

Name of Offeree: _____

PPM Number: _____

CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

Water Dragon, LLC



WATERDRAGON

\$3,000,000

Maximum Membership Units Offered: 3,000

Minimum Membership Units Offered: 1

Price Per Unit: \$1,000.00

Minimum Investment: \$1,000.00 (3,000 Units)(1)

Water Dragon, LLC (the "Company" or "Abbreviated Company Name"), a California Company, is offering a minimum of 1 and a maximum of 3,000 membership units for \$1,000.00 per unit. The offering price per unit has been arbitrarily determined by the Company

See Risk Factors: Offering Price.

ACCREDITED INVESTORS ONLY

THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE UNITS.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF California, 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(c) PROMULGATED

THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

	Sale Price	Selling Commissions (2)	Proceeds to Company (3)
Per Unit	\$1,000.00	\$0	\$1,000
Minimum	\$1,000	\$0	\$1,000
Maximum	\$3,000,000	\$0	\$3,000,000

The Date of this Memorandum is June 6th, 2024

- (1) The Company reserves the right to waive the 1 Unit minimum subscription for any investor. The Offering is not underwritten. The Units are offered on a “best efforts” basis by the Company through its officers and directors. The Company has set a minimum offering amount of 3,000 Units with minimum gross proceeds of \$3,000,000 for this Offering. All proceeds from the sale of Units up to \$3,000,000 will be deposited in an escrow account. Upon the sale of \$1,000 of Units, all proceeds will be delivered directly to the Company’s corporate account and be available for use by the Company at its discretion.
- (2) Units may also be sold by FINRA member brokers or dealers who enter into a Participating Dealer Agreement with the Company, who will receive commissions of up to 10% of the price of the Units sold. The Company reserves the right to pay expenses related to this Offering from the proceeds of the Offering. See “PLAN OF PLACEMENT and USE OF PROCEEDS” section.
- (3) 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 Units have been sold, or (c) TBD, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “Offering Period”).

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

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. 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 HE 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 MEMBERSHIP UNITS AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE UNITS 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 UNITS PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE UNITS 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 UNITS, 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. 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.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

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.

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 Units that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

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.

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 units subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered 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 it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

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 Units. 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.

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Exhibits:

- Exhibit A – Water Dragon Business Plan
- Exhibit B – Water Dragon, LLC. Operating Agreement
- Exhibit C - Subscription Agreement
- Exhibit D - Investor Suitability Questionnaire
- Exhibit E - Financials

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.

*****INSERT STATE LEGENDS HERE*******

*****NOTE: In order to keep the size of your PPM down we recommend only adding the state legend for the state in which the investor resides; however, you can include all 50 states in this section if you prefer, your state legends are in your template package*****

During the course of the Offering and prior to any sale, each offeree of the Shares and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

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, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. IF YOU HAVE ANY QUESTIONS WHATSOEVER REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM, PLEASE WRITE OR CALL:

joshua smith

II. SUMMARY OF THE OFFERING

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 for Membership Units.

A. The Company

Water Dragon, LLC ("Water Dragon", or the "Company"), began operations in February 2024, with the purpose of wildfire protection. The Company's legal structure was formed as a limited liability company (LLC) under the laws of the State of California on February 16, 2023. Its principal offices are presently located at 9161 condesa dr, California 95826. The Company's telephone number is (916) 268 2862. The Managing Members of the Company are joshua smith.

B. The Benefits of LLC Membership

The limited liability company (LLC) is a relatively new form of doing business in the United States (in 1988 all 50 states enacted LLC laws). The best way to describe an LLC is to explain what it is not. An LLC is not a corporation, a partnership nor is it a sole proprietorship. The LLC is a new hybrid that combines the characteristics of a corporate structure and a partnership structure. It is a separate legal entity like a corporation but it has entitlement to be treated as a partnership for tax purposes and therefore carries with it certain tax benefits for the investors.

The owners and investors are called *members* and can be virtually any entity including individuals (domestic or foreign), corporations, other LLCs, trusts, pension plans etc. Unlike corporate stocks and shares, members purchase membership units. *Members* who hold the majority of the membership units maintain controlling management of the LLC as specified in the LLC operating agreement.

The primary advantage of an LLC is limiting the liability of its members. Unless personally guaranteed, members are not personally liable for the debts and obligations of the LLC. Additionally, "pass-through" or "flow-through" taxation is available, meaning that (generally speaking) the earnings of an LLC are not subject to double taxation unlike that of a "standard" corporation. However, they are treated like the earnings from partnerships, sole proprietorships and S corporations with an added benefit for all of its members. There is greater flexibility in structuring the LLC than is ordinarily the case with a corporation, including the ability to divide ownership and voting rights in unconventional ways while still enjoying the benefits of "pass-through" taxation. The limited liability company is becoming the entity of choice for business in every realm. Due to its flexibility and tax advantages for all of its members, it will continue to gain momentum as more and more people learn of its existence.

C. Operations

- **Executive Summary of Business Operations for Water Dragon LLC**

Company Overview

Water Dragon LLC is a fire safety and fire protection software company headquartered in Sacramento, California. We specialize in developing and providing advanced fire protection solutions through our proprietary software, tailored for both commercial and residential applications. Our goal is to enhance fire safety standards, mitigate fire-related risks, and safeguard properties and lives through innovative technology and comprehensive services.

- **Product and Service Offerings**

Proprietary Fire Protection Software

- **Advanced Fire Protection System:** Our core product is a state-of-the-art software system designed to provide real-time monitoring, predictive analytics, and automated response to fire incidents. The system integrates seamlessly with existing fire safety infrastructure to enhance overall protection.

Fire Safety Products

- **E-commerce Platform:** Through our website, WaterDragonSystems.com, we sell a variety of fire safety products, including fire extinguishers, smoke detectors, fire blankets, and other wildfire-related equipment. These products are sourced from reputable manufacturers and meet high safety standards.
- **Proprietary Products:** In addition to third-party products, we offer fire safety equipment designed and manufactured by Water Dragon LLC, ensuring superior quality and compatibility with our software solutions.

Services and Consultations

- **Installation and Maintenance Services:** We provide comprehensive installation and maintenance services for our fire protection systems, ensuring optimal performance and longevity.
- **Consultations:** Our expert team offers fire safety consultations, helping clients design and implement effective fire protection strategies tailored to their specific needs.
- **Keynote Speaking:** We participate in industry conferences and events, sharing insights on fire safety innovations and best practices.

Real Estate Ventures

- **Property Upgrades:** We acquire properties, install our advanced fire protection systems, and either sell them at a profit or retain them as revenue-generating assets. This strategy not only increases property value but also showcases the effectiveness of our solutions.

Future Initiatives

- **Membership Fees:** We plan to introduce a membership model offering exclusive benefits such as priority service, discounts on products, and access to premium features of our software.
- **Affiliate Programs:** We will establish partnerships with other businesses and professionals in the fire safety industry to expand our market reach and enhance our product and service offerings.
- **Franchising:** To scale our operations, we will develop a franchising model allowing entrepreneurs to operate Water Dragon LLC franchises, ensuring consistent quality and service across different regions.

- **Market Opportunity**

With increasing concerns about fire safety and the rising incidence of wildfires, there is a significant demand for innovative fire protection solutions. Our target market includes:

- **Homeowners:** Providing peace of mind through reliable and advanced fire protection for residential properties.
- **Developers:** Offering cutting-edge fire safety systems for new commercial and residential developments.
- **Commercial Entities:** Enhancing fire safety standards in office buildings, industrial facilities, and public spaces.

- **Financial Strategy**

To support our growth and expansion plans, Water Dragon LLC is conducting a 506(c) offering to raise \$3,000,000 by selling up to 10% equity in the company to accredited investors. These funds will be used to:

- Enhance product development and innovation.
- Expand marketing and sales efforts.
- Increase operational capacity and infrastructure.
- Pursue strategic real estate acquisitions and upgrades.

- **Management Team**

Joshua Smith, the founder and Managing Member of Water Dragon LLC, leads our team. With extensive experience in fire safety and software development, Joshua brings a unique blend of technical expertise and industry knowledge. The management team will be expanded as needed to include additional managing members and board seats to support the company's growth and strategic direction.

- **Conclusion**

Water Dragon LLC is poised to become a leader in the fire safety industry by leveraging innovative technology and comprehensive service offerings. Our commitment to excellence and proactive approach to fire protection will drive our success and create lasting value for our customers and investors. We invite accredited investors to join us in our mission to revolutionize fire safety and protect what matters most.

B. Business Plan

Portions of the Water Dragon Business Plan, included as a separate document, were prepared by the Company using assumptions, including several forward looking statements. Each prospective investor should carefully review the Business Plan in association with this Memorandum before purchasing Units. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

C. The Offering

The Company is offering a minimum of 1 and a maximum of 3,000 Units at a price of \$1,000.00 per Unit, \$1,000 par value per unit. Upon completion of the Offering between 27,000 and 30,000 units will be outstanding. Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser's qualifications as an Accredited Investor as defined by the Securities and Exchange Commission in Rule 501(a) of Regulation D promulgated. See "REQUIREMENTS FOR PURCHASERS" section.

D. Risk Factors

See "RISK FACTORS" section in this Memorandum for certain factors that could adversely affect an investment in the Units. Those factors include, but are not limited to unanticipated obstacles to execution of the Business Plan, general economic factors, INSERT OTHER SPECIFIC RISKS.

E. Use of Proceeds

Proceeds from the sale of Units will be used to: See "USE OF PROCEEDS" section.

F. Minimum Offering Proceeds - Escrow of Subscription Proceeds

The Company has set a minimum offering proceeds figure of \$1,000 (the "minimum offering proceeds") for this Offering. The Company has established an Investment Holding Account with UMPQUA BANK, into which the minimum offering proceeds will be placed. At least 1 Units must be sold for \$1,000 before

such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Units is sold, all subsequent proceeds from the sale of Units will be delivered directly to the Company. See "PLAN OF PLACEMENT - ESCROW ACCOUNT ARRANGEMENT" section.

G. Membership Units

Upon the sale of the maximum number of Units from this Offering, the number of issued and outstanding units of the Company's stock will be held as follows:

Present Members	90%
New Members	10%

H. Registrar

The Company will serve as its own registrar and transfer agent with respect to its Membership Units.

I. Subscription Period

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 Units have been sold, or (c) TBD, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the "Offering Period".)

III. REQUIREMENTS FOR PURCHASERS

Prospective purchasers of the Units 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 under that caption with respect to the lack of a readily available market for the Units 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 should consider purchasing Units.

A. General Suitability Standards

The Units 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 Units;
- 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 Units will not cause such overall commitment to become excessive; and
- c) The prospective purchaser is an "Accredited Investor" (as defined below) suitable for purchase in the Units.
- d) Each person acquiring Units will be required to represent that he, she, or it is purchasing the Units for his, her, or its own account for investment purposes and not with a view to resale or distribution. See "SUBSCRIPTION FOR UNITS" section.

B. Accredited Investors

The Company will conduct the Offering in such a manner that Units 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;
- b) Any natural person who had an 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 a reasonable expectation of reaching the same income level in the current year;
- 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;
- d) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
- 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;
- 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;
- 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.
- i) A natural person holding, in good standing, one or more professional certifications, designations or other credentials issued by an accredited educational institution, which the Securities and Exchange Commission may designate from time to time, as qualifying. Presently holders in good standing of the Series 7, Series 65, and Series 82 licenses will qualify as an accredited investor.
- j) Natural persons who are "knowledgeable employees" as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940, of the private-fund issuer of the securities being offered or sold.
- k) Entities, including, but not limited to, limited liability companies, of a type not listed in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D promulgated under the Act, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5 million.
- l) Securities and Exchange Commission and state-registered investment advisers, exempt reporting advisers, and rural business investment companies.
- m) Indian tribes, governmental bodies, funds, and entities organized under the laws of foreign countries, that own "investments," as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of \$5 million and that was not formed for the specific purpose of investing in the securities offered.

- n) Family client (as defined in Rule 202(a)(11)(G)-1 under the Advisers Act with (i) assets under management in excess of \$5 million, (ii) that are not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investments are directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.
- o) "Spousal equivalent" (cohabitant occupying a relationship generally equivalent to that of a spouse) may pool their finances for the purpose of qualifying as accredited investors.

C. Other Requirements

No subscription for the Units will be accepted from any investor unless he is acquiring the Units 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 Units may be required to furnish such information as the Company may require to determine whether any person or entity purchasing Units is an Accredited Investor.

D. USA PATRIOT ACT

Federal law requires Manager to obtain, verify, and record information that identifies each Person who subscribes to the Offering. (See Investor Questionnaire). This information will assist the Manager in ensuring that Prospective Investor is not engaging in any money laundering activities and assist the government in fighting the funding of terrorism.

IV. FORWARD LOOKING INFORMATION

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward looking information. 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 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 success or failure of the Company's efforts to successfully market its products and services as scheduled;
- 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 members. 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.

V. RISK FACTORS

Investing in the Company's Units 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.

A. Development Stage Business

Water Dragon commenced operations in February 2023 and is organized as a Limited Liability Company under the laws of the State of California. Accordingly, the Company 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 business, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that the Company could sustain losses in the future. There can be no assurances that Water Dragon will even operate profitably.

B. Inadequacy of Funds

Gross offering proceeds of a minimum of \$1,000 and a maximum of \$3,000,000 may be realized. Management believes that such proceeds will capitalize and sustain Water Dragon sufficiently to allow for the implementation of the Company's Business Plans. If only a fraction of this Offering is sold, or 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.

C. 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: Joshua smith. The loss of this individual could have a material adverse effect on the Company. See "MANAGEMENT" section.

D. 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, members 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.

E. Customer Base and Market Acceptance

• Ideal Customer Base

Overview

Water Dragon LLC targets a diverse range of customers who are seeking advanced fire protection solutions. Our ideal customer base includes homeowners, property developers, commercial entities, and other stakeholders in both residential and commercial markets. By addressing the specific needs of each segment, we can provide tailored solutions that ensure safety, compliance, and peace of mind.

Residential Customers

1. Homeowners:

- **Profile:** Individuals or families living in single-family homes, townhouses, and multi-family residences.
- **Needs:** Advanced fire protection systems to safeguard their homes and loved ones, especially in wildfire-prone areas.
- **Solutions:** Installation of our proprietary fire protection software, maintenance services, and access to high-quality fire safety products.

2. High-Net-Worth Individuals:

- **Profile:** Wealthy individuals with large estates or multiple properties.
- **Needs:** Comprehensive and customized fire protection solutions to protect valuable assets and ensure the safety of family members and guests.
- **Solutions:** Bespoke fire protection systems, regular consultations, and premium maintenance packages.

Commercial Customers

1. Property Developers:

- **Profile:** Companies and individuals involved in the development of residential and commercial properties.
- **Needs:** Innovative and reliable fire safety systems to enhance property value, meet regulatory requirements, and ensure occupant safety.
- **Solutions:** Integration of our advanced fire protection software into new developments, consultation services for fire safety planning, and ongoing support.

2. Commercial Entities:

- **Profile:** Businesses operating in various sectors, including retail, hospitality, healthcare, education, and industrial facilities.
- **Needs:** Effective fire protection to comply with safety regulations, protect assets, and ensure the safety of employees and customers.
- **Solutions:** Installation and maintenance of fire protection systems, tailored fire safety solutions for specific business needs, and regular fire safety audits.

Institutional Customers

1. Government Agencies and Municipalities:

- **Profile:** Local, state, and federal government bodies responsible for public safety and infrastructure.
- **Needs:** Advanced fire protection systems for public buildings, facilities, and infrastructure projects.
- **Solutions:** Large-scale fire protection installations, ongoing system monitoring, and compliance with governmental safety standards.

2. Educational Institutions:

- **Profile:** Schools, colleges, and universities.
- **Needs:** Robust fire safety systems to protect students, staff, and property, while ensuring compliance with educational safety regulations.

- **Solutions:** Fire protection system installations in educational facilities, fire safety training programs, and regular system maintenance.

Online Customers

1. E-commerce Shoppers:

- **Profile:** Individuals and businesses purchasing fire safety products online.
- **Needs:** High-quality fire safety equipment delivered conveniently to their location.
- **Solutions:** A wide range of fire safety products available on WaterDragonSystems.com, including fire extinguishers, smoke detectors, fire blankets, and other wildfire-related equipment.

Real Estate Ventures

1. Real Estate Investors:

- **Profile:** Individuals and entities investing in real estate for profit.
- **Needs:** Enhanced property value through advanced fire protection solutions and compliance with fire safety regulations.
- **Solutions:** Upgrading properties with our fire protection systems, which increases property marketability and resale value.

Future Customer Segments

1. Franchisees:

- **Profile:** Entrepreneurs and business owners looking to operate Water Dragon LLC franchises.
- **Needs:** Support in establishing and running a fire protection franchise, including training, marketing, and operational guidance.
- **Solutions:** A comprehensive franchising model offering franchisees the tools and support needed to successfully operate under the Water Dragon LLC brand.

2. Affiliate Partners:

- **Profile:** Businesses and professionals in the fire safety industry seeking partnerships to expand their product and service offerings.
- **Needs:** Access to a broader range of fire protection products and services, along with collaborative marketing opportunities.
- **Solutions:** An affiliate program that offers competitive commissions, marketing support, and a mutually beneficial partnership structure.

F. Competition

- **Competition Analysis**

Overview

Water Dragon LLC operates in a competitive landscape, particularly in the fire safety and general services markets. While our proprietary fire protection software is a unique offering with minimal direct competition, we face competition from various established companies and service providers in the broader

fire safety industry. Understanding this competitive environment is crucial for positioning our products and services effectively and leveraging our unique advantages.

Proprietary Fire Protection Software

Competitive Landscape:

- **Minimal Direct Competition:** Our proprietary fire protection software is distinguished by its advanced features, including real-time monitoring, predictive analytics, and automated response capabilities. These innovative aspects set us apart from traditional fire safety solutions and result in minimal direct competition in this specific niche.

Key Differentiators:

- **Technological Innovation:** Our software leverages cutting-edge technology to provide superior fire detection and response capabilities.
- **Comprehensive Integration:** Seamless integration with existing fire safety infrastructure enhances the overall effectiveness of our solutions.
- **User-Friendly Interface:** Designed for ease of use, our software offers a user-friendly interface, making it accessible for homeowners, developers, and commercial entities alike.

Fire Safety Products and General Services

Competitive Landscape:

- **Fire Safety Products:** The market for fire safety products, such as fire extinguishers, smoke detectors, and fire blankets, is highly competitive. Major competitors include well-established brands like Kidde, First Alert, and Amerex.
- **General Services:** In the realm of fire safety services, including installation, maintenance, and consultations, we face competition from numerous local and national service providers. Companies like ADT, Tyco Integrated Security, and various regional fire protection firms are key players in this space.

Key Competitors:

1. **Kidde:** Known for a wide range of fire safety products, Kidde is a household name with a strong market presence.
2. **First Alert:** Another leading brand in fire safety, First Alert offers reliable and widely recognized products.
3. **Amerex:** Specializing in high-quality fire extinguishers and suppression systems, Amerex is a prominent competitor in the fire safety product market.
4. **ADT:** A major player in the security and fire safety service industry, ADT provides comprehensive fire detection and response services.
5. **Tyco Integrated Security:** Tyco offers advanced fire protection solutions and services, catering to both residential and commercial clients.

Competitive Advantages:

- **Proprietary Products:** Our in-house designed and manufactured fire safety products ensure superior quality and integration with our software solutions, giving us a distinct edge over competitors who primarily resell third-party products.
- **Comprehensive Solutions:** Unlike competitors that may specialize in either products or services, we offer a complete package of fire protection solutions, from advanced software to high-quality equipment and expert services.

- **Customization and Flexibility:** We provide tailored solutions to meet the specific needs of our clients, whether they are homeowners, developers, or commercial entities, enhancing customer satisfaction and loyalty.
- **Innovation and Technology:** Continuous innovation and the use of the latest technology in our products and services set us apart from traditional competitors and position us as a leader in the industry.

Market Positioning

To effectively compete in the fire safety and general services market, Water Dragon LLC will focus on the following strategies:

- **Brand Differentiation:** Emphasize the unique features and benefits of our proprietary software in marketing campaigns to highlight the advanced capabilities that competitors lack.
- **Quality Assurance:** Maintain rigorous quality standards for all our products and services to build a reputation for reliability and excellence.
- **Customer Education:** Invest in educating potential customers about the advantages of our integrated fire protection solutions through workshops, webinars, and keynote speaking engagements.
- **Strategic Partnerships:** Form strategic alliances with other industry players and affiliate partners to expand our market reach and enhance our service offerings.
- **Customer Service:** Provide exceptional customer service and support to foster long-term relationships and ensure customer satisfaction.

Conclusion

While the fire safety and general services markets are competitive, Water Dragon LLC's innovative proprietary software, high-quality products, and comprehensive service offerings position us favorably against established competitors. By leveraging our unique strengths and focusing on strategic market positioning, we can effectively differentiate ourselves and capture a significant share of the fire protection market.

G. 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. Consequently, the Company's revenues may vary by quarter, and the Company's operating results may experience fluctuations.

H. Risks of Borrowing

If 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. Typical loan agreements also might contain restrictive covenants, which may impair the Company's operating flexibility. Such loan agreements would 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 members 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.

I. 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 depending on future events.

J. 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 members in order to address changed circumstances 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 Units offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

K. Control By Management

As of June 6, 2024 the Company's Managing Members owned approximately 100% of the Company's outstanding units. Upon completion of this Offering, the Company's Managing Members will own approximately 90% of then issued and outstanding units, and will be able to continue to control Water Dragon. Investor members will own a minority percentage of the Company and will have minority voting rights. Investor members will not have the ability to control either a vote of the Company's Managing Members or any appointed officers. See "MANAGING MEMBERS" section.

L. Return of Profits

The Company intends to retain any initial future earnings to fund operations and expand the Company's business. A member will be entitled to receive revenue profits proportionate to the amount of units held by that member. The Company's Managing Members will determine a profit distribution plan based upon the Company's results of operations, financial condition, capital requirements, and other circumstances. See "DESCRIPTION OF SECURITIES" section.

M. 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.

N. Dilution

- **Dilution Protection for Equity Partners**

Overview

At Water Dragon LLC, we recognize the importance of protecting the investment and ownership interests of our equity partners. We are committed to ensuring that your equity stake in the company remains robust and undiluted as we continue to grow and expand our operations. The following provisions outline our approach to safeguarding your equity from dilution.

Equity Protection Commitment

1. Fixed Percentage Ownership:

- As an equity partner in Water Dragon LLC, your ownership percentage is fixed at the time of your investment. This means that regardless of future equity financing rounds, your ownership percentage will not be reduced.

2. Anti-Dilution Provisions:

- We incorporate robust anti-dilution provisions in our operating agreement to protect your equity from dilution. These provisions are designed to ensure that any new issuance of equity does not negatively impact your ownership percentage.

Key Provisions

1. Pre-Emptive Rights:

- Equity partners will be granted pre-emptive rights, allowing them the first opportunity to purchase additional membership interests in the event of a new equity issuance. This ensures that you can maintain your proportional ownership in the company.

2. No Dilution from Additional Capital Raises:

- The company's commitment to raising additional capital through mechanisms that do not dilute existing equity partners' ownership percentages. This includes but is not limited to issuing non-voting shares, convertible debt, or other financial instruments that preserve the existing ownership structure.

3. Strategic Issuances:

- Any new equity issuance will be strategically structured to avoid dilution of current equity partners. This may involve issuing equity at a premium or utilizing alternative financing methods that do not affect existing ownership percentages.

4. Equity Adjustments:

- In the unlikely event that any adjustments are needed, the company will take appropriate measures to ensure that equity partners are compensated fairly to maintain their ownership percentages. This could include issuing additional equity to existing partners or providing financial compensation.

Ongoing Communication

1. Transparency:

- Water Dragon LLC is committed to maintaining open and transparent communication with all equity partners. You will be regularly informed about any planned equity issuances or capital-

raising activities and provided with detailed information on how these actions will impact your investment.

2. Regular Updates:

- We will provide regular updates on the company's financial performance, strategic initiatives, and growth plans, ensuring that you are fully aware of how your investment is being utilized to drive the company's success.

Conclusion

At Water Dragon LLC, we highly value our equity partners and are dedicated to protecting your investment. Through fixed ownership percentages, pre-emptive rights, strategic issuance policies, and transparent communication, we ensure that your equity remains undiluted and your interests are safeguarded. We are committed to creating long-term value for all our stakeholders and appreciate your trust and partnership as we continue to innovate and lead in the fire safety industry.

O. 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 Units 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 Units. Some of these conditions may include a minimum holding period, availability of certain reports, including financial statements from Water Dragon, limitations on the percentage of Units sold and the manner in which they are sold. Water Dragon 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 Water Dragon, 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 Units and no market is expected to develop. Consequently, owners of the Units may have to hold their investment indefinitely and may not be able to liquidate their investments in Water Dragon or pledge them as collateral for a loan in the event of an emergency.

P. Broker - Dealer Sales of Units

The Company's Membership Units 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 due to the fact that it is a limited liability company and not a corporation.

No assurance can be given that the Membership Unit of the Company will ever qualify for inclusion on any trading market until such time as the Managing Members deem it necessary and the limited liability company is converted to a corporation. As a result, the Company's Membership Units 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 will also affect the ability of members to sell their units in the secondary market.

Q. Long Term Nature of Investment

An investment in the Units may be long term and illiquid. As discussed above, the offer and sale of the Units 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 Units for their own account for long-term investment and not with a view towards resale or distribution. Accordingly, purchasers of Units 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.

R. No Current Market For Units

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

S. Compliance with Securities Laws

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

T. Offering Price

The price of the Units offered has been arbitrarily established by Water Dragon, considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The Offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to Water Dragon.

U. Lack of Firm Underwriter

The Units are offered on a "best efforts" basis by the Managing Members of Water Dragon 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 Units offered or any lesser amount.

V. Projections: Forward Looking Information

Management has prepared projections regarding Water Dragon'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 Water Dragon. 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 Water Dragon'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, unforeseen regulatory changes, the entry into Water Dragon's market of 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 Water Dragon's operations, those results cannot be guaranteed.

W. 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, and interest rates. Such changing conditions could reduce demand in the marketplace for the Company's products. Management believes that the impending growth of the market, mainstream market acceptance and the targeted product line of Water Dragon will insulate the Company from excessive reduced demand. Nevertheless, Water Dragon has no control over these changes.

VI. USE OF PROCEEDS

The Company seeks to raise minimum gross proceeds of \$1,000 and maximum gross proceeds of \$3,000,000 from the sale of Units in this Offering. The Company intends to apply these proceeds substantially as set forth herein, subject only to reallocation by Management in the best interests of the Company.

A. Use of Proceeds

Overview

The proceeds from the 506(c) offering will be strategically allocated to support the growth and expansion of Water Dragon LLC. Our goal is to enhance our product offerings, expand our market reach, and increase our operational capacity, thereby ensuring sustainable long-term success. The following outlines the planned use of proceeds from the capital raise. Please note that the allocation of funds may be adjusted at the managing member's discretion to best capitalize on opportunities and respond to market dynamics.

Allocation of Funds

1. Product Development and Innovation (30%)

- **Objective:** Enhance and expand our proprietary fire protection software and develop new fire safety products.
- **Activities:**
 - **Software Enhancement:** Invest in research and development to continuously improve the capabilities of our fire protection software, incorporating advanced features such as AI-driven predictive analytics and enhanced user interfaces.
 - **Product Development:** Design and manufacture new fire safety products that complement our existing offerings, ensuring a comprehensive suite of solutions for our customers.
 - **Technology Upgrades:** Implement state-of-the-art technology to maintain our competitive edge in the fire safety industry.

2. Marketing and Sales Expansion (25%)

- **Objective:** Increase brand awareness, attract new customers, and drive sales growth.
- **Activities:**
 - **Marketing Campaigns:** Launch targeted marketing campaigns across various channels, including digital advertising, social media, and industry events, to promote our products and services.
 - **Sales Team Expansion:** Recruit and train additional sales personnel to expand our reach and effectively engage with potential clients in both residential and commercial markets.
 - **Partnerships and Affiliations:** Develop strategic partnerships and affiliate programs to broaden our market presence and enhance our product and service offerings.

3. Operational Capacity and Infrastructure (20%)

- **Objective:** Scale our operations to support increased demand and ensure efficient delivery of products and services.
- **Activities:**
 - **Facility Expansion:** Invest in expanding our manufacturing and operational facilities to increase production capacity and streamline logistics.

- **Technology Infrastructure:** Upgrade our IT infrastructure to support business growth, including advanced CRM systems, cloud-based platforms, and cybersecurity measures.
- **Operational Efficiency:** Implement process improvements and automation to enhance efficiency and reduce operational costs.

4. Real Estate Ventures and Philanthropy (20%)

- **Objective:** Acquire properties for fire protection system installations and contribute to wildfire relief efforts.
- **Activities:**
 - **Property Acquisitions:** Identify and purchase properties suitable for installing our advanced fire protection systems, thereby increasing property value and safety standards.
 - **Philanthropic Initiatives:** Allocate funds to support victims of wildfires and contribute to community relief efforts, reflecting our commitment to corporate social responsibility and community engagement.

5. Working Capital and General Corporate Purposes (5%)

- **Objective:** Ensure financial flexibility and support day-to-day operations.
- **Activities:**
 - **Operational Costs:** Cover ongoing operational expenses, including salaries, utilities, and administrative costs, to maintain business continuity.
 - **Contingency Fund:** Maintain a contingency fund to address unforeseen expenses or capitalize on emerging opportunities, enhancing our agility in responding to market changes.
 - **Debt Servicing:** Allocate funds for servicing any existing debts, if applicable, to strengthen our financial position.

Discretionary Allocation

The managing member retains the discretion to adjust the allocation of proceeds to capitalize on opportunities or mitigate risks that may arise during the execution of the company's strategic plan.

Conclusion

The proceeds from the 506(c) offering will be deployed strategically across various aspects of Water Dragon LLC's business to fuel growth, innovation, and operational excellence. By investing in product development, marketing, operational capacity, real estate ventures, philanthropy, and working capital, we aim to solidify our position as a leader in the fire safety industry and create significant value for our investors and stakeholders. Additionally, our commitment to supporting wildfire victims underscores our dedication to making a positive impact in communities affected by natural disasters.

MANAGEMENT

At the present time, one individual is actively involved in the management of the Limited Liability Company. The Member Managers are:

- Joshua Smith – Owner

VII. MANAGEMENT COMPENSATION

There is no accrued compensation that is due any member of Management. Each Manager will be entitled to reimbursement of expenses incurred while conducting Company business. Each Manager may also be a member in the Company and as such will share in the profits of the Company when and if revenues are disbursed. Management reserves the right to reasonably increase their salaries assuming the business is performing profitably and Company revenues are growing on schedule. Any augmentation of these salaries will be subject to the profitability of the Business and the effect on the Business cash flows.:

VIII. BOARD OF ADVISORS

The Company has established a Board of Advisors, which includes highly qualified business and industry professionals. The Board of Advisors will advise the Management team in making appropriate decisions and taking effective action. However, the Board of Advisors will not be responsible for Management decisions and has no legal or fiduciary responsibility to the Company. Currently there is one member on the Board of Advisors:

- Joshua Smith / Owner

IX. DILUTION

The purchasers of the Membership Units offered by this Memorandum will experience an immediate and substantial dilution of their investments. There are 10,000,000 authorized units of the Company of which 3,000,000 units are currently issued and outstanding.

X. CURRENT MEMBERS

The following table contains certain information as of June 6, 2024 as to the number of units beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's units, (ii) each person who is a Managing Member of the Company, (iii) all persons as a group who are Managing Members and/or Officers of the Company, and as to the percentage of the outstanding units held by them on such dates and as adjusted to give effect to this Offering.

Name	Position	Current %	Post Offering Maximum %
Joshua Smith	Managing Member	100%	90%

Footnotes:

XI. MEMBERSHIP UNIT OPTION AGREEMENTS

N/A

XII. LITIGATION

The Company is not presently a party to any material litigation, nor to the knowledge of Management is any litigation threatened against the Company, which may materially affect the business of the Company or its assets.

XIII. DESCRIPTION OF UNITS

The Company is offering a minimum of 1 and a maximum of 3,000 Units at a price of \$1,000.00 per Unit, \$0.00333 par value per unit. Upon completion of the Offering between 27,000 and 30,000 units will be

outstanding. The units of ownership are equal in all respects, and upon completion of the Offering, the units will comprise the only representation of ownership that the Company will have issued and outstanding to date, upon close of the Offering.

Each member is entitled to one vote for each unit held on each matter submitted to a vote of the members.

Units are not redeemable and do not have conversion rights. The Units currently outstanding are, and the Units 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 members will be distributed ratably among such members in proportion to their units.

Members are only entitled to profit distributions proportionate to their units of ownership when and if declared by the Managing Members out of funds legally available therefore. The Company to date has not given any such profit distributions. Future profit distribution policies are subject to the discretion of the Managing Members and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

XIV. TRANSFER AGENT AND REGISTRAR

The Company will act as its own transfer agent and registrar for its units of ownership.

XV. PLAN OF PLACEMENT

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

A. Escrow of Subscription Funds

Commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Units will be deposited in an escrow account. The Company has set a minimum offering proceeds figure of \$3,000,000 for this Offering. The Company has established an Investment Holding Account with UMPQUA BANK, into which the minimum offering proceeds will be placed. At least 3,000 Units must be sold for \$3,000,000 before such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Units are sold, all subsequent proceeds from the sale of Units will be delivered directly to the Company and be available for its use. Subscriptions for Units are subject to rejection by the Company at any time.

B. How to Subscribe for Units

A purchaser of Units 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) An Investor Suitability Questionnaire;
- b) An original signed copy of the appropriate Subscription Agreement;
- c) A Water Dragon, LLC Operating Agreement; and
- d) A check payable to “Water Dragon, LLC” in the amount of \$1,000.00 per Unit for each Unit purchased as called for in the Subscription Agreement (minimum purchase of 1 Units for \$1,000).

Purchasers of Units will receive an Investor Subscription Package containing an Investor Suitability Questionnaire and two copies of the Subscription Agreement.

Subscribers may not withdraw subscriptions that are tendered to the Company (Florida, Georgia and Pennsylvania Residents See NASAA Legend in the front of this Memorandum for important information).

XVI. TAX RISKS

General

There is no general explanation of the federal income tax aspects of investment in the Company contained in this Memorandum. No representation or warranty of any kind is made by the Manager, the Company, counsel to the Manager or the Company with respect to any tax consequences relating to the Company, or the allocation of taxable income or loss set forth in this Memorandum and each Prospective Investor should seek his own tax advice concerning the purchase of a Membership Unit.

Suitability of the Investment to the Investor

It is expected that the Company will produce taxable income to its Prospective Investors. Because of the 1986 Reform Act, in the event a taxable loss is produced by the Company in any year, such loss will be available to a Prospective Investor only to the extent of the Prospective Investor's passive income from other sources. Unutilized tax losses may be carried forward into subsequent years to offset future passive income or offset taxable gain upon disposition of the Company's assets.

Federal Income Tax Risks

Necessity of Obtaining Professional Advice. THERE IS NO GENERAL EXPLANATION OF THE FEDERAL INCOME TAX ASPECTS OF INVESTMENT IN THE COMPANY CONTAINED IN THIS MEMORANDUM, AND ACCORDINGLY, EACH INVESTOR IS URGED TO CONSULT SUCH INVESTOR'S OWN TAX INVESTMENT AND LEGAL ADVISORS WITH RESPECT TO SUCH MATTERS AND WITH RESPECT TO THE ADVISABILITY OF INVESTING IN THE COMPANY.

XVII. ADDITIONAL INFORMATION

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. The principal executive offices of the Company are located at 9161 Condesa Dr. Sacramento, California 95826 and the telephone number is (916)268 2862.

Exhibit A

Water Dragon Business Plan

Executive Summary

Water Dragon LLC, based in Sacramento, is a pioneering fire safety and fire protection software company. Our proprietary software offers advanced fire protection solutions for both commercial and residential applications. We aim to provide a comprehensive range of services and products, including direct sales, consultations, keynotes, and property upgrades with our systems. Our business model includes multiple revenue streams: product sales, services, real estate investments, memberships, affiliate programs, and future franchising.

Company Overview

Company Name: Water Dragon LLC
Location: Sacramento, CA
Website: WaterDragonSystems.com

Water Dragon LLC specializes in advanced fire protection through innovative software and hardware solutions. We cater to homeowners, developers, and businesses, providing a holistic approach to fire safety.

Mission Statement

Our mission is to revolutionize fire protection and safety through innovative technology, exceptional service, and comprehensive solutions that safeguard lives and properties.

Products and Services

1. **Proprietary Fire Protection Software**
 - Advanced fire detection and suppression system
 - Real-time monitoring and alerts
2. **Fire Safety Products**
 - Water Dragon-manufactured products
 - Third-party fire safety equipment
3. **Consulting and Services**
 - Fire safety consultations for residential and commercial clients
 - Keynote speaking engagements on fire safety topics
4. **Real Estate Investment and Enhancement**
 - Purchase, upgrade, and sale of properties with Water Dragon systems
 - Revenue generation through rental or resale

Market Analysis

The fire protection industry is experiencing significant growth due to increased awareness of fire hazards and the need for advanced safety solutions. The market includes residential homeowners, commercial property developers, and businesses seeking robust fire protection systems. Our target market comprises:

- Homeowners seeking reliable fire protection systems
- Real estate developers integrating advanced safety features
- Commercial entities needing comprehensive fire safety solutions

Competitive Analysis

Our competitors include traditional fire safety companies, emerging tech-based fire protection firms, and product manufacturers. Water Dragon LLC differentiates itself through:

- Proprietary software technology
- Comprehensive service offerings
- Integrated real estate investment strategy

Marketing and Sales Strategy

1. **Website Monetization**
 - E-commerce platform for direct sales of products
 - Affiliate marketing programs to expand product range
2. **Membership Programs**
 - Subscription-based access to premium services and products
 - Exclusive discounts and early access to new technologies

3. Franchising Model

- Future plans to offer franchising opportunities
- Expanding reach through local franchisees

4. Real Estate Strategy

- Upgrading properties with our systems
- Reselling or leasing upgraded properties for profit

Operations Plan

- **Software Development:** Continuous improvement and updates to the proprietary software.
- **Product Manufacturing:** In-house manufacturing and quality control.
- **Consulting Services:** Expert team providing consultations and keynotes.
- **Real Estate Investments:** Strategic purchase and upgrade of properties.

Financial Plan

1. Revenue Streams

- Software and product sales
- Consultation and keynote fees
- Real estate sales and rental income
- Membership and affiliate programs
- Future franchise fees

2. Funding Requirements

- Initial investment for software development and product manufacturing
- Capital for real estate purchases and upgrades
- Marketing and operational costs

3. Financial Projections

- Projected revenue for the first five years
- Expected growth rates in each revenue stream
- Break-even analysis and profit margins

Conclusion

Water Dragon LLC is positioned to become a leader in the fire protection industry with its innovative software, comprehensive product and service offerings, and strategic real estate investments. Our diverse revenue streams and future franchising opportunities ensure sustained growth and market presence.

Exhibit B

Water Dragon LLC Operating Agreement

Article I: Organization

1.1 Formation Water Dragon LLC (the "Company") was formed as a limited liability company under the laws of the State of California by filing Articles of Organization with the California Secretary of State.

1.2 Principal Office The principal office of the Company is located at [Principal Office Address], Sacramento, CA.

1.3 Registered Agent The registered agent for the service of process is [Registered Agent Name] located at [Registered Agent Address], Sacramento, CA.

1.4 Duration The duration of the Company shall be perpetual until dissolved in accordance with this Operating Agreement.

- **Article II: Members**

2.1 Initial Member The initial and sole member of the Company is Joshua Smith.

2.2 Additional Members Additional members may be admitted to the Company with the unanimous consent of the Managing Member.

2.3 Non-Voting Members The Company may issue up to 10% equity to additional non-voting members to raise \$3,000,000 under a 506(c) offering. These non-voting members shall have an economic interest in the Company but no voting rights.

- **Article III: Management**

3.1 Management Structure The Company shall be managed by its Members, specifically by the Managing Member.

3.2 Managing Member Joshua Smith is the sole Managing Member of the Company. The Managing Member has full authority to manage and control the business and affairs of the Company.

3.3 Additional Managing Members The Managing Member may, at their discretion, appoint additional Managing Members or board seats.

3.4 Powers of Managing Member The Managing Member shall have the power to:

- Make decisions regarding the operation of the Company.
- Enter into contracts and agreements on behalf of the Company.
- Make financial decisions, including the distribution of profits and losses.
- Appoint officers and agents as deemed necessary.

- **Article IV: Capital Contributions**

4.1 Initial Capital Contributions Joshua Smith has made an initial capital contribution to the Company.

4.2 Additional Capital Contributions Members may make additional capital contributions as determined by the Managing Member. Non-voting members participating in the 506(c) offering will make capital contributions in exchange for equity.

- **Article V: Allocation of Profits and Losses**

5.1 Allocation Profits and losses shall be allocated among the Members based on their percentage ownership interests in the Company.

5.2 Distribution Distributions of available cash shall be made to the Members at the times and in the amounts determined by the Managing Member.

- **Article VI: Membership Interests**

6.1 Transfer of Interests No Member may transfer their interest in the Company without the prior written consent of the Managing Member.

6.2 Buyout Option In the event of a Member's death, disability, or voluntary withdrawal, the Company shall have the option to buy out the Member's interest at fair market value.

- **Article VII: Meetings**

7.1 Annual Meetings The Company shall hold an annual meeting of the Members at a time and place designated by the Managing Member.

7.2 Special Meetings Special meetings of the Members may be called by the Managing Member or by Members holding at least 10% of the voting interests.

7.3 Notice of Meetings Notice of all meetings shall be given to all Members at least ten (10) days prior to the meeting date.

- **Article VIII: Dissolution**

8.1 Events of Dissolution The Company shall be dissolved upon the occurrence of any of the following events:

- The decision of the Managing Member to dissolve the Company.
- The sale or disposition of all or substantially all of the Company's assets.
- Any event that makes the continuation of the Company unlawful.

8.2 Liquidation Upon dissolution, the Company shall be liquidated, and its assets distributed in the following order:

- To creditors, including Members who are creditors.
- To Members, in accordance with their capital account balances.

- **Article IX: Miscellaneous**

9.1 Amendments This Operating Agreement may be amended only by a written agreement signed by the Managing Member.

9.2 Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.3 Severability If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

9.4 Entire Agreement This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements or understandings, whether written or oral.

- **Signatures**

Managing Member:

Joshua Smith

Date:

Exhibit C
Subscription Agreement

Water Dragon
9161 Condesa dr.
Sacramento ca, 95826

Gentlemen:

You have informed the undersigned (the “Purchaser”) that Water Dragon, a California corporation, (the “Company”) wishes to raise a minimum of three million Dollars (\$3,000,000) and a maximum of Three Million Dollars (\$3,000,000) from various persons by selling up to 3,000,000 Membership Units of ownership, \$0.001 par value (the “Units”), at a price of One thousand Dollars (\$1,000.00) per Unit.

I have received, read, and understand the Limited Offering Memorandum dated June 6, 2024 (the “Memorandum”). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Operating Agreement of Water Dragon LLC. I understand that you will rely on the following information to confirm that I am an “Accredited Investor”, as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and that I am qualified to be a Purchaser.

This Subscription Agreement is one of a number of such subscriptions for Units. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Units set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Units allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me. I understand that commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Units will be deposited in an Investment Holding Account. The Company has set a minimum offering proceeds figure of \$3,000,000 for this Offering. The Company has established an Investment Holding Account with (UMPQUA BANK), into which the minimum offering proceeds will be placed. At least 3,000 Units must be sold for \$3,000,000 before such proceeds will be released from the holding account and utilized by the Company. After the minimum number of Units are sold, all proceeds from the sale of Units will be delivered directly to the Company and be available for its use.

1. Accredited Investor. I am an Accredited Investor because I qualify within one of the following categories:

Please Check The Appropriate Category

_____ \$1,000,000 Net Worth.

A 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.

Purchaser’s Initials

_____ \$200,000/\$300,000 Income.

A natural person who had an individual income in excess of \$200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of \$300,000 per year in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

_____ Director or Officer of Issuer.

Any director or executive officer of the Company

_____ All Equity Owners In Entity Are Accredited.

An entity, (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

_____ Corporation.

A corporation not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of \$5,000,000.

_____ Other Accredited Investor.

Any natural person or entity which qualifies as an Accredited Investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

2. Representations and Warranties. I represent and warrant to the Company that:

(A) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Units, (ii) can bear the economic risk of losing the entire amount of my investment in Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Units is consistent, in both nature and amount, with my overall investment program and financial condition.

(B) The address set forth below is my true and correct residence, and I have no intention of becoming a resident of any other state or jurisdiction.

(C) I have not utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act) because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

Purchaser's Initials

(D) I have received and read, and am familiar with the Offering Documents, including the Memorandum, Subscription Agreement, and Operating Agreement of the Company. All documents, records and books pertaining to the Company and the Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(E) I have had the opportunity to ask questions of and receive answers from the Company's officers and representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Units.

(F) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company's long term needs.

(G) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Units based solely upon my own investigation and evaluation.

(H) I understand that no Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions.

(I) The Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Units by anyone but me.

(J) I am aware of the following:

(i) The Units are a speculative investment which involves a high degree of risk; and

(ii) My investment in the Units is not readily transferable; it may not be possible for me to liquidate my investment.

(iii) The financial statements of the Company have merely been compiled, and have not been reviewed or audited.

(iv) There are substantial restrictions on the transferability of the Units registered under the Securities Act; and

Purchaser's Initials

(v) No federal or state agency has made any finding or determination as to the fairness of the Units for public investment nor any recommendation or endorsement of the Units;

(K) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:

(i) The appropriate or exact length of time that I will be required to hold the Units;

(ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Units; or

(iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Units;

(iv) The amount of dividends or distributions that the Company will make;

(L) I have not distributed the Memorandum to anyone, no other person has used the Memorandum, and I have made no copies of the Memorandum; and

(M) I hereby agree to indemnify and hold harmless the Company, its managers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorneys fees, incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) The disposition of any of the Units by me which is contrary to the foregoing declarations, representations, and warranties; and

(iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Units.

(N) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

Purchaser's Initials

3. Transferability. I understand that I may sell or otherwise transfer my Units only if registered under the Securities Act or I provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. I have no right to cause the Company to register the Units. Any certificates or other documents representing my Units will contain a restrictive legend reflecting this restriction, and stop transfer instructions will apply to my Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

5. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

6. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

7. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the substantive law of the State of California.

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

(c) By Purchasing the Units in Water Dragon, LLC I hereby agree to the terms and provisions of the Operating Agreement of the LLC – as included in this Memorandum as Exhibit B. I have hereby read and understand the Operating Agreement and understand how an LLC functions as a corporate entity.

8. Ownership Information. Please print here the total number of Units to be purchased, and the exact name(s) in which the Units will be registered.

Total Units: _____

Name(s): _____

- _____ Single Person
- _____ Husband and Wife, as community property
- _____ Joint Tenants (with right of survivorship)
- _____ Tenants in Common
- _____ A Married Person as separate property
- _____ Corporation or other organization

Purchaser's Initials

- _____ A Partnership
- _____ Trust
- _____ IRA
- _____ Tax-Qualified Retirement Plan

(i) Trustee(s)/ Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the Benefit of _____

_____ Other: _____

(please explain)

Social Security or Tax I.D.#: _____

Residence Address:

Street Address

City State Zip

Mailing Address: (Complete only if different from residence)

Street Address (If P.O.Box, include address for surface delivery if different than residence)

City State Zip

Phone Numbers

Home: (____) _____

Business: (____) _____

Facsimile: (____) _____

Purchaser's Initials

9. Date and Signatures. Dated _____, 2024.

Signatures

Purchaser Name (Print)

(Each co-owner or joint owner must sign - Names must be signed exactly as listed under "Purchaser Name")

ACCEPTED:

Water Dragon

By: _____

Dated: _____, 2024

Joshua Smith

President

Purchaser's Initials

Exhibit D

Investor Suitability Questionnaire

Accredited Investor Questionnaire

This Accredited Investor Questionnaire (the "Questionnaire") is provided to each potential investor in connection with the proposed investment in Water Dragon LLC (the "Company"). The information provided will be used to determine whether you meet the standards for qualification as an "accredited investor" under Regulation D of the Securities Act of 1933, as amended.

Please complete and return this Questionnaire to the Company.

Part I: Investor Information

Name:

Address:

Phone Number:

Email Address:

Part II: Accredited Investor Status

Please check the appropriate box(es) to indicate the basis on which you qualify as an accredited investor.

A. Individual Investors

1. **Income Test:**
I am a natural person whose individual income exceeded \$200,000 in each of the two most recent years or whose joint income with my spouse or spousal equivalent exceeded \$300,000 in each of those years and who reasonably expects to reach the same income level in the current year.
2. **Net Worth Test:**
I am a natural person whose individual net worth, or joint net worth with my spouse or spousal equivalent, exceeds \$1,000,000. (For purposes of calculating net worth, exclude the value of your primary residence and include your assets and liabilities.)
3. **Knowledgeable Employee:**
I am a knowledgeable employee of a private fund, as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940.
4. **Professional Certifications:**
I hold one or more of the following certifications, designations, or credentials: Series 7, Series 65, or Series 82 licenses.

B. Entities

1. **Corporation, Partnership, or LLC:**
The undersigned is a corporation, partnership, or limited liability company with total assets in excess of \$5,000,000.
2. **Trust:**
The undersigned is a 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 person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.
3. **Entity Owned by Accredited Investors:**
The undersigned is an entity in which all of the equity owners are accredited investors.
4. **Family Office:**
The undersigned is a family office with assets under management in excess of \$5,000,000, that is not formed for the specific purpose of acquiring the securities offered, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.
5. **Family Client:**
The undersigned is a family client of a family office meeting the criteria in the paragraph above and whose prospective investment is directed by such family office.

Part III: Investor Representations

By signing below, the undersigned acknowledges and represents that:

1. The information contained herein is complete and accurate and may be relied upon by the Company to determine whether the undersigned meets the requirements for participation in the investment as an accredited investor.
2. The undersigned will notify the Company immediately of any material change in any of the information provided in this Questionnaire.
3. The undersigned understands that the Company may request additional information or documentation to verify the undersigned's status as an accredited investor.

Signatures

Investor:

[Investor Name]

Signature:

Date:

For Joint Investors:

Co-Investor:

[Co-Investor Name]

Signature:

Date:

EXHIBIT E

Water Dragon FINANCIALS

Start-up