any expense labeled; "Travel and Entertainment"; any expense that is for the purposes of inter-company – "related party" debt, back or current payments. Further, the Company being a Start-Up business with no assets, cash flow or transactional history is unable to establish conventional credit. The Company has developed and will expand what it refers to as "Private Credit Facility (PCF)" defined for accounting and operational purposes as "PCF Debit and Credit Transactions" received from or payable to; vendors, investors, organizations, related parties, and others, who may provide effectively; credit and/or funds in kind, to the Company, as may be needed from time to time, requiring repayment in relatively short time periods. Such repayments may come from and become part of the use of proceeds.

## Recent Offerings of Securities and impact on valuation

The Company is actively accepting investments via its Title III - Regulation Crowdfunding Campaign to raise a maximum of \$1.07m at <https://www.startengine.com/llbusa> for its Class B Non-Voting Common Shares at a price of \$2.00 per share. To date over 735+ unrelated investors have purchased these shares at the offering price in an amount exceeding \$333,532.00 for paid shares. Management may elect to terminate this offering prior to reaching its goal if circumstances necessitate such action.

### Pre Money Valuation: \$18,000,000.00

The Pre-Money Valuation has been formulated in accordance with SEC guidelines, as follows: ((Total Shares Issued – Treasury Shares) X Offering Price)) = Valuation (9,000,000 X \$2.00) = \$18,000,000 and further; We have not undertaken any efforts to produce a valuation of the Company. The Board of Directors determined that a Price of \$2.00 per share was a reasonable sale price of the outstanding Shares held in Treasury for this offering. Valuation Discussion: The price of the shares merely reflects the opinion of the Company as to what could be the fair market value. When incorporating "Blue Sky" value of the Intangible Assets, including, but not limited to; three years of R&D, licenses and related trademark rights, web site and marketing tools and copyrights, and revenue potential. **The actual value can only be determined when a willing purchaser pays and the seller accepts the price offered.** Financial Statement correlation; the CEO elected to value the Company's Intangible Assets at \$0.00 as no reasonable valuation formulation could be determined. The single most important intangible asset of the company is its 20 year Global Marketing License for the WaterBlocks product line and at the time financial statement were prepared no comparative valuation could be found. The Company believes that this license will result in a minimum average CTOE (cash throw off to equity) of \$2m annually over the first 20 years of the license. Our mathematical analysis, for a Discounted Future Value of the CTOE; using the 20 Year Life of the Global Distribution License, a forecast of an average \$2M annually in CTOE, discounted at 10%, results in a Present Value of \$23.8M; Source; "Motley Fool – xcalc". Conclusion: In considering the value of the Company's unrestricted Global Distribution License we included the only similar comparable we have found. The recent article disclosing Nestle's purchase of the restricted by market segment, Global Distribution Rights from Starbucks. Insufficient data precludes a comparative analysis, but the transaction does shed some light on the value of Global Distribution Rights. Article Source "The Denver Post, May 8, 2018, page 15 by AP NESTLE TAKES OVER SALES OF STARBUCKS IN GROCERY AISLES Seattle: Nestle is paying more than \$7 billion to buy the rights to sell Starbucks coffee and tea in supermarkets and other stores outside its coffee shops. The deal comes with a huge price tag for Nestle, but it could pay off big for the Swiss company. Its Nescafe and Nespresso don't carry anywhere near the heft in America that the Starbucks brand does, with its \$2 billion in annual sales. Nestle will also put Starbucks in grocery stores outside the U.S. and Canada. The deal gives Nestle the rights to market, sell and distribute bags of Starbucks coffee beans, as well as its instant coffee. Nestle will also sell other brands owned by Starbucks, such as Seattle's Best Coffee, Teavana tea and Torrefazi One Italia coffee, and will be allowed to put the Starbucks brand on Nestle single-serve capsules for coffee machines."

### Indebtedness

The Company's has one liability for a short term loan of \$11,000.00 and no other lawful debt. It has no Payroll expenses paid to date. It does have unspecified Contingent Liabilities consisting of approximately of and estimated balance of \$175,000.00 of PCF advances utilized. And compensation for its entire Management Team which has performed for little or no consideration to date, this liability will eventually be resolved individually for cash and/or equity once the Company becomes operational.

### Offering Price

The price of the Shares offered herein has been arbitrarily established by the Company, considering such matters as the state of the Company's business development and the general condition of the industry in which it will operate. The Offering price bears little or no relationship to the assets, net worth, or any other objective criteria of value applicable to the Company.

### General Economic Conditions

The financial success of the Company may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, interest rates, and the CoronaVirus-19 pandemic. Such changing conditions could reduce demand in the marketplace for the Company's products. Management believes that the impending growth of the mainstream market acceptance, and the primary hardware product line of WaterBlocks will insulate the Company from extreme reduced demand. Nevertheless, the Company has no control over these factors.

## **Transfer Agent and Registrar**

The Company will act as its own transfer agent and registrar for the Shares of ownership issued hereby. The Company may employ a Registrar in the future.

## **L. Plan of Placement**

The Shares are offered directly by the Management of the Company on the terms and conditions set forth in this Memorandum. FINRA brokers and dealers may also offer Shares. The Company is offering the Shares on a “best efforts” basis. The Company will use its best efforts to sell the Shares to investors. There can be no assurance that all or any of the Shares offered, will be sold.

## **NO Escrow of Subscription Funds**

Commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Shares will be deposited in the Company’s bank account. The Company has set a minimum offering proceeds figure of \$10,000 (or less at the Company’s discretion) for this Offering. Subscriptions for Shares are subject to rejection by the Company at any time, for any reason.

## **How to Subscribe for Shares**

A purchaser of Shares must complete, date, execute, and deliver to the Company the following documents, as applicable. All of which are included as part of the Investor Subscription Package:

- A) Two (2) original signed copies of the appropriate Subscription Agreement;
- B) A delivered check or bank wire transfer to the Company’s bank account in the amount of the agreed upon Strike Price per Share for each Share purchased as set forth in the Subscription Agreement.
- C) Within 5 days of subscription agreement submission the Investor must provide the Company with proof of Accredited Investor status as defined by SEC Rule 501.

Purchasers of Shares will receive an Investor Subscription Package which will include this Memorandum and an executed copy of the Subscription Agreement.

## **M. Requirements for Purchasers**

Prospective purchasers of the Shares offered by this Memorandum should give careful consideration to certain risk factors described under “RISK AND OTHER IMPORTANT FACTORS” section and especially to the speculative nature of this investment and the limitations described herein and under that caption with respect to the lack of a readily available market for the Shares and the resulting long term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors, having adequate means to assume such risks and of otherwise providing for their current needs and contingencies, considering the purchase of Shares.

## **General Suitability Standards**

The Shares will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

- a) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Shares;
- b) The prospective purchaser’s overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Shares will not cause such overall commitment to become excessive; and
- c) The prospective purchaser is an “Accredited Investor” (as defined below) suitable for purchasing the Shares.

Each person acquiring Shares will be required to represent that he, she, or it is purchasing the Shares for his, her, or its own account for investment purposes and not with a view to resale or distribution.

## **Accredited Investors**

The Company will conduct the Offering in such a manner that Shares may be sold only to “Accredited Investors” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the “Securities Act”). In summary, a prospective investor will qualify as an “Accredited Investor” if he, she, or it meets any one of the following criteria:

- a) Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase, exceeds \$1,000,000 excluding the value of the primary residence of such natural person; and
- b) Any natural person who has individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and who has an expectation of reaching the same income level in the current year; and
- c) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the “Exchange Act”); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; and,
- d) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940; and,
- e) Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code, corporation, business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000; and,
- f) Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer; and,
- g) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D adopted under the Act; and,
- h) Any entity in which all the equity owners are Accredited Investors.

## **Other Requirements**

No subscription for the Shares will be accepted from any investor unless he is acquiring the Shares for his own account (or accounts as to which he has sole investment discretion), for investment and without any view to sale, distribution or disposition thereof. Each prospective purchaser of Shares may be required to furnish such information as the Company may require determining whether any person or entity purchasing Shares is an Accredited Investor.

## N. Forward Looking Information

Some of the statements contained in this Memorandum, including information incorporated by reference, and information provided upon individual inquiry that discuss future expectations, or state other forward looking information are included hereby. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company's control, which could cause the actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum or related Company information provided will in fact transpire or prove to be accurate. Important factors that may cause the actual results to differ from those expressed within may include, but are not limited to:

- The ability of the Company to raise adequate capital funding;
- The success or failure of the Company's efforts to successfully market its products and services;
- The Company's ability to attract, build, and maintain a customer base;
- The Company's ability to attract and retain quality employees;
- The effect of changing economic conditions;
- The ability of the Company to obtain adequate debt financing if only a fraction of this Offering is sold;

These along with other risks, which are described under "RISK FACTORS" may be described in future communications to shareholders. The Company makes no representation and undertakes no obligation to update the forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

## Additional Information

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information regarding the Company or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. The principal offices of the Company are located at 4155 E. Jewell Ave Suite 610, Denver, Colorado 80222. The Company's telephone number is (303) 360-7535.



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COMPANY'S CURRENT STATUS REPORT TO SHAREHOLDERS FEBRUARY 28, 2020

**Annual Shareholder Meeting Address**  
**February 28, 2020**

*From the Desk of*  
**Joseph Daniluk**  
**Chairman of the Board**

Good day everyone. I have exciting news to share with our incredible Investor Team, our shareholders, now over 550 strong.

First let me address the elephant in the room. Admittedly, the coronavirus is having a negative impact on both the global economy and the stock market. The question, how does this impact WaterBlocks?

We believe the impact on WaterBlocks will not be significant for the following reasons:

1. We do not have a large capital burn rate at this time.
2. We have not gone operational and begun actual tool building, manufacturing, so no plants will be shut down, sold products undeliverable, and related losses realized.
3. The market is vast: Flooding will continue to happen and our barriers will be needed worldwide.
4. We are launching our Brand, our Product, and our Company to the world:
  - a. The ConExpo show will introduce our product to a vast array of major corporations and government agencies.
  - b. We will be featured on a new TV show: "America's Next Investment," airing on either CNBC or Fox during the first two weeks in March.

Now, let's look at milestones we achieved in 2019:

1. Negotiations with a mold manufacturing firm are nearing completion. (They will produce the molds / tooling on a large scale, enabling WaterBlocks to expand Globally.)
2. Three different Roto-molding companies with six separate facilities are on board in the US to produce our product.
3. We have both national and foreign inquiries for distribution rights.
4. Both Global Utility Patents and a Trade Mark were filed.
5. An additional \$5,000,000 private placement stock offering for accredited investors is underway. Running simultaneously with our ongoing Crowdfunding offering, which will get things moving faster and bigger.

Our progress in 2019 puts us in a good position to begin making plans for the transition of the company from a startup to a fully operational company.

Your support and participation made our efforts in 2019 a smashing success and I **ThankYou**, our shareholders and our management team for our progress. You are all incredible!

My warmest regards,  
Joe Daniluk,  
Chairman and CEO



**THANK YOU for Your Time and Consideration!**

**END-PPM.**



## V. EXHIBITS

(a.) Through (k.)

Follows:



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## **EXHIBITS**

### **a. ORIGINAL ARTICLES OF INCORPORATION**

#### **ARTICLES OF INCORPORATION**

##### **OF**

**Locking Line Barriers  
dba  
LLB Corporation**

**KNOW ALL MEN BY THESE PRESENTS:** That the undersigned, being a natural person of eighteen years or more, proposes to form a corporation in accordance with the laws of the State of Colorado pursuant to the Colorado Business Corporation Act, and to that end does hereby sign, adopt and deliver to the Secretary of State of Colorado these Articles of Incorporation:

#### **ARTICLE I**

##### **Name**

The name of the corporation shall be:

**LOCKING LINE BARRIERS  
dba  
LLB Corporation**

#### **ARTICLE II**

##### **Period of Duration**

This corporation shall exist in perpetuity, from and after the date of filing these Articles of Incorporation with the Secretary of State of Colorado unless dissolved according to law.

#### **ARTICLE III**

##### **Registered Office and Registered Agent**

The address of the initial registered office of the corporation is 4155 E. Jewell Ave, Suite 610 Denver, Colorado 80222 and the name of the initial registered agent at such address is Joseph Daniluk. Either the registered office or the registered agent may be changed in the manner permitted by law.

#### **ARTICLE IV**

##### **Objects and Purposes**

The objects and purposes for which the said corporation is organized and the nature of the business to be carried on by it is to engage in any lawful act or activity for which a corporation may be organized under the Colorado Revised Statutes, as amended.

The clauses setforth herein shall be construed as objects, purposes and powers and the matters



expressed in each clause shall be in no way limited by reference or inference from the terms of any other clause, but shall be regarded as independent objects, purposes and powers; the enumeration of specific objects, purposes and powers shall not be construed to limit or restrict in any manner the general powers and rights of the corporation as provided by law, or shall the expression of one object, purpose or power be determined to exclude another, although it be of like nature but not expressed. Further, the purpose shall include the restatement of the original articles of incorporation and reorganization under Colorado Law, as directed by the Board of Directors and approved by the Shareholders.

## **ARTICLE V**

### **Capital**

The aggregate number of shares Capital Stock which this corporation shall have authority to issue is 20,000,000 shares of no par value each, which shares shall be designated "Common Stock," in one or more classes or series, having no par value each, and 20,000,000 shares designated "Preferred Stock," in one or more classes or series, each having no par value or a par value as determined by the Board of Directors.

Authority is vested in the board of directors of the corporation to prescribe, in a resolution providing for the issuance of such shares, the classes, series, the number of each class or series of stock to be issued and the voting powers or no voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of stock. The corporation shall have one or more classes of shares that together have unlimited voting rights and one or more classes that together are entitled to receive the corporation's net assets upon dissolution.

1. **Voting Rights, Cumulative voting.** Each outstanding share of the classes and series shall be entitled to such voting powers, full or limited, or no voting powers as shall be stated and expressed in the resolution providing for the issue of such stock adopted by the corporation's board of directors. Cumulative voting shall not be allowed in any election by the shareholders of the corporation.

2. **Pre-emptive Rights.** Any holder of shares of the corporation, whether now or hereafter authorized, shall not have the pre-emptive or preferential right to acquire any shares or securities of the corporation, including shares or securities held in the treasury of the corporation. The corporation's board of directors may create and issue warrants, rights or options to purchase any shares of stock of any class, classes or series, whether or not in connection with the issue and sale of any shares of stock or other securities. Shares may be issued with terms which include the option for such stock to be redeemable, convertible, or exchangeable for shares of another class or series of stock of the corporation, at the option of the corporation, the stockholder or another person, or upon the occurrence of a designated event, at such price or rate as shall be stated and expressed in the resolution providing for the issue of such shares.

3. **Dividends.** Dividends in cash, property or shares of the corporation may be paid upon the outstanding Capital Stock, excluding any treasury stock held by the corporation, as and when declared by the board of directors, out of funds of the corporation to the extent and in the manner

permitted by law.

**4. Distribution in Liquidation.** Upon any liquidation, dissolution or winding up of the corporation, and after paying or adequately providing for the payment of all its obligations, the remainder of the assets of the corporation shall be distributed, either in cash or in kind, pro-rata to the holders; first to the preferred shareholders, and any remainder then to the common shareholders. The board of directors may, from time to time, distribute to the shareholders in partial liquidation, a portion of its assets, in cash or property, in the manner permitted and upon compliance with limitations imposed by law.

## **ARTICLE VI**

### **Initial Board of Directors**

The number of directors of the corporation and the classifications as to the term of office shall be provided for in the bylaws of the corporation. The initial number of directors shall be one. The name and address of the initial member is Joseph Daniluk 4155 E. Jewell Ave. Suite 610 Denver, Colorado 80222.

## **ARTICLE VII**

### **Bylaws of the Corporation**

The Bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with applicable law or these Articles of Incorporation. The initial Bylaws of the corporation shall be adopted by the board of directors. Subject to bylaws, if any, that may be adopted by the stockholders entitled to vote thereon, the power to adopt, alter, amend, or repeal the bylaws or to adopt new bylaws is vested in the board of directors of the corporation.

## **ARTICLE VIII**

### **Right of Directors to Contract with the Corporation**

No contract or other transaction between the corporation and one or more of its directors or any other corporation, firm association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable solely because of such relationship or interest or solely because such directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction.

## **ARTICLE IX**

### **Corporate Opportunity**

The officers, directors and other members of management of this corporation shall be subject to

the doctrine of "corporate opportunities" only insofar as it applies to business opportunities in which this corporation has expressed an interest as determined from time to time by this corporation's board of directors as evidenced by resolutions appearing in the corporation's minutes. Once such areas of interest are delineated, all such business opportunities within such areas of interest which come to the attention of the officers, directors, and other members of management of this corporation shall be disclosed promptly to this corporation and made available to it. The board of directors may reject any business opportunity presented to it and thereafter any officer, director or member of management may avail himself of such opportunity. Until such time as this corporation, through its board of directors, has designated an area of interest, the officers, directors and other members of management of this corporation shall be free to engage in such areas of interest on their own and this doctrine shall not limit the rights of any officer, director or other member of management of this corporation to continue a business existing prior to the time that such area of interest is designated by the corporation. This provision shall not be construed to release any employee of this corporation (other than an officer, director or member of management) from any duties which he may have to this corporation.

## **ARTICLE X**

### **Eliminating Personal Liability**

Officers and directors shall have no personal liability to the corporation or its shareholders for damages for breach of fiduciary duty as an officer or director. This provision does not eliminate or limit the liability of an officer or director for acts or omissions involving intentional misconduct, fraud, a knowing violation of law, or the payment of dividends in violation of any applicable statute.

## **ARTICLE XI**

### **Indemnification of Officers, Directors and Others**

The corporation may indemnify any person, his heirs, executors and administrators entitled to indemnification as provided for in the Colorado Statutes, as revised, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative to the maximum extent permitted by the law including but not limited to making other financial arrangements for indemnification regardless of whether or not the corporation would have the power to indemnify a person against such liability. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act either in good faith, in a manner which he reasonably believed to be in the best interests of the corporation or that he did not have reasonable cause to believe that his conduct was lawful. Such determinations shall be made by the board of directors by a majority of a quorum consisting of directors who were not parties to such action, suit, or proceedings, or if such a quorum is not obtainable or even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by the shareholders entitled to vote thereon. The indemnification or advancement of costs and

expenses provided for by the corporation shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the articles of incorporation, any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise.

#### ARTICLE XII

##### Amendment of Articles of Incorporation

Unless otherwise provided for in these articles, the articles of incorporation of the corporation may be amended from time to time by a majority vote of all shareholders entitled to vote thereon, by written ballot in person or by proxy held at any general or special meeting of shareholders upon lawful notice.

#### ARTICLE XIII

##### Incorporator

The name and address of the incorporator is Joseph Daniluk, 4155 E. Jewell Ave. Suite 610 Denver, CO 80222.

IN WITNESS WHEREOF, the undersigned, Joseph Daniluk, for the purpose of forming a corporation under the laws of the State of Colorado, does make, file and record these articles of incorporation and certifies that the facts herein stated are true; and I have hereunto set my hand this 09 day of October, 2015.

INCORPORATOR:

  
Joseph Daniluk

##### CERTIFICATE OF ACCEPTANCE OF APPOINTMENT BY REGISTERED AGENT

Joseph Daniluk hereby certifies his acceptance of appointment as Registered Agent for the above named corporation on this the 09 day of October, 2015.

  
Joseph Daniluk

## **b. September 5, 2018 Amended Articles**

### **Amendment**

To The Articles Of Incorporation of  
Locking Line Barriers Corporation  
Effective September 5, 2018

A Special Meeting Of The Board Of Directors Of The Corporation, Was Held At The Offices Of The Corporation In Denver, Colorado , On September 5, 2018, In Which A Quorum Was Present And Notice Was Waived, To Resolve And Correct A Typographical Error In The Articles Of Incorporation Originally Filed, With The State Of Colorado , And As Amended, On December 20, 2016 As Follows:

A Motion Having Been Made To Correct The Original Filing Of The Articles, Section V, Capital Paragraph 1; which stated:

### **ARTICLE V**

#### **Capital**

The aggregate number of shares Capital Stock which this corporation shall have authority to issue is 20,000,000 shares of no par value each, which shares shall be designated "Common Stock," in one or more classes or series, having no par value each, and 20,000.000 shares designated "Preferred Stock," in one or more classes or series, each having no par value or a par value as determined by the Board of Directors.

Noting: The number of "Preferred Stock" authorized was typed in as "20,000.000," wherein the intent was for the number to read; "20,000,000 (twenty million).

Upon a unanimous vote, the Board hereby resolves to amend the Corporate Articles, Section V, paragraph 1, to read as follows:

### **ARTICLE V**

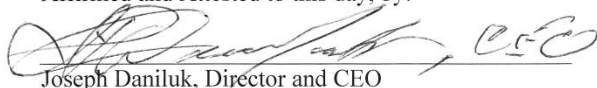
#### **Capital**

The aggregate number of shares Capital Stock which this corporation shall have authority to issue is 20,000,000 shares of no par value each, which shares shall be designated "Common Stock," in one or more classes or series, having no par value each, and 20,000,000 shares designated "Preferred Stock," in one or more classes or series, each having no par value or a par value as determined by the Board of Directors.

Thereby correcting the typographical error, and directing the CEO to take the necessary steps, to record this correction with the Secretary of State of Colorado.

Accepted and adopted this the fifth day of September 2018:

Affirmed and Attested to this day, by:

  
Joseph Daniluk, Director and CEO

**c. April 30, 2020 Amended Articles**

**Amendment**

To the Articles of Incorporation of  
Locking Line Barriers Corporation  
Effective April 30, 2020

A special meeting of the Board of Directors of the Corporation was held at the offices of the Corporation in Denver, Colorado, on April 30, 2020. A quorum was present, and notice was waived.

The purpose of the meeting was to restate the Articles of Incorporation to amend **Article V, Capital** to authorize additional capital shares of both common stock and preferred stock.

A Motion was made to Amend Article V. Capital, which stated:

**ARTICLE V.  
Capital**

The aggregate number of shares Capital Stock which this corporations shall have authority to issue is 20,000,000 shares of no par value each, which shares shall be designated “Common Stock” in one or more classes or series, having no par value each, and 20,000,000 shares designated “Preferred Stock” in on or more classes or series, each having no par value or a par value as determined by the Board of Directors.

Upon unanimous vote, the Board hereby resolved to amend the Articles of Incorporation Corporation, Article V, First Paragraph, to read as follows:

**ARTICLE V.  
Capital**

The aggregate number of shares of Capital Stock which this corporations shall have authority to issue is 100,000,000 shares of no par value each, which shares shall be designated “Common Stock” in one or more classes or series, having no par value each, and 100,000,000 shares designated “Preferred Stock” in one or more classes or series, each having no par value or a par value as determined by the Board of Directors.

Accepted and adopted this 30<sup>th</sup> day of April, 2020.

Affirmed and attested to this day, by:

/s/ Joseph Daniluk

Joseph Daniluk, Director and CEO

## **d. Corporate By-Laws**

### **CORPORATE BYLAWS**

OF

**Locking Line Barriers  
dba  
WaterBlocks**

### **ARTICLE I MEETING OF SHAREHOLDERS**

Section 1.1. Annual Meeting. The annual meeting of the shareholders shall be held during January of each year or on such other day as shall be fixed by the Board of Directors. If that day should not be a regular business day, then the meeting shall be held on the next following business day. At this meeting, the shareholders shall elect a Board of Directors for the ensuing year and transact other business as shall properly come before such meeting. If the election of directors shall not be held on the day designated for the annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as may be convenient.

Section 1.2. Place of Meetings. Each meeting of the shareholders shall be held at such place, either within or outside Colorado, as may be designated in the notice of meeting, or, if no place is designated in the notice, at the principal office of the Corporation if in Colorado, or if not, at the registered office of the Corporation in Colorado.

Section 1.3. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than one-tenth of all outstanding shares of the Corporation entitled to vote at the meeting.

Section 1.4. Notice of Meetings. Written notice of meetings shall be delivered not less than ten nor more than fifty days before the date of the meeting to be called. Written notice shall normally be delivered in ten days except in cases of extraordinary actions being proposed by the Corporation or unless otherwise provided by applicable Colorado law. If a special meeting is being called, the notice shall state the purpose or purposes of the meeting. Notice shall be addressed to the shareholder at the address that appears on the stock transfer books of the Corporation. If three successive letters mailed to the last known address of any shareholder, as contained in the stock transfer books, are returned, no further notice shall be necessary with respect to any meeting until another address is made known to the Corporation. Notice need not be given to any shareholder who shall waive notice of any meeting in writing, whether before, at, or after the meeting, or who shall attend the meeting except for the purpose of making a record of objection to any lack of proper notice to such shareholder.

Section 1.5. Quorum and Adjournment. At any meeting of the shareholders, the presence, in person or by proxy, of the holders of a majority of the shares outstanding and entitled to vote at such meeting shall constitute a quorum. In the absence of a quorum, the meeting may be adjourned for a period not to exceed thirty days, without further notice, by any officer entitled to preside at or act as Secretary of such meeting, or by a majority in interest of those shareholders present in person or by proxy. The withdrawal of enough shareholders to leave less than a quorum shall not prevent the remaining shareholders from continuing to transact business until adjournment.

Section 1.6. Voting. At each meeting of the shareholders, those shareholders entitled to vote may vote in person or by proxy. The record date for the determination of the shareholders shall be the date upon which notice of the meeting was sent to the shareholders, unless a different date therefore was fixed by the Board of Directors. A proxy, to be valid, must be executed in writing by the shareholder or by a duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy, subject to applicable Colorado law. At all meetings of the shareholders at which a quorum is present, all matters shall be decided by a simple majority vote of all then eligible shares for which votes are cast on the matter, except as otherwise provided by statute or by the Articles of Incorporation. The vote on any matter need not be by ballot unless required by statute or requested by a shareholder, in person or by proxy, who is entitled to vote at the meeting.

Section 1.7. Proxies. At any meeting of the shareholders, a shareholder may vote by proxy executed in writing by the shareholder or a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy, subject to the requirements of Colorado law.

Section 1.8. Conduct of Meetings. Each meeting of the shareholders shall be presided over by the Chairman of the Board of Directors, or if absent, by the President, or if absent, by any Vice President. If the Chairman of the Board, President, and Vice Presidents are all absent, a Chairman of the meeting shall be chosen by a majority in voting interest of those shareholders entitled to vote who are present or represented by proxy. The Secretary of the Corporation shall act as Secretary of each meeting of the shareholders. If the Secretary is absent, the Chairman of the meeting shall appoint a Secretary for the meeting.

Section 1.9. Action Without A Meeting. Action which may be taken at a meeting of the shareholders may be taken without a meeting pursuant to applicable Colorado law, if a consent in writing setting forth the action so taken is signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the shareholders for any purpose.

## **ARTICLE II** **BOARD OF DIRECTORS**

Section 2.1. Powers. The property and business of the Corporation shall be managed by its Board of Directors, which may exercise all powers of the Corporation and do all lawful acts as are not by statute, by the Articles of Incorporation, or by these Bylaws directed or required to be exercised or done by the shareholders. The directors shall also have authority to elect and discharge the officers of the Corporation and pass on any and all claims of such officers for salaries or other compensation, and may contract with such officers, employees, directors, and other persons rendering service to the Corporation with respect to their salaries and other compensation.

Section 2.2. Performance of Duties. A director of the Corporation shall perform the duties of a director, including the duties as a member of any committee of the Board on which such director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing such duties, a director shall be entitled to rely upon information, opinions, reports, and statements, including financial data, prepared or presented by persons or groups listed in subparagraphs (a), (b), and (c) of this Section 2.2, but the director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs such duties as director shall not have any liability by reason of being or having been a director of the Corporation. Those groups or persons upon whose information, opinions, reports, or statements a director is entitled to rely are as follows:

- (a) Officers and employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, accountants, and other such persons as to matters which the director reasonably believes to be within such persons professional or expert competence; and
- (c) A committee of the Board on which the director does not serve as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 2.3. Number, Tenure, and Election. The Board of Directors shall consist of such number of directors as shall be fixed from time to time by the Board of Directors, but in no instance shall there be less than the number required by law. For such periods of time during which there are less than three shareholders of the Corporation, the number of directors shall be equal to the number of shareholders, unless the Board determines otherwise. The directors shall be elected at the annual meeting of shareholders and shall hold office until the next annual meeting of shareholders or until their successors are elected and qualified. The Board of Directors may appoint one of its members to act as Chairman of the Board of Directors.

Section 2.4. Committees. The Board of Directors may appoint a committee or committees of one or more of its members with such powers as may be legally delegated by the Board. In all cases, such committee or committees shall act as a Board regularly convened and may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as may be deemed proper and not inconsistent with statute, the Articles of Incorporation, or these Bylaws.

Section 2.5. Resignations. A director may resign at any time by giving written notice to the Board of Directors, President, or Secretary of the Corporation. The resignation shall take effect upon the date of receipt of such notice, or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective unless the resignation so requires.

Section 2.6. Removal. At any shareholders' meeting called expressly for that purpose, the entire Board of Directors or any lesser number may be removed, with or without cause, by a vote of a majority of the shares then entitled to vote at any election of directors, or, if cumulative voting is in effect for the election of directors, by a vote of shares then entitled to vote at any election of directors which is suffice under Colorado law for such removal.



Section 2.7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired portion of the term of his predecessor. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office, by election at an annual meeting of the shareholders, or by election at a special meeting of the shareholders called for that purpose. A director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next annual meeting of shareholders or until a successor shall have been elected and qualified.

Section 2.8. Compensation. By resolution of the Board of Directors and irrespective of any personal interest of any of its members, each director may be paid the expenses of attending each meeting of the Board. A director may, in addition, be paid a salary as director or a fixed sum for attendance at each meeting of the Board and its committees, or both. A director may serve the Corporation in another capacity and receive compensation for the services rendered in that capacity in addition.

Section 2.9. Place of Meetings. The Board of Directors may hold its meetings at any place within or without the State of Colorado that it may from time to time specify by resolution.

Section 2.10. Annual Meetings. The annual meeting of the Board of Directors shall immediately follow the annual meeting of the shareholders and be held at the same place as such annual shareholders' meeting.

Section 2.11. Special Meetings. Special meetings of the Board of Directors may be called at any time for any purpose by or at the request of the President or any director. Written notice of each special meeting, setting forth the time and place of the meeting shall be given to each director at least twenty-four hours before the meeting. This notice may be given either personally, through the United States Mail, or by prepaid telegram to the address of each director appearing on the books of the Corporation. Any meeting of the Board of Directors, whether regular or special, shall be a legal meeting if a majority of the directors shall be present, in person or by means of communications device, or shall sign the minutes, whether or not notice was properly given.

Section 2.12. Meetings in General. Attendance at a meeting shall constitute a waiver of notice thereof, except when a director attends a meeting for the express and sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular, or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. A director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless a dissent is entered into the minutes of the meeting or unless such director files a written dissent to such action with the Secretary of the meeting before adjournment thereof or unless such director forwards a dissent by registered mail to the Secretary of the Corporation within twenty-four hours after adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action.

Section 2.13. Quorum, Adjournment, and Manner of Acting. A majority of the directors shall constitute a quorum of the Board at any annual, regular, or special meeting, but in the absence of a quorum of the Board, a minority shall have the power of adjournment. The action of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The leaving of a director or directors after the start of any annual, regular, or special meeting of the Board, such that less than a quorum remains, shall not negate the existence of a quorum, and any action taken by a majority of the directors counted in determining the existence of a quorum shall constitute the act of the Board of Directors.

Section 2.14. Conduct of Meetings. The Chairman of the Board of Directors or, in if absent, the President or, if absent, any Vice President shall preside at each meeting of the Board of Directors. If the Chairman of the Board, the President, and the Vice Presidents are all absent, a Chairman of the meeting shall be chosen by majority vote of the directors present. The Secretary or, if absent, any person chosen by the Chairman of the meeting shall act as Secretary of the meeting.

Section 2.15. Action Without a Meeting. Action which may be taken at a meeting of the directors may be taken without a meeting pursuant to applicable Colorado law, if a consent in writing setting forth the action so taken is signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent has the same force and effect as a unanimous vote of the directors for any purpose.

### **ARTICLE III** **OFFICERS**

Section 3.1. Number of Officers. The Officers of the Corporation shall be elected by the Board of Directors and shall consist of a President, Vice President, and Secretary/ Treasurer. Such other officers and assistant officers as are deemed necessary may be appointed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. The officers shall be natural persons of at least eighteen years of age.

Section 3.2. When Chosen. All officers shall be chosen at the first meeting of the Board of Directors and thereafter at the annual meeting of the Board in each year.

Section 3.3. Terms of Office. All officers shall hold their respective offices until their successors are elected, qualified, and enter upon the duties of their offices, or until their death or resignation. Any officer may be removed by the Board of Director with or without cause.

Section 3.4. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Such resignation shall take effect upon the date of receipt of the notice or at any later time specified therein. Unless the notice of resignation so requires, acceptance of the resignation shall not be necessary to make it effective. When a vacancy occurs in one of the executive offices by reason of death, resignation, or other shall be filled by the Board of Directors for the unexpired portion of the term.

Section 3.5. President. The President shall be the chief executive officer of the Corporation, shall preside at all meetings of the shareholders and the Board of Directors. In the absence of the Chairman of the Board, the Board shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute bonds, mortgages, and other contracts on behalf of the Corporation, except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. The President shall perform such other duties as shall from time to time be assigned by the Board of Directors.

Section 3.6. Vice Presidents. In the absence of the President or in the event of the President's death or inability or refusal to act, the Vice President, if any, shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to the restrictions placed upon, the President. If more than one Vice President is elected, a Vice President may be designated by the Board of Directors as Executive Vice President to act in the President's absence. In the absence of such designation, the Vice President with the longest tenure in that position shall so act. Vice Presidents shall perform such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

Section 3.7. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and shall record all of the proceedings of the meetings in a book to be kept for that purpose. The Secretary shall perform like duties for any committee when required. The Secretary shall have custody of the stock books of the Corporation, except when placed in the custody of a transfer agent by resolution of the Board of Directors. The Secretary shall see that all books, records, lists, and information required to be maintained at the office of the Corporation are so maintained. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors. The Secretary shall keep in safe custody the seal of the Corporation, if any, and, when authorized by the Board of Directors, affix the same to any instrument requiring it and appropriately attest to the fact that such instrument or document has been properly authorized and approved by the Corporation. The Secretary shall perform such other duties as may be prescribed by the President or the Board of Directors. The Assistant Secretary or, if there is more than one, the Assistant Secretaries, in the order determined by the Board of Directors, shall perform the duties and exercise the powers of the Secretary in the Secretary's absence or inability or refusal to act.

Section 3.8. Treasurer and Assistant Treasurers. It shall be the duty of the Treasurer to receive and have custody of all funds and monies realized by the Corporation and deposit the same in the Corporation's name in a bank to be designated by the Board. The Treasurer shall disburse, or permit to be disbursed, the funds of the Corporation as may be directed by the President or the Board, shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall keep or cause to be kept all other books of account and accounting records of the Corporation, and shall render to the officers and directors of the Corporation whenever they may require an account of all such transactions and of the financial condition of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board. Such bond shall be for the faithful performance of the duties of the Treasurer and for restoration to the Corporation in the case of the Treasurer's death, resignation, retirement, or removal of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or control belonging to the Corporation. The Treasurer shall perform such other duties as may from time to time be delegated by the President or the Board of Directors. In the absence or inability or refusal of the Treasurer to act, Assistant Treasurers named by the Board of Directors shall possess all of the powers and perform all of the duties of the Treasurer.

Section 3.9. Delegation of Officers' Duties. If any officer of the Corporation is absent or unable to act, or for any other reason which the Board of Directors deems sufficient, the Board may temporarily delegate some or all of the functions, duties, powers, and responsibilities of any officer to any other person.

**ARTICLE IV**  
**NOTICES**

**Section 4.1. Manner of Notices.** In addition to any other specific notice provision contained in these Bylaws, notices to directors and shareholders shall be in writing and delivered personally or mailed to their respective addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given at the time of mailing with postage prepaid, if mailing is by certified mail, return receipt requested, otherwise notice shall be deemed to have been given at the time of receipt by the shareholder or director. Notice to directors may also be given by telegram or e-mail.

**Section 4.2. Waiver of Notice.** In addition to any other specific notice provision of these Bylaws, a waiver of notice in writing by the person or persons entitled to such notice shall be conclusive of the satisfaction of the notice requirements with respect to such person or persons. Such waiver shall be effective whether signed before, at, or after the meeting which was the subject of such notice requirements.

**ARTICLE V**  
**CERTIFICATES OF STOCK**

**Section 5.1. Manner of Issuance.** The Board of Directors shall have the power to issue the authorized capital stock of the Corporation. Every shareholder shall be entitled to a certificate in such form as shall be approved by the Board. The certificates shall be numbered in the order of their issue and shall be signed by two officers of the Corporation, one of whom shall be the Chairman or Vice Chairman of the Board of Directors, or the President or Vice President of the Corporation, and the second of whom shall be the Secretary, Assistant Secretary, Treasurer, or Assistant Treasurer of the Corporation. If the Corporation has a registrar or a transfer agent who actually signs such certificates, the signature of any of the officers above mentioned may be facsimile, engraved, or imprinted. In case any such officer who has signed or whose facsimile signature has been placed upon any such certificate shall have ceased to be such officer before such certificate is issued, such certificate may nevertheless be issued by the Corporation with the same effect as if such officer were an officer at the date of its issue. The stock certificates shall state upon their face that the Corporation is organized under the laws of Colorado, the name of the person to whom issued, the number and class of shares represented thereby, the par value of each share represented by the certificate or a statement that the shares are without par value, and the date of issue of the shares. If the Corporation is authorized to issue shares of more than one class, every certificate representing shares issued shall set forth upon the face or back of the certificate that the Corporation will furnish to any shareholder upon request and without charge a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued. If the Corporation is authorized to issue any preferred or special class in a series, the variations in the relative rights and preferences between the shares, so far as they have been fixed and determined, and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series, shall also be set forth upon request.

**Section 5.2. Replacement of Certificates.** The Board of Directors may direct that a new certificate or certificates be issued in place of any theretofore issued by the Corporation which are alleged to have been lost or destroyed, upon receipt by the Board of an affidavit of that fact by the person claiming an interest in the stock represented thereby. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the person claiming an interest in the stock represented by the certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificates alleged to have been lost or destroyed.

**Section 5.3. Transfer of Shares, Transfer Agent, Registrar.** Transfers of shares of stock shall be made on the stock record or transfer books of the Corporation only by the person named in the stock certificate, or by his attorney lawfully constituted in writing, and upon surrender of the certificate therefore. Upon surrender of a certificate duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books. The Corporation, by resolution of the Board, may from time to time appoint a transfer agent and, if desired, a registrar under such arrangements and upon such terms and conditions as the Board deems advisable. Until and unless the Board appoints some other person, firm, or corporation as its transfer agent, and upon the revocation of any such appointment, the Secretary of the Corporation shall be the transfer agent of the Corporation without the necessity of any formal action of the Board, and the Secretary shall perform all of the duties thereof.

**Section 5.4. Recognition of Shareholder.** The Corporation shall keep at its registered office a record of the names and addresses of all shareholders and the number and the class of shares held by each. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner. The Corporation shall be entitled to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claims to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by Colorado law.

**ARTICLE VI**

**EMERGENCY BYLAWS**

The Emergency Bylaws provided in this Article VI shall be operative during any emergency in the conduct of the business of the Corporation resulting from an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in the preceding articles of the Bylaws or in the Articles of Incorporation of the Corporation or under applicable Colorado law. To the extent not inconsistent with the provisions of this Article VI, the Bylaws provided in the preceding articles shall remain in effect during such emergency, and upon termination of such emergency, the Emergency Bylaws shall cease to be operative. During any such emergency:

- (a) A meeting of the Board of Directors may be called by any officer or director of the Corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.
- (b) At any such meeting of the Board of Directors, a quorum shall consist of the number of directors in attendance at such meeting.
- (c) The Board of Directors, either before or during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.
- (d) The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that, during such an emergency, any or all agents or officers of the Corporation shall for any reason be rendered incapable of discharging their duties.
- (e) No officer, director, or employee acting in accordance with these Emergency Bylaws shall be liable except for willful misconduct.
- (f) These Emergency Bylaws shall be subject to repeal or change by further action of the Board of Directors or by action of the shareholders, but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency Bylaws may make any further or different provision that may be practical or necessary for the circumstances of the emergency.

**ARTICLE VII**  
**GENERAL**

**Section 7.1. Execution of Contracts.** The Board of Directors may authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and, unless so authorized, no officer, agent, or employee shall have any power to bind the Corporation for any purpose except as may be necessary to enable the Corporation to carry on its normal and ordinary course of business.

**Section 7.2. Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Board of Directors. When so authorized, any officer or agent of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company, institution, firm, corporation, or individual. An agent so authorized may make and deliver promissory notes or other evidences of indebtedness of the Corporation, and may mortgage, pledge, hypothecate, or transfer any real or personal property held by the Corporation as security for the payment of such loans. Such authority, in the Board's discretion, may be general or confined to specific instances.

**Section 7.3. Checks.** Checks, notes, drafts, and orders for the payment of money issued in the name of the Corporation shall be signed by such person or persons as designated by the Board of Directors and in the manner the Board prescribes.

**Section 7.4. Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board of Directors may select.

**Section 7.5. Fixing of Capital and Transfers of Surplus.** Except as may be specifically otherwise provided in the Articles of Incorporation, the Board of Directors is expressly empowered to exercise all authority conferred upon it or the Corporation by any law or statute relative to the determination of:

- (a) what part of the consideration received for shares of the Corporation shall be capital,
- (b) increasing capital,
- (c) transferring surplus to capital,
- (d) the consideration to be received by the Corporation for its shares, and
- (e) all similar and related matters; provided that any concurrent action or consent by or of the Corporation and its shareholders required to be taken or given shall be duly taken or given in connection therewith.

**Section 7.6. Dividends.** The Board of Directors may declare dividends whenever and in such amounts as in the Board's opinion is considered advisable, based upon the financial condition and affairs of the Corporation. The shareholders shall have no right to

dividends, even though the Corporation has funds available to pay dividends, unless payment thereof has been authorized by the Board of Directors. When declared by the Board, any dividends payable shall be payable to shareholders of record at the close of business on such date before payment thereof as is fixed by the Board on declaring any such dividend. The rate of a dividend may be determined for a separate issue of stock by resolution of the Board at such time as the first shares are issued by the corporation. The Board in its discretion may use, retain, and apply any of the surplus or net profits of the Corporation to meet contingencies or for any other purposes which it may determine to be in the best interests of the Corporation.

Section 7.7. Seal. The Board of Directors, upon passage of a resolution with respect thereto, may provide a seal for the corporation.

Section 7.8. Fiscal Year. The Board of Directors, in its sole discretion, shall fix a fiscal year for the Corporation.

Section 7.9. Amendments to Bylaws. The Board of Directors shall have the power to alter, amend, or repeal these Bylaws, or adopt new bylaws.

Section 7.10. Other Corporate Documents. The Board of Directors is expressly authorized to enter into such other agreements as it deems necessary to regulate the Corporation's internal operations. Such agreements may include, but are not limited to, employment contracts and buy-sell agreements between the Corporation and its key shareholders, officers, and employees.

### **CERTIFICATE of ADOPTION**

I hereby certify that the foregoing Bylaws constitute the Bylaws of Locking Line Barriers dba LLB Corporation, which upon Resolution by the Board of Directors of the Corporation did adopt and approve on October 09, 2015.

Attested to hereby:

/s/ Joseph Daniluk

\_\_\_\_\_  
Joseph Daniluk, Secretary

**e. Financials**

**Locking Line Barriers Corporation**  
**d/b/a WaterBlocks**  
A Colorado Corporation

Financial Statements (Unaudited) and  
Independent Accountant's Review Report

December 31, 2019 and 2018



## LOCKING LINE BARRIERS CORPORATION

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To the Board of Directors  
Locking Line Barriers Corporation  
Denver, Colorado

#### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of Locking Line Barriers Corporation (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

#### Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

#### Going Concern

As discussed in Note 3, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

*Artesian CPA, LLC*

Denver, Colorado  
April 23, 2020

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**LOCKING LINE BARRIERS CORPORATION**  
**BALANCE SHEETS (UNAUDITED)**  
**As of December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 27,593	\$ 39
Deposits	3,000	3,000
Offering costs	16,660	5,150
Subscription receivable	24,250	13,980
Total Current Assets	<u>71,503</u>	<u>22,169</u>
Non-Current Assets:		
Intangibles	10,000	5,000
Total Non-Current Assets	<u>10,000</u>	<u>5,000</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 81,503</b></u>	<u><b>\$ 27,169</b></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Current Liabilities:		
Due from shareholder	\$ 11,000	\$ -
Total Liabilities	<u>11,000</u>	<u>-</u>
Stockholders' Equity:		
Preferred Stock, no par, 20,000,000 shares authorized, 0 shares issued and outstanding, as of both December 31, 2019 and 2018	-	-
Class A Common Stock, no par, 8,500,000 shares authorized, 7,500,000 shares issued and outstanding, as of both December 31, 2019 and 2018	-	-
Class B Common Stock, no par, 2,500,000 shares authorized, 1,683,851 and 1,574,143 shares issued and outstanding, as of December 31, 2019 and 2018, respectively	-	-
Common Stock-undesignated, no par, 9,000,000 shares authorized, 0 shares issued and outstanding, as of December 31, 2019 and 2018, respectively	-	-
Treasury Stock, no par, 1,816,149 and 1,925,857 shares held as of December 31, 2019 and 2018, respectively	-	-
Additional paid-in capital	265,453	85,936
Accumulated deficit	(194,950)	(58,767)
Total Stockholders' Equity	<u>70,503</u>	<u>27,169</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><b>\$ 81,503</b></u>	<u><b>\$ 27,169</b></u>

See Independent Accountant's Review Report and accompanying notes, which are an integral

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**LOCKING LINE BARRIERS CORPORATION**  
**STATEMENTS OF OPERATIONS (UNAUDITED)**  
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net revenues	\$ -	\$ -
Costs of net revenues	<u>-</u>	<u>-</u>
Gross loss	-	-
Operating Expenses:		
General & administrative	136,183	56,709
Sales & marketing	<u>-</u>	<u>2,058</u>
Total Operating Expenses	136,183	58,767
Loss from operations	<u>(136,183)</u>	<u>(58,767)</u>
Provision for income taxes	-	-
Net Loss	<u>\$ (136,183)</u>	<u>\$ (58,767)</u>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

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**LOCKING LINE BARRIERS CORPORATION**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)**  
**For the years ended December 31, 2019 and 2018**

	Preferred Stock		Common Stock				Treasury Stock		Total Stockholders' Equity
	Shares	Amount	Class A Common Stock	Class B Non-Voting Common Stock	Shares	Amount	Shares	Amount	
Balance at December 31, 2017	-	\$ -	7,500,000	\$ -	3,510,000	\$ -	1,990,000	\$ -	\$ 100
Class B Common Stock Issuance	-	-	-	-	20,000	-	(20,000)	-	-
Class B Common Stock Issuance - Reg CF	-	-	-	-	44,143	-	(44,143)	-	-
Net loss	-	-	-	-	-	-	-	-	85,836
Balance at December 31, 2018	-	\$ -	7,500,000	\$ -	3,574,143	\$ -	1,925,857	\$ -	\$ (58,707)
Class B Common Stock Issuance	-	\$ -	-	\$ -	42,500	\$ -	(42,500)	\$ -	-
Class B Common Stock Issuance - Reg CF	-	-	-	-	66,708	-	(66,708)	-	-
Class B Common Stock issued for service	-	-	-	-	500	-	(500)	-	-
Capital contributions by founder	-	-	-	-	-	-	-	3,161	3,161
Net loss	-	-	-	-	-	-	-	-	(136,183)
Balance at December 31, 2019	-	\$ -	7,500,000	\$ -	3,683,851	\$ -	1,816,149	\$ -	\$ (194,959)

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.



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**LOCKING LINE BARRIERS CORPORATION**  
**STATEMENTS OF CASH FLOWS (UNAUDITED)**  
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Net Loss	\$ (136,183)	\$ (58,767)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued in exchange for services	500	-
Changes in operating assets and liabilities:		
Increase in deposits	-	(3,000)
Net Cash Used In Operating Activities	<u>(135,683)</u>	<u>(61,767)</u>
<b>Cash Flows From Investing Activities</b>		
Patent acquisition costs	<u>(5,000)</u>	<u>(5,000)</u>
Net Cash Used In Investing Activities	<u>(5,000)</u>	<u>(5,000)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of Class B common stock	165,646	71,856
Contributions from founders	3,101	-
Advances from founder	11,000	-
Offering costs	<u>(11,510)</u>	<u>(5,150)</u>
Net Cash Provided By Financing Activities	<u>168,237</u>	<u>66,706</u>
Net Change In Cash	27,554	(61)
Cash at Beginning of Period	39	100
Cash at End of Period	<u>\$ 27,593</u>	<u>\$ 39</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

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**LOCKING LINE BARRIERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**  
**As of December 31, 2019 and 2018 and for the years then ended**

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**NOTE 1: NATURE OF OPERATIONS**

Locking Line Barriers Corporation (the "Company") is a corporation organized on October 10, 2015 under the laws of Colorado under the name of Locking Line Barriers and does business under the trade name WaterBlocks. The Company changed its name from Locking Line Barriers to Locking Line Barriers Corporation on February 12, 2018. The Company was formed to market and distribute the WaterBlocks product line.

As of December 31, 2019, the Company has not commenced planned principal operations nor generated revenue. The Company's activities since inception have consisted of formation activities and preparations to raise capital. Once the Company commences its planned principal operations, it will incur significant additional expenses. The Company is dependent upon additional capital resources for the commencement of its planned principal operations and is subject to significant risks and uncertainties; including failing to secure funding to operationalize the Company's planned operations or failing to profitably operate the business.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (GAAP).

The Company adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificate of deposits, and all highly liquid debt instruments with original maturities of three months or less.

Stock Subscription Receivable

The Company records stock issuances at the effective date. If the subscription is not funded upon issuance, the Company records a stock subscription receivable as an asset on the balance sheet. When stock subscription receivables are not received prior to the issuance of financial statements at a reporting date in satisfaction of the requirements under FASB ASC 505-10-45-2, the stock subscription receivable is reclassified as a contra account to stockholders' equity on the balance sheet.

See accompanying Independent Accountant's Review Report

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**LOCKING LINE BARRIERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**  
**As of December 31, 2019 and 2018 and for the years then ended**

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Intangible Assets

The Company capitalizes costs related to maintaining and filing patents, copyrights, and trademark applications and commences amortization over a patent's estimated useful life, typically 17 years, when a patent is successfully filed. During 2019 and 2018, the Company capitalized \$5,000 in each year in patent, copyright, and trademark related costs, resulting in intangible assets of \$10,000 and \$5,000 as of December 31, 2019 and 2018, respectively. Amortization expense for the year was not recorded as the patent is pending as of the date the financial statements were available to be issued.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts reported in the balance sheets approximate their fair value.

Deferred Offering Costs

The Company complies with the requirement of FASB ASC 340-10-S99-1. Prior to the completion of the offering these costs are capitalized as deferred offering costs on the balance sheet. The deferred offering costs are charged to stockholders' equity upon the completion of the offering.

Income Taxes

The Company uses the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is unlikely that the deferred tax assets will be realized.

See accompanying Independent Accountant's Review Report

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**LOCKING LINE BARRIERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**  
**As of December 31, 2019 and 2018 and for the years then ended**

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The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, our policy is to record the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements. The Company has determined that there are no material uncertain tax positions.

The Company accounts for income taxes with the recognition of estimated income taxes payable or refundable on income tax returns for the current period and for the estimated future tax effect attributable to temporary differences and carryforwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized in the immediate future. The Company estimates it will have net operating loss carryforwards of \$194,950 and \$58,767 as of December 31, 2019 and 2018, respectively. The Company pays federal and Colorado income taxes at a combined effective rate of approximately 25% and has used this effective rate to derive net deferred tax assets of \$48,070 and \$14,491 as of December 31, 2019 and 2018, respectively, resulting from its net operating loss carryforward. Due to uncertainty as to the Company's ability to generate sufficient taxable income in the future to utilize the net operating loss carryforwards before they begin to expire in 2038, the Company has recorded a full valuation allowance to reduce the net deferred tax asset to zero.

Since inception, no tax returns have been filed until they are legally required. All tax periods since inception remain open to examination by the taxing jurisdictions to which the Company is subject.

**NOTE 3: GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a business that has not yet generated revenue or profits, has sustained net losses of \$136,183 and \$58,767 during the years ended December 31, 2019 and 2018, respectively, has negative cash flows from operations, has an accumulated deficit of \$194,950 as of December 31, 2019.

The Company's ability to continue as a going concern in the next twelve months is dependent upon its ability to obtain capital financing from investors sufficient to meet current and future obligations and deploy such capital to produce profitable operating results. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The balance sheet does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

See accompanying Independent Accountant's Review Report

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**LOCKING LINE BARRIERS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**  
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**NOTE 4: STOCKHOLDERS' EQUITY**

On September 5, 2018, the Company amended and restated its Articles of Incorporation authorizing 20,000,000 shares of Common Stock, designating 8,500,000 shares of common stock as Class A Unrestricted Voting Common Stock and 2,500,000 shares of common stock as Class B Restricted Non-Voting Common Stock, and 9,000,000 shares of undesignated common stock. All shares have no par value. The Company has also authorized 20,000,000 shares of Preferred Stock with no par value. Class A and Class B common stockholders have identical rights, with the exception of voting rights, to which Class B stockholders have no voting rights. Preferred stockholders voting rights are determined by the Board prior to offering and stated/confirmed at the time of issue, the Preferred Stock the Company is issuing has no voting rights. Preferred stock has liquidation preferences in the case of a liquidation of the Company under the terms of the articles of incorporation.

As of both December 31, 2019 and 2018, 7,500,000 shares of Class A Voting Common Stock were issued and outstanding. As of December 31, 2019 and 2018, 1,683,851 and 1,574,143 shares of Class B Non-Voting Common Stock were issued and outstanding, respectively. No shares of preferred stock are issued and outstanding as of December 31, 2019 and 2018. The Company issued itself shares of common stock as treasury stock. Share issuances in 2019 and 2018 were out of the treasury stock balances. As of December 31, 2019 and 2018, 1,816,149 (1,000,000 shares of Class A common stock and 816,149 shares of Class B common stock) and 1,925,857 (1,000,000 shares of Class A common stock and 925,857 shares of Class B common stock) were held as treasury stock, respectively.

In 2019, the Company issued 42,500 shares of Class B Non-Voting Common Stock at \$1.00 per share resulting in gross proceeds of \$42,500 and 500 shares were issued at \$1.00 per share in exchange for services totaling \$500. In 2018, the Company issued 20,000 shares of Class B Non-Voting Common Stock at \$0.00 per share resulting in proceeds of \$0. As of December 31, 2019 and 2018, there was \$700 and \$0 of subscription receivables, respectively, related to this issuance.

In 2019, the Company has raised \$133,416 through issuance of its Class B Non-Voting Common Stock pursuant to an offering under Regulation Crowdfunding, where 66,708 shares were issued at \$2.00 per share. In 2018, the Company has raised \$85,836 through issuance of its Class B Non-Voting Common Stock pursuant to an offering under Regulation Crowdfunding, where 44,143 shares were issued at \$2.00 per share. As of December 31, 2019 and 2018, there was \$23,550 and \$13,980 of subscription receivables, respectively, related to this issuance.

**NOTE 5: RELATED PARTY TRANSACTIONS**

Related Party Management Fees

The Company has a management agreement with Strategic Solutions Team, Inc. ("SST"), which has not been formalized or memorialized, SST is wholly owned by the CEO of the Company. The agreement is for SST to manage and facilitate all corporate and business needs and activities of the Company until such time the Company has the resources and begins operations on its own. For the years ended December 31, 2019 and 2018 the Company paid SST \$131,100 and \$54,600, respectively.

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**LOCKING LINE BARRIERS CORPORATION**  
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Related Party Global Distribution Agreement

On October 27, 2017, a global distribution agreement was entered into between the Company and Great American Holdings, Inc., in which the CEO of the Company, is the controlling shareholder. Great American Holdings, Inc. holds all intellectual property, manufacturing, sales and distribution rights to the WaterBlocks products. The Company agrees to pay Great American Holdings, Inc. 3% of the product sales price (as defined in the agreement) and 3% of product rental revenue. The agreement has a term of 20 years, commenced on October 27, 2017, and renews automatically for a like period in perpetuity, absent any objection by either party, upon 30 days written notice from the objecting party to the other.

**NOTE 6: RECENT ACCOUNTING PRONOUNCEMENTS**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU supersedes the previous revenue recognition requirements in ASC Topic 605—Revenue Recognition and most industry-specific guidance throughout the ASC. The core principle within this ASU is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers*, which deferred the effective date for ASU 2014-09 by one year to fiscal years beginning after December 15, 2017, while providing the option to early adopt for fiscal years beginning after December 15, 2016. Transition methods under ASU 2014-09 must be through either (i) retrospective application to each prior reporting period presented, or (ii) retrospective application with a cumulative effect adjustment at the date of initial application. We are continuing to evaluate the impact of this new standard on our financial reporting and disclosures, including but not limited to a review of accounting policies, internal controls and processes. The Company adopted this new standard effective January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. The ASU is effective for annual and interim periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are continuing to evaluate the impact of this new standard on our financial reporting and disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying consolidated balance sheet. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

**NOTE 7: CONTINGENCIES**

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations.

See accompanying Independent Accountant's Review Report

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**LOCKING LINE BARRIERS CORPORATION**  
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**NOTE 8: SUBSEQUENT EVENTS**

Amended Articles of Incorporation

On February 28, 2020, the shareholders resolved to amend the Articles of Incorporation and increase the number of authorized from 20,000,000 shares to 100,000,000 shares for both Common and Preferred Stock.

Crowdfunding Campaign

In 2020, the Company initiated a Regulation CF crowdfunding campaign. As of April 23, 2020, \$70,526 has been raised.

Management's Evaluation

Management has evaluated all subsequent events through April 23, 2020, the date the financial statements were available to be issued. There are no material events requiring disclosure or adjustment to the financial statements.

See accompanying Independent Accountant's Review Report

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## f. Financials - Certification

### WaterBlocks Financial Statements Certification

The Company has not failed to comply with the ongoing reporting requirements of Regulation CF § 227.202 in the past.

#### Bad Actor Disclosure

The Company is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws.

#### SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

The issuer also certifies that the attached financial statements are true and complete in all material respects.

/s/Joseph Daniluk  
(Signature)

Joseph Daniluk  
(Name)

CEO and Director  
(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/Joseph Daniluk  
(Signature)

Joseph Daniluk  
(Name)

CEO & Director  
(Title)

April 15, 2019  
(Date)

## g. Revenue Projections

Confidential		WaterBlocks P&L 3 year Projection Summary				Confidential	
Capital Raised		\$500k		\$1.0M		\$2.0M	
Year 1	Operational Months	1-12		1-12		1-12	
Performance		Max.	Min.	Max.	Min.	Max.	Min.
TruckLoad Sales/ 104 Barriers		18	18	24	24	48	48
Rental Inventory		Total	ADD	Total	ADD	Total	ADD
Rentals - T/L Inventory	Total <- -> ADD	0	0	12	12	12	12
Gross Sales @ \$130,000 / @ \$104,000 tl		\$2,340,000	\$1,872,000	\$3,120,000	\$2,496,000	\$6,240,000	\$4,992,000
Rental Rev of \$15,600 AND \$15,600/2 per TL		\$0	\$0	\$1,216,800	\$608,400	\$1,216,800	\$608,400
Projected Revenue		\$2,340,000	\$1,872,000	\$4,336,800	\$3,104,400	\$7,456,800	\$5,600,400
COGS @ \$52,000 per tl sold		\$936,000	\$936,000	\$1,248,000	\$1,248,000	\$624,000	\$624,000
AGP - Adjusted Gross Profits		\$1,404,000	\$936,000	\$3,088,800	\$1,856,400	\$6,832,800	\$4,976,400
Rental Inventory T/L Cost @\$67k ea		\$0	\$0	\$804,000	\$804,000	\$804,000	\$804,000
Net Operating Cash		\$1,404,000	\$936,000	\$2,284,800	\$1,052,400	\$6,028,800	\$4,172,400
Operating Expenses		\$441,750	\$441,750	\$531,500	\$531,500	\$883,000	\$883,000
Dividend Reserve		\$68,750	\$68,750	\$137,500	\$137,500	\$275,000	\$275,000
Projected EOY Earnings		\$893,500	\$425,500	\$1,615,800	\$383,400	\$4,870,800	\$3,014,400
Sinking Fund Bal <- -> CF Raises		\$100,000	\$100,000	\$200,000	\$200,000	\$400,000	\$400,000
Inventory Valuation (No Depreciation)		\$0	\$0	\$804,000	\$804,000	\$804,000	\$804,000
Total EOY Network		\$993,500	\$525,500	\$2,619,800	\$1,387,400	\$6,074,800	\$4,218,400
Year 2	Operational Months	13-24		13-24		13-24	
Performance		Max.	Min.	Max.	Min.	Max.	Min.
TruckLoad Sales/ 104 Barriers		42	42	48	48	72	72
Rental Inventory		Total	ADD	Total	ADD	Total	ADD
Rentals - T/L Inventory	Total <- -> ADD	12	12	36	24	36	24
Gross Sales @ \$130,000 / @ \$104,000 tl		\$5,460,000	\$4,368,000	\$6,240,000	\$4,992,000	\$9,360,000	\$7,488,000
Rental Rev of \$15,600 AND \$15,600/2 per TL		\$1,216,800	\$608,400	\$3,463,200	\$1,731,600	\$4,680,000	\$2,340,000
Projected Revenue		\$6,676,800	\$4,976,400	\$9,703,200	\$6,723,600	\$14,040,000	\$9,828,000
COGS @ \$52,000 per tl sold		\$2,184,000	\$2,184,000	\$2,496,000	\$2,496,000	\$1,248,000	\$1,248,000
AGP - Adjusted Gross Profits		\$4,492,800	\$2,792,400	\$7,207,200	\$4,227,600	\$12,792,000	\$8,580,000
Rental Inventory T/L Cost @\$67k ea		\$804,000	\$804,000	\$1,608,000	\$1,608,000	\$1,608,000	\$1,608,000
Net Operating Cash		\$3,688,800	\$1,988,400	\$5,599,200	\$2,619,600	\$11,184,000	\$6,972,000
Operating Expenses		\$681,750	\$681,750	\$898,750	\$898,750	\$883,000	\$883,000
Dividend Reserve		\$68,750	\$68,750	\$137,500	\$137,500	\$275,000	\$275,000
Projected EOY Earnings		\$2,938,300	\$1,237,900	\$4,762,950	\$1,783,350	\$10,026,000	\$5,814,000
Sinking Fund Bal <- -> CF Raises		\$200,000	\$100,000	\$400,000	\$200,000	\$800,000	\$400,000
Inventory Valuation (No Depreciation)		\$804,000	\$804,000	\$2,412,000	\$2,412,000	\$2,412,000	\$2,412,000
Total EOY Network		\$3,942,300	\$2,141,900	\$7,574,950	\$4,395,350	\$13,238,000	\$8,626,000
Year 3	Operational Months	25-36		25-36		25-36	
Performance		Max.	Min.	Max.	Min.	Max.	Min.
TruckLoad Sales/ 104 Barriers		66	66	72	72	100	100
Rental Inventory		Total	ADD	Total	ADD	Total	ADD
Rentals - T/L Inventory	Total <- -> ADD	36	24	72	36	84	48
Gross Sales @ \$130,000 / @ \$104,000 tl		\$8,580,000	\$6,864,000	\$9,360,000	\$7,488,000	\$13,000,000	\$10,400,000
Rental Rev of \$15,600 AND \$15,600/2 per TL		\$3,463,200	\$1,731,600	\$5,709,600	\$2,854,800	\$11,606,400	\$5,803,200
Projected Revenue		\$12,043,200	\$8,595,600	\$15,069,600	\$10,342,800	\$24,606,400	\$16,203,200
COGS @ \$52,000 per tl sold		\$3,432,000	\$3,432,000	\$3,744,000	\$3,744,000	\$2,496,000	\$2,496,000
AGP - Adjusted Gross Profits		\$8,611,200	\$5,163,600	\$11,325,600	\$6,598,800	\$22,110,400	\$13,707,200
Rental Inventory T/L Cost @\$67k ea		\$1,608,000	\$1,608,000	\$2,412,000	\$2,412,000	\$3,216,000	\$3,216,000
Net Operating Cash		\$7,003,200	\$3,555,600	\$8,913,600	\$4,186,800	\$18,894,400	\$10,491,200
Operating Expenses		\$891,850	\$891,850	\$1,033,250	\$1,033,250	\$1,323,040	\$1,323,040
Dividend Reserve		\$68,750	\$68,750	\$137,500	\$137,500	\$275,000	\$275,000
Projected EOY Earnings		\$6,042,600	\$2,595,000	\$7,742,850	\$3,016,050	\$17,296,360	\$8,893,160
Sinking Fund Bal <- -> CF Raises		\$300,000	\$100,000	\$600,000	\$200,000	\$1,200,000	\$400,000
Inventory Valuation (No Depreciation)		\$2,412,000	\$2,412,000	\$4,824,000	\$4,824,000	\$5,628,000	\$5,628,000
Total EOY Network		\$8,754,600	\$5,107,000	\$13,166,850	\$8,040,050	\$24,124,360	\$14,921,160

## h. Management Resumes

### Founders and Team Members



### Joe Daniluk, CEO & Director

*Joe brings more than 30 years of business development experience for directing and managing new complex projects with an emphasis in finance, automation and marketing. During the savings and loan crisis, he was the Assistant Specialist in Charge (ASIC) of the Denver FDIC office managing 330 employees and managing and liquidating \$2.5 billion of assets recovered from closed banks and S&L's.*

*A Denver native, Joseph is a service disabled combat veteran, married with two children. Joe's favorite pastimes include skiing, flying and financial market analysis. He is also a licensed Colorado Real Estate Broker and Private Pilot.*

*A graduate of the University of Denver with a dual degree in Finance and Real Estate and a minor in Mass Communications and TV Production, He has an extensive computer background with training in the US Navy Tactical Data Systems military computer systems and later migrating to PC's, designing and building computers, LAN's, Enterprise systems and WEB hosting networks.*

*From 1999-2014 Joseph managed SuperLoads, Inc. as CEO, a specialized freight company, moving the big, the bad and the ugly freight (150,000 to 1,000,000 lbs.) throughout North America. He obtained the only authority issued by Lloyd's of London to insure spot rail freight, which gave him a \$5 million underwriting authority. Clients included moves for NASA, SpaceX, GM, Ford Berkshire Hathaway, CH Robinson, CAT, Hyundai Heavy Industries, Fairbanks Power and Light, Pennsylvania Power and Light, Siemens and many others.*

*Since 2006, he has been CEO of, Manufacturing Contractors, Inc., a plastic manufacturing operation providing Nuclear Waste liners for the Department of Energy and other plastic products to the USDA. LLB's product line is manufactured in the same manner and process as Manufacturing Contractors' Nuclear Waste Liners.*

*Mr. Daniluk, is presently and for at least the past three years, the owner and operator (Director and CEO) of the following businesses:*

*Officer and Director of Great American Holdings, Inc.  
(Asset Holding and Management )*

*Officer and Director of Strategic Solutions Team, Inc.  
(General Business Consulting)*

*Officer and Director of Manufacturing Contractors, Inc.  
(Plastic and Steel manufacturer)*

*Officer and Director of Disaster Support Foundation  
(Charitable Organization)*

<https://www.linkedin.com/in/jdsteam/>





## Ambassador Sam Zakhem

Director Government Relations

*Sam was appointed US Ambassador to Bahrain by President Ronald Regan to serve the Middle East in 1986 and served with distinction during very volatile times. Sam also served his country as a White House Advisor, a member of the US Small Business Administration, and Chaplain in the US Navy.*

*Sam has also been involved in the legislature of his home State, Colorado as a State Senator, and two term State Representative.*

*In business, Sam has held various positions including CEO and Vice President of companies including Ford Motor Co., Denver University, The Heritage Foundation and others. Fluent in multiple languages, Sam has numerous degrees from various Universities both here and abroad, has served on their advisory boards as well as taught from time to time.*

*Senator Jesse Helms heralded Ambassador Zakhem as follows: "You have the courage of your convictions and the moral and spiritual principles to guide you in rendering distinguished service to our country. You stood up to America's enemies in your courageous service as U.S. Ambassador to Bahrain. Not once have you compromised your willingness to fight to preserve the freedoms of the American people."*

*From: 2015 to: Present: Sam Is a Business Advisor & Public Speaker – and Consultant*



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## Will Hunziker

Director Patent & Licensing

Will is a registered practicing patent attorney in Denver and Boulder, specializing in patent, trade secret, trademark, copyright searching, licensing, registration, prosecution, and litigation. As LLB's primary patent counsel, he will manage outside law firms retained to pursue the protection of the company's intellectual property and licenses.

Graduating from University of Colorado with a Bachelor's Degree in Molecular, Cellular & Developmental Biology that included studies in genetic engineering, chemistry, biology, physics, and mathematics, Will also received a Bachelor's Degrees in both English and Philosophy: Law and Society. Will earned his Juris Doctor from Seattle University School of Law.

Will is active in several organizations as a member of the Federal District of Colorado, and Boulder Bar Associations, Better Business Bureau, Boulder Chamber of Commerce, Boulder / Front Range Mensa, and various business and technology Meetup Groups.

From: 2015 to Present: Will Is an Officer and Director of Hunziker Legal Services, PLLC (Attorney at Law)



## Scott Saxman

Product Development & Global Expansion Director

*Scott is currently the Corporate Business Development Director and former Senior Vice President of Sales & Marketing at Mold In Graphic Systems, where he's spent 25 years providing products and services to the worldwide rotational molding industry.*

*Previously, he served for six years as Director of Marketing & Sales at Flexible Flyer Toys focused on the ongoing development of new lines of plastic toys. Prior to that he served as Marketing & Product Development Manager at Hedstrom Plastics Corporation, a leading rotational molding plastic manufacturer.*

*Educated at Indiana University with a Bachelor's in Business and Economics, his extensive international and domestic business and product development skills as well as his 37+ years of broad experience in the field of rotational plastic molding and manufacturing have been invaluable to LLB.*

*From: 2015 to Present: Scott is a Business Development Director of Mold In Graphic Systems (Graphic Provider for Plastics)*



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## Stephen Daniluk

SST - Engineering & IT Management Director

*Patent Owner Partner & Lead Engineer on the Locking Line Barrier project, Stephen is developing additional features and enhancements to the LLB product to further expand versatility and capabilities. His background and training as a mechanical engineer and project manager provide LLB with the technical expertise and computer operations leadership to manage the technology developed.*

*For the past 10 years, Stephen has developed numerous engineering plans for the safe securement and transport of SuperLoads' freight projects for major clients without a single job-related accident, claim or loss. He has also developed, programmed and managed numerous web sites as well as built and managed the internal corporate Local Area Networks for numerous businesses for years.*

*Stephen is a graduate of the University of Colorado with a Mechanical Engineering Degree and an EIT Accreditation in Fundamentals of Engineering.*

*Mr. Daniluk, is presently and for more than seven years, been an Officer and Director of Great American Holdings, Inc., (an Asset Holding and Management company).*



## **Steve Tannenbaum**

Director Finance

*President of Tannenbaum Consulting LLC, Steve has a diverse background with over 30 years of experience in tax, auditing and accounting services.*

*He has testified as an expert witness in Federal, District and County Courts as well as evaluated commercial enterprises and actively participated in negotiations relative to business acquisition and reorganization, restructuring, and dissolution. Steve brings to the table extensive history and experience working with businesses engaged in manufacturing, wholesale and retail sales, construction, mortgage banking, professional practices, and commercial and residential real estate.*

*Steve received a B.S. in Accounting from the University of Colorado in 1975 and a B.A. in Psychology from the University of Colorado in 1973. He is a Certified Public Accountant in the State of Colorado and a member of both the American Institute of Certified Public Accountants and the Colorado Society of Certified Public Accountants. Mr. Tannenbaum is the former President of Tannenbaum & Suber, P.C. and former tax partner at Deloitte & Touche. From: 2015 to Present: Steve Is an Officer and Director of Tannenbaum & Company, P.C. (CPA Consulting and Tax Services)*

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### **i. Government Flood Manager – MARKET SURVEY**

In May 2017 The Company received a Government Flood Control Managers Market Survey Report, commissioned to evaluate the market for the WaterBlocks Barriers. The Company is prepared to provide this and any other documentation and/or information to any qualified prospective Investor upon request. Please **contact our office at 303-360-7535 or email [Info@WaterBlocks.net](mailto:Info@WaterBlocks.net)** for a copy of this proprietary report.

### **j. Subsequent Events after the issuance of the auditor's Review Report April 23, 2020**

In accordance with a Shareholder Resolution, the company has formally increased the number of authorized Preferred Shares from 20,000,000 to 100,000,000 and Common Shares from 20,000,000 to 100,000,000 by filing the appropriate documentation amending the Articles of Incorporation with the Colorado Secretary of State.

### **k. Additional Notes**

Subsequent offerings or recapitalizations of the Company's capital stock below the offering price or on terms better than the Shares offered herein may adversely affect the market value of the Company's capital stock and may make it difficult for the Company to continue to sell Shares or other equity or debt securities.

WaterBlocks financial results will fluctuate in the future, which makes it difficult to forecast future results. You should take into account the risks and uncertainties frequently encountered by rapidly growing companies in evolving markets.

## **END PPM and Exhibits**