



CROP FARMERS INTERNATIONAL

Executive Investment Prospectus

Part 1: Investment Overview and Financial Foundation

A scalable farm-to-family platform beginning with a proven Southwest Virginia operating ranch

CONFIDENTIAL DISCUSSION DRAFT

1. Executive Summary

Crop Farmers International (CFI) is being developed as a scalable agricultural company that connects families seeking dependable, responsibly raised food with farms capable of producing it. CFI is not being presented as a single-ranch investment. The existing Southwest Virginia ranch is the operating proof of concept, while CFI is the platform intended to organize production, marketing, customer relationships, and future partner farms.

The initial operating plan combines beef cattle, heritage pork, pasture-raised poultry, and eggs. Each enterprise is designed to create revenue on a different production cycle, reducing dependence on one livestock category and improving the timing of cash flow. Poultry produces the shortest cycle, pork provides a medium-cycle protein program, and cattle provide larger-ticket long-term revenue and breeding value.

The Core Investment Case

CFI + Appalachia's Farmhouse: One Business, Two Roles

The parent company is built for scale. The customer brand is built for trust.

Crop Farmers International (CFI) is the parent company, ownership platform, operating system, and future partner-farm network. It is the entity through which investors participate and through which production standards, processing coordination, financial controls, and expansion are managed.

Appalachia's Farmhouse is the customer-facing identity. Families should encounter an approachable farm brand rather than a corporate acronym when they shop for beef, pork, poultry, eggs, subscriptions, or farm boxes. The customer relationship is intended to feel local, personal, transparent, and dependable.

This structure allows CFI to communicate scale and financial discipline to investors while Appalachia's Farmhouse communicates food, family, place, and trust to consumers.

- CFI: ownership, governance, capital, operations, standards, processing coordination, and expansion.
- Appalachia's Farmhouse: website, packaging, subscriptions, delivery, farm story, customer service, and direct sales.
- The consumer brand can expand across qualified partner farms while CFI retains the standards and commercial platform behind it.

Layer	Primary Audience	Primary Function
Crop Farmers International	Investors / operators / partner farms	Parent company, capital, production system, standards, financial controls
Appalachia's Farmhouse	Families / retail customers	Approachable farm brand, subscriptions, packaged products, e-commerce, delivery

Management structure developed for the 2026 revised prospectus.

- An existing operating ranch has already demonstrated livestock production on the property for approximately three years.
- The first location provides land, water, pasture, barns, livestock-handling infrastructure, and an experienced on-site operator.
- CFI can grow production at the founding ranch while developing a repeatable model for selected partner farms.
- Centralized branding, marketing, online sales, subscriptions, and customer service can scale without CFI purchasing every future farm.
- The current investment proposal is a \$400,000, 12-month borrowed-capital note intended primarily to assist with acquisition of the ranch mortgage position and secure the operating foundation for CFI. The proposed note carries 12% simple annual interest (\$48,000), for \$448,000 of principal and interest due at maturity. In addition, the lender receives 8,000 CFI units, representing 8.0% gifted ownership in perpetuity. The gifted units are separate from the borrowed capital and are subject to final operating agreement, securities review, transfer limits, reserves, taxes, and governing documents.
- The Company is also designed around a visible community culture: stewardship of land and livestock, approachable food access for families, and future charitable work outside the Company focused on neglected and mistreated horses.

Preliminary Capital Position

Item	Current Planning Assumption
Initial outside capital target	\$400,000 current borrowed-capital proposal
Minimum operating reserve objective	\$200,000 as the company matures
Founding ownership	Elkmont Holdings and Schroeder Family Trust
Founding allocation	50% / 50% before future approved dilution
Potential future investor pool	Up to 30,000 units, subject to final documents
Debt term and return	12 months; 12% simple annual interest (\$48,000); \$448,000 principal + interest at maturity
Proposed long-term participation	8,000 gifted units representing 8.0% ownership in perpetuity; separate from borrowed capital and subject to final governing documents
Customer-facing brand	Appalachia's Farmhouse

Defined Debt References

To avoid confusion between the Company's financing obligations and its lender assets, the prospectus uses two permanent defined references. The "880 JD Pond Loan Asset" is the approximately \$315,000 real-estate debt obligation owed by Frank Segreti and held by CFI as lender, together with the First Deed of Trust/Mortgage, Promissory Note, Loan Request, addendum/amendment documents, assignments, and related collateral instruments. The "CFI \$400K Borrowed Capital Note" is the separate outside-capital obligation issued by CFI: \$400,000 principal, 12% simple annual interest, and \$448,000 total contractual maturity amount at twelve months. Full legal references for the 880 JD Pond Loan Asset are maintained on Schedule H of the CFI Operating Agreement.

2. The CFI Revenue Model

CFI is designed around multiple complementary revenue channels. The founding operation supplies product and proves the operating system. As customer demand and partner-farm capacity grow, CFI's centralized functions become increasingly valuable.

Revenue Channel	Customer	Cash-Flow Cycle	Strategic Role
Whole poultry	Families and subscribers	Short	Frequent sales and customer retention
Eggs	Local recurring customers	Very short	Weekly recurring revenue
Pasture-raised pork	Families, shares, retail	Medium	Higher-value protein and subscription bundles
Beef	Direct customers and selected markets	Long	Large-ticket revenue and brand anchor
Subscriptions	Member households	Recurring	Predictable demand and improved planning
Partner-farm services	Qualified producers	Recurring/ transactional	Scalable expansion without owning every acre

Why the Mix Matters

A cattle-only operation can create extended periods between major sales. CFI's diversified production model is intended to layer weekly, seasonal, and annual revenue. Poultry and eggs can help fund ongoing operating expenses while pork and beef create larger revenue events. This does not eliminate agricultural risk, but it improves the business's ability to manage cash timing.

CFI's Scalable Layer

- Brand ownership and product standards
- Centralized digital marketing and online sales
- Subscription administration and customer communication
- Production planning based on committed demand

- Coordination of processing, packaging, storage, and delivery
- Future licensing or service revenue from participating farms

3. Preliminary Production Assumptions

The following figures summarize the operating assumptions developed to date. They are planning figures for discussion, not final audited projections. The full prospectus will separate the cost of acquiring livestock, carrying costs, processing, mortality, overhead, and selling expenses so investors can follow the economics enterprise by enterprise.

Enterprise	Initial / Year 1 Direction	Growth Direction	Key Assumption
Cattle	Approximately 150 head in the initial scaled plan	Toward approximately 300 head by Year 3	Rotational grazing; selected purchases and later calf production
Year 2 cattle addition	Approximately 75 head	Calves expected beginning in Year 3	Prior planning used 800-1,000 lb market cattle as a purchase reference
Pork	Duroc-based breeding and finishing program	Targeted expansion toward approximately 125-200 finished hogs	On-property breeding reduces dependence on purchased feeder pigs
Poultry	Initial placement of approximately 1,000 Cornish Cross	Successive cycles may increase toward 3,000 birds	Earlier planning assumed approximately 10% early mortality
Poultry sale format	Whole birds	Subscription and direct sales	Earlier planning used a \$19 whole-bird retail target
Eggs	Existing farm production	Expanded recurring local sales	Earlier local sales target: approximately \$5 per dozen

Financial Discipline Required

- Every enterprise must be measured on a per-head, per-bird, and per-pound basis.
- Revenue must be matched to the month in which animals are actually sold, not merely raised.
- Processing, packaging, delivery, mortality, and marketing costs must be included before calculating margin.
- Owner labor, management fees, leases, insurance, and equipment expenses must be visible rather than buried.
- Investor returns should only be discussed after working-capital needs and required reserves are funded.

4. Financial Framework for the Full Prospectus

The full 30-35 page CFI prospectus will present a financial model that can be challenged line by line. The objective is not to make the projections look artificially attractive. The objective is to show a reasonable base case, identify the variables that drive profit, and demonstrate how management will protect cash.

Required Investor Tables

Table	Purpose	Primary Output
Three-year income statement	Shows revenue, direct costs, overhead, and operating profit	Annual profitability
Monthly cash-flow schedule	Shows when livestock and operating costs occur versus sales	Working-capital requirement
Enterprise unit economics	Separates cattle, pork, poultry, and eggs	Gross margin by program
Use of funds	Connects the raise to specific purchases and milestones	Capital accountability
Break-even analysis	Measures minimum sales volume needed to cover fixed costs	Downside visibility
Sensitivity analysis	Tests sale prices, mortality, feed, processing, and volume	Range of outcomes
Investor distribution policy	Defines reserves and conditions for distributions	Return framework

Immediate Meeting Position

For the current family and partner discussion, management should present CFI as an operating business under development, supported by real land, livestock experience, infrastructure, and a defined expansion plan. Any projected return should be described as preliminary until the complete three-year model is finalized and all assumptions are verified.

Next Document Section

Part 2 will cover the market problem, the CFI customer proposition, subscription structure, proof of concept, and the role of the Southwest Virginia ranch. Later parts will contain the detailed livestock economics, three-year projections, use of funds, ownership, risk analysis, leadership, and closing investment case.

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Part 2: Market Opportunity and the CFI Business Model

Pages 6-10 of the Executive Investment Prospectus

5. The Market Problem CFI Solves

Families increasingly want food they can understand and trust, but most households do not have the land, time, equipment, knowledge, or processing access required to raise their own meat. At the same time, many capable farms struggle to reach customers consistently, communicate their value, and convert good production into dependable profit.

CFI is designed to solve both sides of that problem. It gives families access to a planned supply of premium farm products while giving producers a stronger route to market. The company is intended to combine agricultural production with modern customer acquisition, recurring subscriptions, coordinated processing, and disciplined financial management.

The Customer Need

- Greater transparency regarding where food comes from and how animals are raised.
- Reliable access to beef, pork, poultry, and eggs without having to manage a farm.
- A simpler way to buy directly from producers through subscriptions, scheduled pickups, or delivery.
- Confidence that product standards remain consistent as the network expands.

The Producer Need

- Predictable demand before animals are finished.
- Shared marketing and online sales rather than each farm building a customer base alone.
- Better production planning around real orders and subscription commitments.
- Access to a recognizable brand, customer service system, and coordinated logistics.

6. The CFI Solution

CFI will operate as the parent company, operating platform, and organizational layer behind the business. Appalachia's Farmhouse will be the customer-facing brand through which families encounter the food, subscriptions, packaging, online store, delivery, and farm story. The founding ranch provides the initial production base and real-world operating proof. Future expansion can include selected partner farms that meet CFI standards without requiring the company to purchase every future property.

CFI Function	What CFI Provides	Economic Benefit
Production planning	Matches expected customer demand with livestock schedules	Reduces unsold inventory and improves cash planning
Brand and marketing	Unified identity, digital advertising, online sales, customer communication	Lowens duplicated marketing effort and broadens reach
Subscriptions	Recurring household orders and scheduled product allocations	Improves revenue visibility and customer retention
Standards	Defined animal-care, product, packaging, and service requirements	Protects consistency and brand value
Processing coordination	Planned processing dates, packaging requirements, cold storage, and delivery	Reduces bottlenecks and improves fulfillment
Partner-farm network	Adds qualified production capacity without buying every farm	Supports capital-efficient expansion

The Practical Difference

A traditional farm usually earns income only from what it can raise and sell on its own. CFI is intended to earn value from production, customer relationships, subscriptions, brand strength, and eventually the services supplied to partner farms. That broader model is the principal reason CFI may scale beyond the physical limits of the founding ranch.

7. Customer and Subscription Model

The subscription program is intended to create committed demand and recurring cash flow. Families may reserve a recurring allocation of farm products rather than relying solely on one-time purchases. Final package sizes and pricing will be tested against production costs, processing capacity, and customer demand.

Illustrative Offering	Possible Contents	Frequency	Purpose
Family poultry plan	Whole chickens and eggs	Monthly or seasonal	Frequent entry-level subscription
Pork share plan	Scheduled pork bundle or share	Quarterly or semiannual	Medium-cycle premium protein
Beef reserve plan	Deposit toward quarter, half, or selected beef package	Seasonal or annual	Locks demand before processing
Mixed farm box	Combination of available proteins and eggs	Monthly	Improves retention and product discovery

Subscription Economics to Measure

- Average revenue per household.
- Gross margin after livestock, processing, packaging, and delivery.
- Customer acquisition cost.
- Renewal and cancellation rates.
- Average number of months a household remains active.
- Deposit levels needed to help finance production before harvest.

The full financial model will not treat subscription revenue as guaranteed. It will use conservative enrollment assumptions and will separately show the cash collected in advance, the obligation to deliver product, and the timing of related costs.

8. Growth Strategy

CFI is expected to grow in stages. The first objective is to prove consistent unit economics and fulfillment at the founding operation. Expansion should occur only after the company can document production cost, gross margin, customer retention, processing reliability, and working-capital needs.

Stage	Primary Focus	Required Proof	Capital Approach
Stage 1 - Founding operation	Livestock expansion, subscriptions, direct sales	Positive enterprise margins and reliable fulfillment	Initial raise and operating cash flow
Stage 2 - Regional demand	Customer growth, cold storage, delivery, stronger processing coordination	Repeat orders, capacity utilization, disciplined cash conversion	Reinvested earnings and selective new capital
Stage 3 - Partner farms	Add qualified farms under CFI standards	Standardized production and quality control	Capital-light contracts where practical
Stage 4 - Replication	Extend the model into additional regional markets	Transferable systems, brand demand, and management capacity	Combination of cash flow, strategic investors, and partnerships

Management Rule for Expansion

Market Validation: The Model Already Exists

CFI is not attempting to invent direct-to-family agriculture; it is applying a proven model from a different operating base.

Seven Sons Farms provides a national-scale benchmark for direct-to-consumer meat. Its current website reports 25,000+ families, a store with 200+ items, 400,000+ boxes shipped over roughly a decade, and a Subscribe & Save program used by 13,000+ families. The program is customizable and supports repeat purchasing rather than a rigid one-size-fits-all box.

Longbottom Farm in Virginia provides a more regional benchmark. Its public materials show direct sales of grass-fed beef, pastured pork, poultry, and eggs; online ordering; farm pickup; local delivery; and pork/beef share programs. This demonstrates that the model can begin locally before expanding fulfillment reach.

CFI should use these businesses as proof that families will purchase trusted farm products through e-commerce, recurring orders, shares, pickup, and delivery. They are benchmarks, not revenue promises.

Benchmark	Observed Model Element	CFI Application
Seven Sons Farms	National DTC, 200+ items, 13,000+ subscribers, 25,000+ families	Long-term proof of scalable consumer demand and recurring orders

Longbottom Farm (VA)	Regional DTC, pickup, delivery, beef/pork/poultry/eggs, shares	Nearer-stage proof of a Virginia farm-to-family model
CFI / Appalachia's Farmhouse	Founding ranch + direct sales + subscriptions + future partner farms	Build locally, validate unit economics, then scale the commercial platform

Sources reviewed Aug. 11, 2026: Seven Sons Farms; Longbottom Farm public websites.

CFI should not expand simply because land or livestock becomes available. Each expansion decision should be tied to demonstrated demand, processing capacity, a defined margin, and sufficient cash reserves. This discipline is essential because fast agricultural growth can consume cash even when projected accounting profit appears positive.

Part 3 Preview

The next section will present the Southwest Virginia ranch as CFI's proof of concept, including land and water resources, existing infrastructure, operating experience, livestock systems, and the reasons the site can support the initial phase of the CFI model.

PART 3

PROOF OF CONCEPT AND OPERATING ASSETS

Pages 11-15

The founding Southwest Virginia ranch demonstrates that CFI begins with real operating experience, physical assets, and a tested livestock base.

5. Proof of Concept: An Existing Working Operation

CFI is being built from an active agricultural operation rather than from a theoretical business plan. Over approximately three years on the current property, Segreti has raised the same general types of livestock contemplated in the CFI plan and has developed practical experience with pasture rotation, animal care, water access, seasonal weather, fencing, feed storage, and daily ranch logistics.

This operating history materially lowers startup uncertainty. It does not remove normal agricultural risk, but it gives CFI a tested base from which to measure expansion. The initial ranch also allows the company to establish production standards, document costs, refine customer offerings, and train future partner farms before broader rollout.

What Has Already Been Demonstrated

- Beef cattle maintained on mountain pasture with access to natural water resources.
- Pasture and barn systems supporting multiple livestock species.
- Hands-on management of cattle, pigs, poultry, eggs, horses, and small livestock.
- Hay storage and seasonal feed planning.
- Use of existing barns, handling areas, fencing, roads, and water points.
- Direct presentation of farm products to local customers and business partners.

Why This Matters to Investors

The founding ranch is not being represented as the entire CFI opportunity. Its role is to prove that the production side is grounded in experience. CFI can use the ranch to validate unit economics and customer demand before expanding through additional farms, subscriptions, and centralized marketing.

6. Existing Land and Natural Resources

Appalachian Land Efficiency: More Production per Managed Acre

The competitive advantage begins with forage, water, and the ability to stack enterprises rather than relying on a single extensive grazing model.

Virginia Tech Extension recommends a starting stocking rate of no more than about 400 pounds of liveweight per acre on moderately productive soils in much of Virginia, equivalent to roughly 2.5 acres per 1,000 pounds of livestock. Actual carrying capacity depends on soil, slope, forage, rainfall, animal weight, and management.

Virginia's Graze 300 initiative is designed to help producers move toward 300 days of grazing through better pasture management, including rotational and stockpile grazing. Longer grazing seasons can reduce hay and stored-feed dependence.

For CFI, the more important point is not cattle density alone. A managed Appalachian base can support sequential and overlapping revenue systems: cattle harvest forage; poultry can follow pasture; pigs can use controlled woodland/pasture areas; and eggs generate continuous local cash flow. This creates multiple revenue opportunities from the same managed land base.

- Use productive pasture rather than treating all acres as equivalent.
- Rotate animals to protect forage recovery and reduce overgrazing.
- Use stockpiling and season extension to reduce purchased-feed exposure where practical.
- Measure revenue and contribution margin per productive acre, not simply total acres owned.

Land-Efficiency Driver	Business Effect
Productive cool-season forage	Supports meaningful grazing output from a smaller land base
Rotational management	Improves forage utilization and recovery
Water resources	Improves pasture flexibility and animal movement
Multiple livestock enterprises	Creates several cash-flow cycles from the same operating base
Direct-to-consumer sales	Converts agricultural output into higher-value packaged products

Source: Virginia Tech Cooperative Extension, *Designing a Flexible and Efficient Rotational Grazing System*; Graze 300 Virginia resources.

The initial operating site provides a combination of pasture, woodland, water, and existing agricultural improvements. These resources support livestock production while reducing the need to build a completely new operation from the ground up.

Resource	Current Planning Information	Business Value
Leased pasture	Approximately 120 acres of pasture within a roughly 150-acre managed	High-value grazing base supported by rotational management and

	pasture/woodland operating base	multiple livestock enterprises
Woodland	Approximately 30 acres	Shade, shelter, conservation value, and potential controlled use
Natural springs	Two identified springs	Livestock water and improved grazing flexibility
Pond	One established pond	Water access, livestock management, and property resilience
Mountain climate	Southwest Virginia / Appalachian Plateau	Productive cool-season forage, meaningful rainfall, stockpiling potential, and extended grazing opportunities
Internal roads and access	Existing ranch access routes	Movement of livestock, feed, equipment, and visitors

Resource Advantages

- Natural water sources can lower reliance on hauled water and support rotational grazing design.
- Diversified terrain provides separate areas for cattle, pigs, poultry, and recovery pasture.
- Existing agricultural use allows management to focus capital on productive expansion rather than land development alone.
- The property provides visual credibility for marketing, customer education, and future investor presentations.

Final acreage, lease terms, water capacity, carrying capacity, and pasture improvement requirements will be verified in the detailed operating model. Stocking decisions must remain tied to forage availability rather than to revenue targets alone.

7. Existing Infrastructure and Equipment Base

The founding operation already contains several assets needed for livestock production. CFI therefore has a meaningful operating base, although selected investments will be required to support higher volumes and direct-to-consumer distribution.

Asset	Status	Role in CFI Operations
Barns	Existing	Shelter, storage, livestock support, and operating space
Brooder building	Existing	Early-stage poultry management
Hydraulic squeeze chute	Existing	Safer cattle handling, health work, and inventory management
High tunnels / chicken tractors	Two planned or available units	Pasture poultry capacity of roughly 450-500 birds each
Delivery vehicle	Existing	Local product movement and customer delivery support
UTVs	Two	Daily ranch inspection, fencing, feeding, and animal movement
Livestock trailer	One	Transport of animals and operating supplies
Tractors	Leased	Field, feed, and pasture work without immediate ownership cost
Hay equipment	Not currently owned	Hay may be purchased or custom harvested until justified
Walk-in cooler/freezer	Needed	Critical for product storage, inventory control, and direct sales

Related-Party Operating Lease Structure

The operating plan includes a whole-farm lease from Frank Segreti to Appalachia's Farmhouse LLC for approximately 150 acres, with CFI as guarantor. The lease has a 3-year initial term plus three 3-year Tenant options, for a maximum 12-year horizon. Months 1-12 are rent-free; beginning Month 13, rent is \$1,500 per month (\$18,000 annualized). Appalachia's Farmhouse/CFI may terminate at any time on 90 days' written notice without future-rent acceleration or an early-termination fee. Exhibit A will identify the leased boundary, access, infrastructure, water resources, and excluded/shared-use areas.

8. Operating Readiness and Expansion Priorities

The founding operation is capable of supporting an expanded program, but disciplined sequencing is essential. Livestock should not be added faster than pasture, labor, processing, storage, and sales capacity can support. The following priorities organize the transition from current ranch activity to a more formal CFI operating system.

Priority	Action	Financial Purpose
1. Cost tracking	Record cost per head, bird, pound, and production cycle	Establish defensible unit economics
2. Sales commitments	Build subscriptions and preorders before major volume increases	Reduce unsold inventory risk
3. Cold storage	Install adequate cooler and freezer capacity	Protect product and smooth processing schedules
4. Pasture planning	Match stocking levels to forage and water capacity	Limit feed overruns and pasture damage
5. Processing capacity	Secure reliable processors and backup options	Protect timing, quality, and customer delivery
6. Brand and online sales	Use Schroeder marketing and e-commerce experience	Convert production into higher-margin direct sales
7. Partner-farm standards	Document animal care, quality, records, and fulfillment	Prepare for scalable expansion

Management Advantage

Segreti brings direct experience operating the property and raising the livestock. John Schroeder brings years of marketing and online sales experience. CFI is designed to combine those capabilities: production discipline on the ground and disciplined customer acquisition in the market.

Key Takeaway

The ranch gives CFI an immediate place to operate, test, photograph, measure, and improve. The next phase is to turn that practical foundation into a documented, repeatable, and profitable system that can support both the founding operation and selected future farm partners.

5. Enterprise Economics Overview

CFI will manage each livestock program as a distinct profit center. Revenue will not be treated as profit until animal acquisition or breeding costs, feed and mineral, mortality, processing, packaging, delivery, direct labor, and an appropriate share of overhead are deducted. This structure allows management and investors to see which programs are creating cash and which require correction.

How CFI Will Measure Performance

Enterprise	Primary Unit	Core Margin Calculation
Beef cattle	Per head and per finished pound	Sales proceeds less purchase/breeding, carrying, health, processing, and selling

		costs
Pork	Per finished hog and per packaged pound	Sales proceeds less breeding allocation, feed, health, processing, packaging, and delivery
Poultry	Per placed chick and per harvested bird	Bird revenue less chick, brooding, feed, mortality, processing, packaging, and selling costs
Eggs	Per dozen	Dozen revenue less feed, flock replacement, packaging, labor, and delivery

Margin Rules

- Gross margin will be calculated before general company overhead, but after all direct production and selling costs.
- Operating profit will include management, leases, insurance, utilities, professional fees, and marketing.
- Cash flow will be tracked separately from accounting profit because livestock expenses occur before sale proceeds.
- Breeding animals will be treated differently from animals purchased solely for resale or finishing.
- No distribution should be made until required operating reserves and known production costs are funded.

6. Beef Program Economics

The beef program is intended to become a major revenue anchor for CFI. Earlier planning contemplated approximately 150 head in the initial scaled year, an additional 75 head in Year 2, and growth toward approximately 300 head by Year 3. The final model must clearly separate purchased feeder or market cattle, retained breeding stock, calves born on the property, and animals sold through direct-to-consumer beef channels.

Preliminary Beef Cost Stack

Cost Category	Calculation Basis	Investor Question Answered
Animal acquisition	Purchase price per head plus freight	What is the starting basis in each animal?
Pasture and forage	Lease, fencing, hay, seed, and pasture improvement allocation	What does land and forage truly cost?
Mineral and supplemental feed	Cost per head per month	How sensitive is margin to feed inflation?
Health and mortality	Vaccines, veterinary care, medicine, and losses	What is the expected biological loss?
Processing	USDA-inspected slaughter, cut-and-wrap, labeling, value-added options, cold storage, and logistics	What is the delivered cost of packaged retail product, and what margin is retained versus commodity sale?
Sales and delivery	Payment fees, marketing, boxes, and transportation	What remains after the customer receives product?

Beef Profit Drivers

- Purchase weight and purchase price per pound.
- Average daily gain and number of carrying days.
- Pasture utilization and winter feed requirements.
- Finished sale price, whether sold live, by hanging weight, or as packaged retail beef.
- Dressing percentage, packaged yield, and processing cost.
- Percentage of production sold direct rather than through a commodity market.

The full model will show both a commodity-sale case and a direct-retail case. This prevents the plan from depending on a single optimistic retail assumption and demonstrates the value created by CFI branding and customer acquisition.

7. Pork Program Economics

The pork program uses Duroc-based breeding stock and on-property production to reduce reliance on purchased feeder pigs. Earlier planning considered approximately 125 finished hogs annually, with a higher expansion objective approaching 200 by the end of the first mature operating year. Final volume will be tied to breeding performance, housing, pasture capacity, processor availability, and confirmed customer demand.

Preliminary Pork Unit Model

Variable	Planning Treatment	Required Verification
Breeding herd	Allocate annual breeding and care cost across saleable offspring	Litter size, litters per sow, and replacement rate
Piglet survival	Apply mortality from birth through finish	Historical ranch results and conservative case
Feed	Track pounds of feed and cost per finished hog	Local ration pricing and seasonal variation
Finish weight	Measure live, hanging, and packaged yield	Processor records and target customer products
Processing	Include slaughter, cut, cure/smoke options, and packaging	Anderson and Sons or alternative processor quote
Sales price	Model whole/half shares and packaged retail separately	Actual local and online demand

Why Pork Can Be Attractive

- Shorter production cycle than cattle can improve capital turnover.
- On-property breeding can lower piglet acquisition cost after the breeding system is established.
- Whole and half hog reservations can collect deposits and reduce finished inventory risk.
- Premium cuts, sausage, and value-added products can increase revenue per animal, subject to processing and labeling rules.
- Customer bundles can combine pork with poultry, eggs, and beef to increase subscription value.

The base case will avoid assuming that every pound receives the highest retail price. A blended selling price will reflect premium cuts, ground or sausage products, bones, trim, and any unsold inventory.

8. Poultry and Egg Economics

Poultry is expected to provide CFI with its fastest livestock cash cycle. The initial production plan used approximately 1,000 Cornish Cross chicks, an early mortality assumption of approximately 10%, and a whole-bird sales format. Subsequent cycles may expand as processing, brooder capacity, pasture systems, labor, and committed demand are confirmed.

Illustrative First-Cycle Volume Logic

Measure	Illustrative Assumption	Result
Chicks placed	1,000	1,000 placed birds
Mortality and culls	10%	Approximately 100 birds
Harvested birds	90% survival	Approximately 900 birds
Whole-bird price used in earlier planning	\$19 per bird	\$17,100 gross revenue before costs

The \$17,100 figure is gross sales only. It is not profit. Chick cost, feed conversion, bedding, heat, electricity, pasture equipment, mortality, processing, packaging, labor, refrigeration, payment fees, and delivery must be deducted before calculating contribution margin.

Egg Program Discipline

Metric	Why It Matters
Laying hens in production	Determines potential daily egg output
Lay rate	Converts flock size into sellable dozens
Feed per dozen	Largest recurring direct cost
Broken, dirty, or unsold eggs	Reduces realized yield
Carton and labeling cost	Must be included in unit cost
Selling price per dozen	Earlier local target was approximately \$5

Poultry Expansion Gate

- Do not increase placement merely because brooder space exists.
- Expand only when processing dates, labor, cold storage, and customer commitments are aligned.
- Track feed conversion and mortality by batch to identify management problems quickly.
- Use deposits or subscriptions where practical to reduce finished-product inventory risk.

9. Consolidated Livestock Profitability Framework

The investor model will consolidate the four programs only after each enterprise is calculated independently. This is essential because a profitable poultry cycle can hide an underperforming cattle group, or a strong cattle sale can disguise weak recurring cash flow.

Required Enterprise Dashboard

Processing Is Where Livestock Becomes Retail Inventory

The revised model measures value after processing rather than stopping at live-animal market value.

CFI plans to use Anderson and Sons Meats in Abingdon, Virginia. Anderson publicly states that it offers USDA-inspected processing for meat intended for resale, in addition to custom-exempt processing. This is critical to the Appalachia's Farmhouse model because CFI can sell properly processed packaged meat through the consumer brand rather than relying only on commodity livestock channels.

Anderson's published beef and pork cut sheets support a broad retail mix including steaks, roasts, brisket, ground beef, pork chops, shoulders, ribs, ham, belly, sausage, and value-added ground products. That product mix allows management to model a blended retail realization per packaged pound instead of valuing every animal at one wholesale price.

Penn State Extension notes average carcass yield relationships of roughly 60% for beef and 70% for pork as a starting point for pricing analysis. Final CFI economics will use actual Anderson invoices, hanging weights, packaged yields, and realized sales prices.

Unit-Economics Sequence	What CFI Measures
1. Live animal	Acquisition / breeding basis + carrying cost
2. Hanging carcass	Actual processor weight and dressing yield
3. Processing	Slaughter, cut/wrap, labels, curing/value-add, storage
4. Packaged inventory	Sellable pounds by cut and product type
5. Retail realization	Blended \$/packaged lb through Appalachia's Farmhouse
6. Contribution profit	Retail sales less all direct animal, processing, packaging, and selling costs

Sources reviewed Aug. 11, 2026: Anderson and Sons Meats; Penn State Extension meat-pricing guidance.

KPI	Beef	Pork	Poultry	Eggs
Production unit	Head / pound	Hog / pound	Placed and harvested bird	Dozen
Cycle length	Long	Medium	Short	Continuous
Primary cash risk	Long carrying period	Feed and processing	Feed, mortality, processing dates	Feed and consistent sales
Primary upside	Direct retail and breeding	Value-added products	Fast turnover and subscriptions	Recurring local revenue
Minimum	Margin per head	Margin per hog	Margin per	Margin per dozen

reporting			placed chick	
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Profitability Test Before Scaling

- Positive contribution margin after all direct production and selling costs.
- Confirmed processing capacity and realistic sale timing.
- Sufficient working capital to complete the cycle without relying on emergency borrowing.
- Demonstrated customer demand or contracted/subscription volume.
- Labor and infrastructure capable of supporting the higher volume.
- Conservative-case performance that does not threaten company reserves.

Investor Takeaway

CFI does not become valuable simply by owning more animals. It becomes valuable by repeatedly converting land, livestock, operating knowledge, customer demand, and centralized marketing into measurable cash margin. The full three-year model will make that conversion visible by enterprise, by month, and by use of invested capital.

Part 5 will present the three-year projection structure, proposed use of funds, break-even analysis, sensitivity testing, reserve policy, and investor return framework.

5. Three-Year Financial Outlook

The following model is a planning case built from the production targets developed for CFI. It is intended to show the path to profitability and the relationship between scale, revenue, direct production costs, and overhead. Final investor materials should replace every planning assumption with verified purchase contracts, processor quotes, and current sales commitments.

Base-Case Operating Outlook

Conservative Reference Case	Year 1	Year 2	Year 3
Projected gross revenue	\$785,000	\$1,230,000	\$1,815,000
Direct livestock + processing (older planning load)	(\$500,000)	(\$738,000)	(\$1,034,000)
Gross profit	\$285,000	\$492,000	\$781,000
Operating overhead	(\$225,000)	(\$300,000)	(\$405,000)
Estimated operating profit (older model)	\$60,000	\$192,000	\$376,000
Estimated operating margin (older model)	7.6%	15.6%	20.7%

The base case assumes CFI improves margin as livestock volume grows, customer acquisition becomes more efficient, and fixed overhead is spread across a larger revenue base. The model does not rely on land appreciation or the sale of core real estate to produce operating profit.

Interpretation

- Year 1 is primarily a build-and-prove year, with positive but limited operating profit.
- Year 2 benefits from greater cattle and pork volume and improved subscription retention.

- Year 3 represents the first year in which the model begins to display meaningful operating leverage.
- Cash flow may differ from accounting profit because livestock expenses occur months before final sale.

6. Revenue by Enterprise

CFI's financial strength depends on balanced contribution from several enterprises rather than a single commodity. The table below illustrates the planned revenue mix. Values are preliminary and should be read as management targets.

Prior Reference Revenue Source	Year 1	Year 2	Year 3
Beef cattle and direct beef sales	\$380,000	\$620,000	\$960,000
Pasture-raised pork	\$180,000	\$285,000	\$448,000
Whole poultry	\$150,000	\$225,000	\$300,000
Eggs and other farm products	\$40,000	\$55,000	\$70,000
Subscriptions, services, and partner-farm revenue	\$35,000	\$48,000	\$65,000
Total projected revenue	\$785,000	\$1,230,000	\$1,815,000

Margin Priorities

- Beef must be sold through the most profitable mix of direct sales, shares, and selected market sales.
- Pork economics improve when breeding stock produces feeder pigs internally and processing capacity is scheduled in advance.
- Poultry must be managed as a repeatable batch business with disciplined mortality, feed-conversion, and customer pre-sales.
- Eggs are not expected to carry the company, but they support frequent customer contact and recurring local cash flow.
- Subscription revenue should be matched to actual production capacity so CFI does not create fulfillment obligations it cannot meet.

Revenue Concentration Test

Management should monitor the percentage of revenue attributable to the largest enterprise and the largest customer. The long-term objective is to prevent a single buyer, processor, or species from controlling the company's financial outcome.

7. Use of Initial Capital

The current outside-capital proposal is \$400,000. Unlike the earlier \$100,000 growth-capital concept, the present transaction is centered on securing the ranch mortgage position and operating foundation for CFI. Operating expenditures beyond acquisition should remain specific, measurable, and tied to revenue-producing milestones, while the fastest-turning revenue channels are prioritized to protect working capital and accelerate debt repayment.

Use of Funds	Planning Allocation	Expected Business Effect
Ranch acquisition assistance	\$315,000	Secures the physical operating foundation and long-term control of production base
Processing / cold-chain readiness	\$35,000	Supports deposits, storage, packaging, and product readiness around USDA-inspected processing
Fast-turn production working capital	\$25,000	Supports poultry, eggs, and near-term pork/beef sales that can convert to cash quickly
Customer acquisition / e-commerce	\$15,000	Launches Appalachia's Farmhouse direct sales, subscriptions, and repeat-order systems
Insurance, legal, closing, contingency	\$10,000	Supports transaction completion, compliance, insurance, and closing contingency after the primary acquisition allocation is funded
Total	\$400,000	Current borrowed-capital proposal; final closing statement controls actual allocation

Capital Controls

- Capital should be held in a dedicated CFI operating account.
- Any material change from the approved use-of-funds schedule should require manager approval and documentation.
- Monthly reporting should show budget, actual spending, remaining cash, livestock inventory, and upcoming obligations.
- Distributions should not begin while the company is below its required operating reserve.
- The previously discussed long-term reserve objective of \$200,000 should be built from retained earnings as operations mature.

8. Break-Even and Sensitivity Analysis

Agricultural projections are highly sensitive to sale price, animal performance, mortality, feed cost, processing cost, and the timing of sales. CFI should therefore present a range of possible outcomes rather than one guaranteed return.

Prior Year 2 Reference Scenario	Year 2 Revenue	Year 2 Operating Profit	Primary Assumptions
Conservative	\$1,045,000	\$65,000	Revenue below base; direct costs 5% higher
Base case	\$1,230,000	\$192,000	Planned volume, pricing, and cost control
Upside	\$1,355,000	\$285,000	Stronger direct-sales mix and improved production efficiency

Estimated Break-Even Point

Using the Year 2 base-case cost structure, CFI would need approximately \$950,000 to \$1,000,000 in annual revenue to cover projected direct costs and operating overhead. The precise break-even point will change with the mix of beef, pork, poultry, and subscription revenue.

Variables Management Can Control

- Pre-selling livestock and subscription capacity before expanding production.
- Maintaining strict feed, processing, and transportation budgets.
- Protecting animal health and reducing preventable mortality.
- Increasing the percentage of products sold directly to families.
- Scheduling production to avoid overcrowding, delayed harvest, or unplanned feed expense.
- Holding adequate working capital so animals are not sold early under unfavorable conditions.

Variables Management Cannot Fully Control

- Commodity-price volatility and regional livestock-market conditions.
- Weather, forage quality, disease events, and processor availability.
- Changes in fuel, feed, packaging, insurance, and regulatory costs.

9. Profitability, Reserves, and Investor Returns

CFI's first financial obligation is to maintain the livestock, protect product quality, and preserve sufficient cash to complete each production cycle. Investor distributions should come from realized and available cash—not from projected profit or livestock inventory.

Recommended Distribution Waterfall

Cash-Flow Priority: Repay the Debt as Fast as Operations Allow

The operating plan should prioritize cash conversion before maximum scale.

The CFI \$400K Borrowed Capital Note creates a clear 12-month obligation: \$448,000 of principal and simple interest at maturity. This obligation is separate from the approximately \$315,000 880 JD Pond Loan Asset held by CFI as lender. The fastest route to protecting the investor-note obligation is not to place all operating capital into long-cycle cattle at once. Management should deliberately layer short-, medium-, and long-cycle sales.

Poultry, eggs, pre-sold shares, subscriptions, and any inventory already close to harvest should be used to produce earlier cash events. Pork follows as a medium-cycle revenue source, while beef creates larger ticket sales and anchors the consumer brand. Customer deposits and preorders should be used carefully to improve demand visibility without creating unfunded fulfillment obligations.

The revised monthly cash-flow model should therefore track a dedicated debt-paydown reserve alongside ordinary operating cash. Excess realized cash can be swept toward the note after the next production cycle and required operating reserve are protected.

Cash Priority	Management Action
1. Protect production	Pay animal care, payroll, processing, insurance, taxes, and critical operating obligations
2. Fund next cycle	Maintain enough working capital to finish livestock already committed to customers
3. Build debt-paydown reserve	Sweep planned excess cash from poultry, eggs, subscriptions, pork, and beef sales
4. Repay note	Target the \$448,000 maturity obligation as quickly as practical within the 12-month term
5. Consider member / investor distributions	Only after obligations, reserves, taxes, approved reinvestment needs, and note obligations are satisfied or properly reserved

Management cash-flow policy for the revised 2026 investment case; not a guarantee of repayment timing beyond the legal note terms.

Priority	Cash Application
1	Pay current operating obligations, payroll, livestock care, processing, taxes, and insurance.
2	Restore working capital required to complete

	the next production cycle.
3	Fund the board-approved operating reserve, ultimately targeting approximately \$200,000.
4	Fund approved expansion projects and debt reduction.
5	Consider investor and member distributions from excess available cash.

Illustrative Return Discussion

The debt return on the CFI \$400K Borrowed Capital Note is defined separately from the 8,000 gifted ownership units: \$400,000 principal plus 12% simple annual interest (\$48,000) produces \$448,000 due at the end of the 12-month term. This investor obligation is also separate from the 880 JD Pond Loan Asset, which is an approximately \$315,000 real-estate debt asset held by CFI as lender. The 8,000 gifted units represent 8.0% ownership in perpetuity and are subject to final operating agreement, securities review, transfer limits, reserves, taxes, and governing documents.

Financial Milestones Before Expansion

- Positive enterprise-level gross margin after all direct costs.
- At least two completed production cycles with documented results.
- Reliable processing capacity and product-storage controls.
- A measurable repeat-customer and subscription base.
- Monthly management reporting delivered on time.
- Adequate reserve cash before adding major fixed overhead or a new partner farm.

Investor Takeaway

The CFI opportunity is financially attractive only if management converts land, livestock experience, and customer demand into repeatable unit economics. The base case presented here shows a credible path toward increasing revenue and operating margin, but the company's discipline in protecting cash and validating every enterprise will determine whether that opportunity becomes durable profit.

10. Three-Year Financial Summary

The financial case for CFI is based on a simple test: growth must produce stronger margins, not merely more activity. The base-case outlook shows revenue rising as cattle, pork, poultry, egg, subscription, and partner-farm programs mature. At the same time, operating profit is expected to improve as fixed overhead is spread across a larger customer and production base.

The prior planning case showed revenue increasing from approximately \$785,000 in Year 1 to approximately \$1.815 million in Year 3. The revised model will preserve those figures as a conservative reference case while separately modeling direct-to-consumer retail value captured through packaged beef, pork, poultry, eggs, subscriptions, and value-added products. Final profit targets will be reset after processor rates, packaged yields, realized retail prices, and production timing are verified.

Financial Reading

- Year 1 demonstrates the model and establishes disciplined reporting.
- Year 2 expands volume while improving use of existing infrastructure.
- Year 3 begins to show the value of operating leverage and recurring demand.
- These projections remain preliminary until processor, livestock, feed, and customer assumptions are fully verified.

11. Margin Expansion and Value Creation

Revenue growth alone does not establish a profitable business. The more important measure is whether each additional dollar of sales produces sufficient contribution after livestock, feed, processing, packaging, delivery, labor, and overhead.

How CFI Improves Margin

- Increase the percentage of livestock sold directly to families rather than through lower-margin channels.
- Use subscriptions and pre-sales to align production with known demand.
- Coordinate processing and delivery to reduce emergency expenses and unused capacity.
- Spread marketing, technology, management, and compliance expenses over greater sales volume.
- Add partner farms only after the founding operation has documented repeatable unit economics.

The projected operating-margin improvement from 7.6% to 20.7% is a management target, not a guarantee. Monthly financial reporting should identify immediately when pricing, mortality, feed, processing, or overhead moves outside plan.

12. Leadership and Governance

CFI's model requires equal attention to agriculture and commercial execution. The founding team is intended to combine hands-on operating experience with marketing, online sales, customer development, and disciplined financial oversight.

Leadership Area	Primary Contribution
Frank Segreti — COO	On-site livestock experience, ranch operations, land stewardship, production planning, and execution developed through approximately three years on the existing property.
John Schroeder — CEO	Marketing, online sales, customer development, commercial strategy, and expansion of CFI's direct-to-consumer reach.
Founding entities	Elkmont Holdings and the Schroeder Family Trust as the initial ownership foundation, subject to final legal documents.
Independent oversight	Use of an independent arbitrator or agreed neutral process for defined disputes between equal founding interests.

Recommended Reporting Package

- Monthly income statement and cash-flow report.
- Livestock inventory and production-status report.
- Budget-to-actual use-of-funds schedule.
- Sales by product, channel, and customer type.
- Accounts payable, processing commitments, and next-90-day cash needs.
- Quarterly review of reserve levels, expansion readiness, and investor communications.

Clear governance is particularly important in a 50/50 founding structure. Major borrowing, ownership changes, distributions, material capital purchases, and admission of new investors should be governed by written approval thresholds.

13. Community Culture and Charitable Vision

CFI and Appalachia’s Farmhouse are intended to build more than a food company. The operating culture should be visible to customers, employees, partners, and investors: stewardship of land, livestock, and people; a family-centered and approachable farm culture; community involvement beyond the business itself; and long-term responsibility in how the Company grows.



Community Culture & Charitable Vision

Building a business that serves families, strengthens community, and gives back.

The Culture We Want to Create

- Stewardship of land, livestock, and people
- A family-centered, approachable farm culture
- Community involvement beyond the business itself
- Long-term responsibility and compassionate leadership

Future 501(c)(3) Mission

Outside of our company, we intend to develop a 501(c)(3) charity dedicated to helping provide forever homes for mistreated and neglected horses. This charitable effort will help raise funds for food, shelter, and veterinary care so these animals can receive the life they truly deserve.

“ We want people to know that our success is meant to create a lasting positive impact. ”



— A FUTURE CHARITABLE INITIATIVE ALIGNED WITH THE VALUES BEHIND CFI AND APPALACHIA'S FARMHOUSE. —

Future 501(c)(3) Horse Rescue Mission

Outside of the Company, the founders intend to develop a separate 501(c)(3) charitable initiative dedicated to helping provide forever homes for mistreated or neglected horses. The intended charitable work would raise funds for food, shelter, and veterinary services so rescued horses can receive the care and life they deserve. The charitable initiative would be legally separate from CFI and Appalachia’s Farmhouse unless and until formal documents, governance, tax-exempt status, donation policies, and conflict rules are established with counsel.

Why It Belongs in the Investment Story

- It shows the business is being built with a values-based culture, not only a production model.
- It gives the community a clear reason to trust and support Appalachia’s Farmhouse beyond ordinary commerce.
- It aligns naturally with land stewardship, animal care, family food access, and rural community identity.

- It should remain financially disciplined: any charitable contribution policy must be approved only after operating obligations, debt, reserves, taxes, and reinvestment needs are protected.

Culture statement: *“We want people to know that our success is meant to create a lasting positive impact.”*

14. Principal Risks and Management Responses

CFI operates in agriculture, where biological, market, weather, processing, and execution risks cannot be eliminated. The investment case is strengthened when those risks are identified openly and matched with practical controls.

Risk	Management Response
Livestock health or mortality	Biosecurity, veterinary relationships, appropriate stocking density, recordkeeping, and contingency allowances.
Feed and forage volatility	Rotational grazing, stored hay, multiple suppliers, and enterprise-level feed budgets.
Processing constraints	Advance scheduling, deposits, backup processors where practical, and production matched to confirmed capacity.
Customer demand below plan	Pre-sales, subscriptions, phased production, and diversified sales channels.
Cash-flow timing	Monthly cash forecasting, working-capital protection, and no distributions below reserve requirements.
Management concentration	Written procedures, role clarity, recurring reporting, and development of trained operating support.
Expansion too quickly	Milestone-based growth only after validated margins and completed production cycles.
Regulatory and food-handling requirements	Professional review, insurance, documented handling procedures, and compliance before scaling sales.

Investment Discipline

The company should not use optimistic projections to justify uncontrolled expansion. Each major increase in livestock, staffing, processing commitments, or partner-farm obligations should be tied to demonstrated customer demand and available working capital.

15. Closing Investment Case

Crop Farmers International is being built from an operating foundation rather than an untested concept. The founding ranch provides real production experience, livestock, land, water, infrastructure, and an environment in which the CFI system can be refined before broader expansion.

Why CFI Can Create Value

- A diversified livestock model creates several revenue cycles rather than dependence on one annual sale.
- Direct customer relationships can capture more value than commodity-only sales.
- Subscriptions can improve production planning and customer retention.
- A centralized brand and sales platform can support future farms without requiring CFI to own every property.
- Disciplined reserves and milestone-based growth can protect the company during agricultural and market volatility.
- The founding team combines operational experience with marketing and online-sales capability.

The Decision in Front of Investors

The immediate opportunity is to help CFI move from a proven operating foundation into a measured growth phase. The proposed capital is intended to expand productive capacity, strengthen food handling and storage, build customer demand, and document the economics required for future scale.

CROP FARMERS INTERNATIONAL

The broader vision is to create durable agricultural value while also becoming a trusted local presence that invests back into people, animals, and the rural community around the operating base.

A farm-to-family platform built on real production, disciplined growth, and long-term agricultural value.

Confidential discussion draft. Financial projections are preliminary and subject to verification.

2026 Research Sources and Verification Notes

- Anderson and Sons Meats, Abingdon, Virginia - USDA-inspected resale processing statement and current beef/pork cut sheets.

- Virginia Tech Cooperative Extension - Designing a Flexible and Efficient Rotational Grazing System (400 lb liveweight/acre starting point on moderately productive Virginia soils).
- Virginia Tech Cooperative Extension - Graze 300 Virginia / stockpile-grazing resources for extending grazing days.
- Seven Sons Farms - current direct-to-consumer scale indicators, product count, shipping history, and Subscribe & Save participation.
- Longbottom Farm, Scottsville, Virginia - direct sales, pickup, delivery, protein mix, shares, and local pricing examples.
- Penn State Extension - meat pricing and carcass-yield guidance used only as planning benchmarks pending CFI processor records.
- CFI internal operating assumptions and prior prospectus - cattle, pork, poultry, eggs, ranch infrastructure, governance, and investor structure.

Verification rule: external benchmarks support the strategy, but final investor financials should be updated with actual Anderson processing invoices/quotes, purchase records, animal weights, packaged yields, customer sales, and signed transaction documents before a formal closing package is circulated.



Crop Farmers International

Appalachia's Farmhouse Investor Overview

*Building a Direct-to-Family Food Platform
in the Appalachian Highlands*



What We Are Building

CFI

Parent company
Operations · capital · production
planning · investor economics

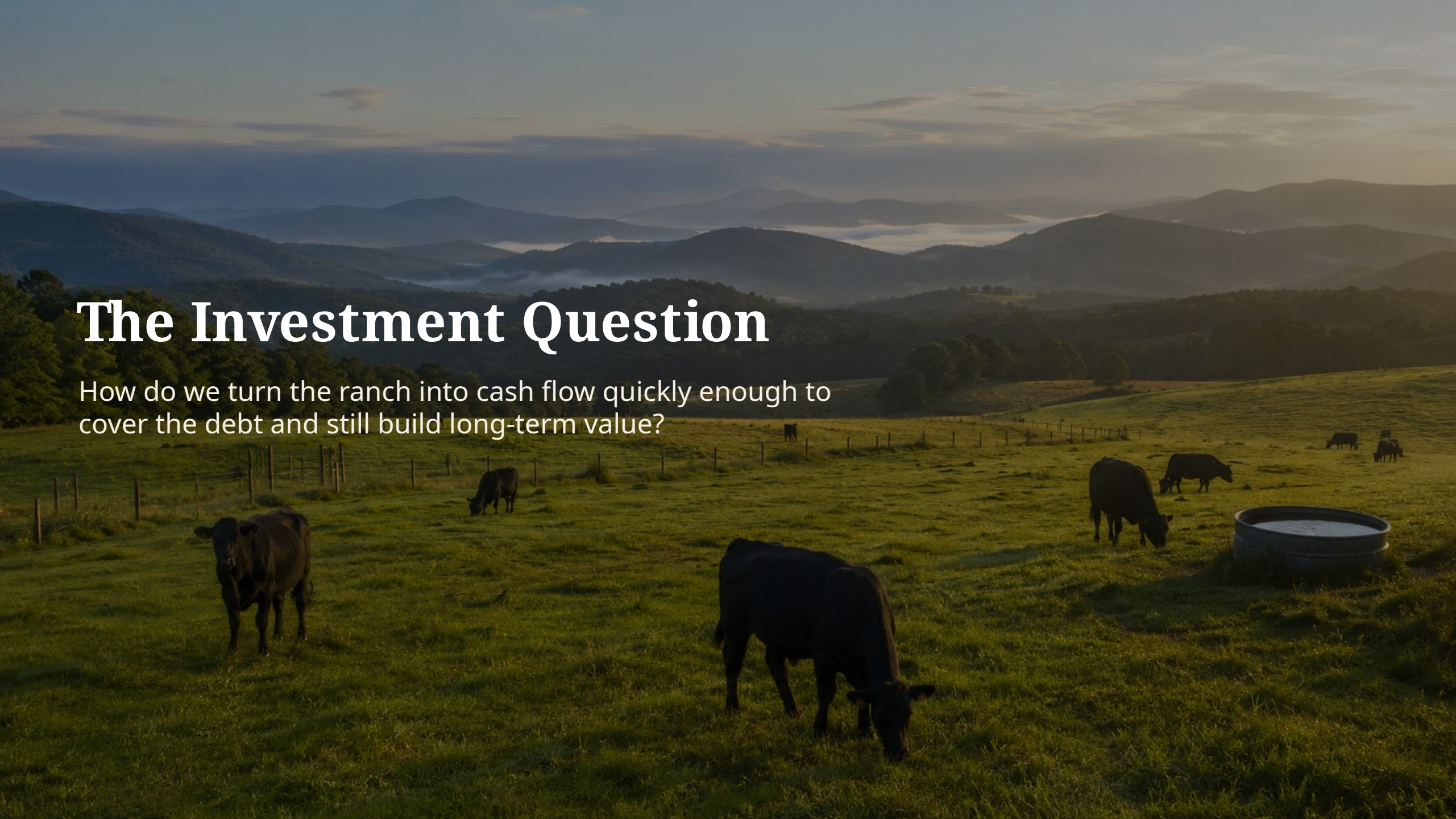


Appalachia's Farmhouse

Consumer-facing brand
Subscriptions · farm boxes · online sales
· family trust



Investor takeaway: CFI can communicate discipline and scale while Appalachia's Farmhouse makes the offer personal, local, and easier for families to support.



The Investment Question

How do we turn the ranch into cash flow quickly enough to cover the debt and still build long-term value?

The Core Strategy



Debt Coverage Focus

- Collect deposits before harvest/processing where legally and operationally permitted.
- Prioritize USDA-inspected resale product for premium retail pricing.
- Use fast-cycle poultry and eggs to create customer contact while cattle mature.
- Move cash into a debt reserve before discretionary expansion.



Processor-Based Margin Advantage

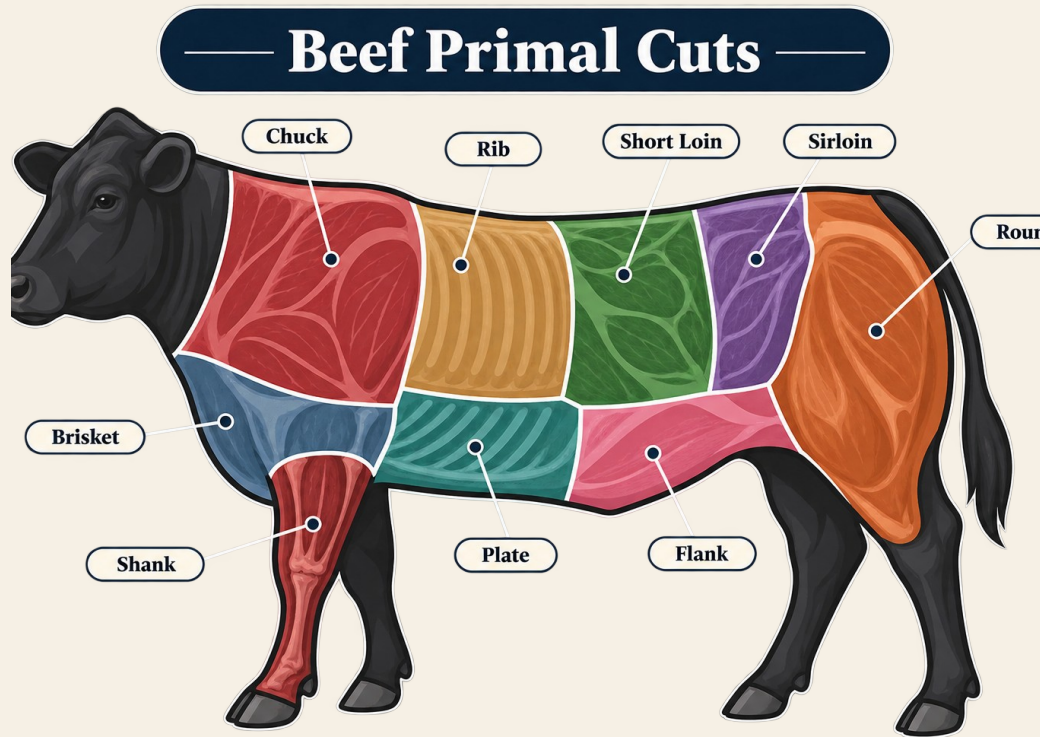
Anderson & Sons Meat Processing | Abingdon, VA

- Offers custom exempt processing for beef, pork, lamb and goat.
- Offers USDA-inspected processing for meat intended for resale.
- Cut sheets support steaks, roasts, brisket, ground beef, pork chops, belly, ribs, ham, sausage and value-added options.

Why it matters

The deck should model revenue from finished, packaged product — not only livestock value. That is where the Appalachia's Farmhouse retail margin begins.

Beef: One-Animal Economics



Live animal

1,300 lb planning example

Packaged yield

~568 lb packaged beef

Blended retail price

\$8-\$12/lb scenario range

Retail value / head

\$4,544-\$6,816

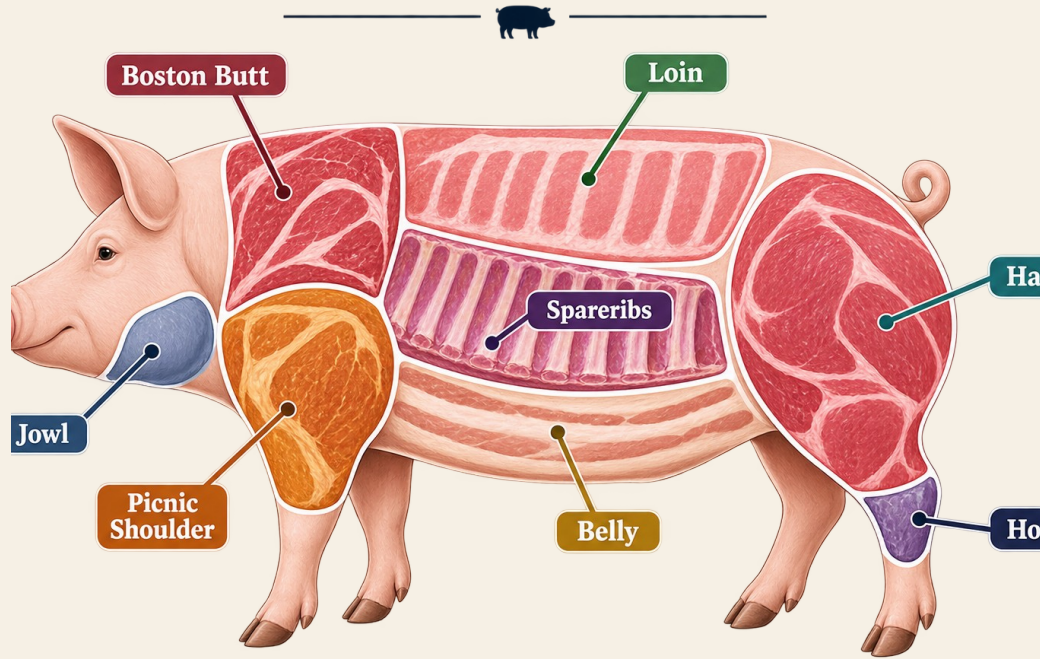
Model target

Manage contribution profit per steer

The key is not "how many head." The key is how many packaged pounds we convert into premium family-food revenue.

Pork: One-Hog Economics

Pork Primal Cuts



Finished hog

250–270 lb planning example

Packaged yield

~120–140 lb packaged pork

Blended retail price

\$7–\$11/lb scenario range

Retail value / hog

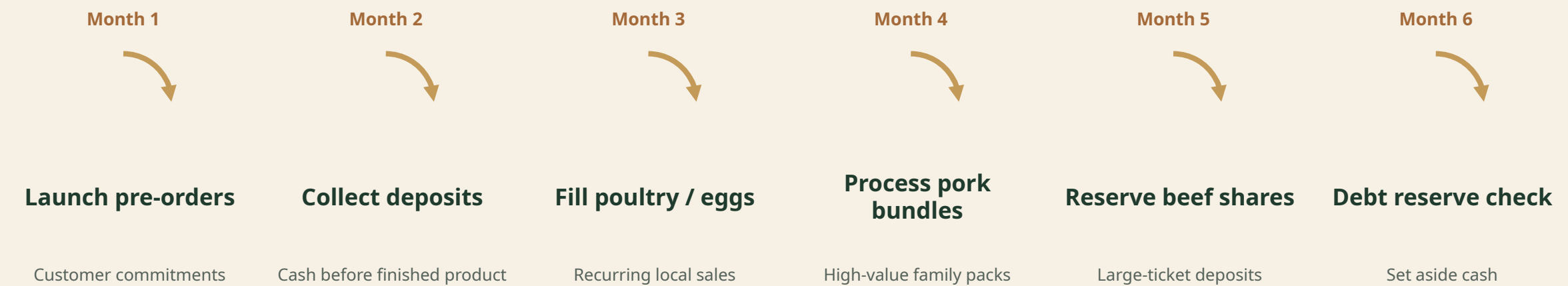
\$910–\$1,430

Cash-flow role

Quarterly bundles + family shares

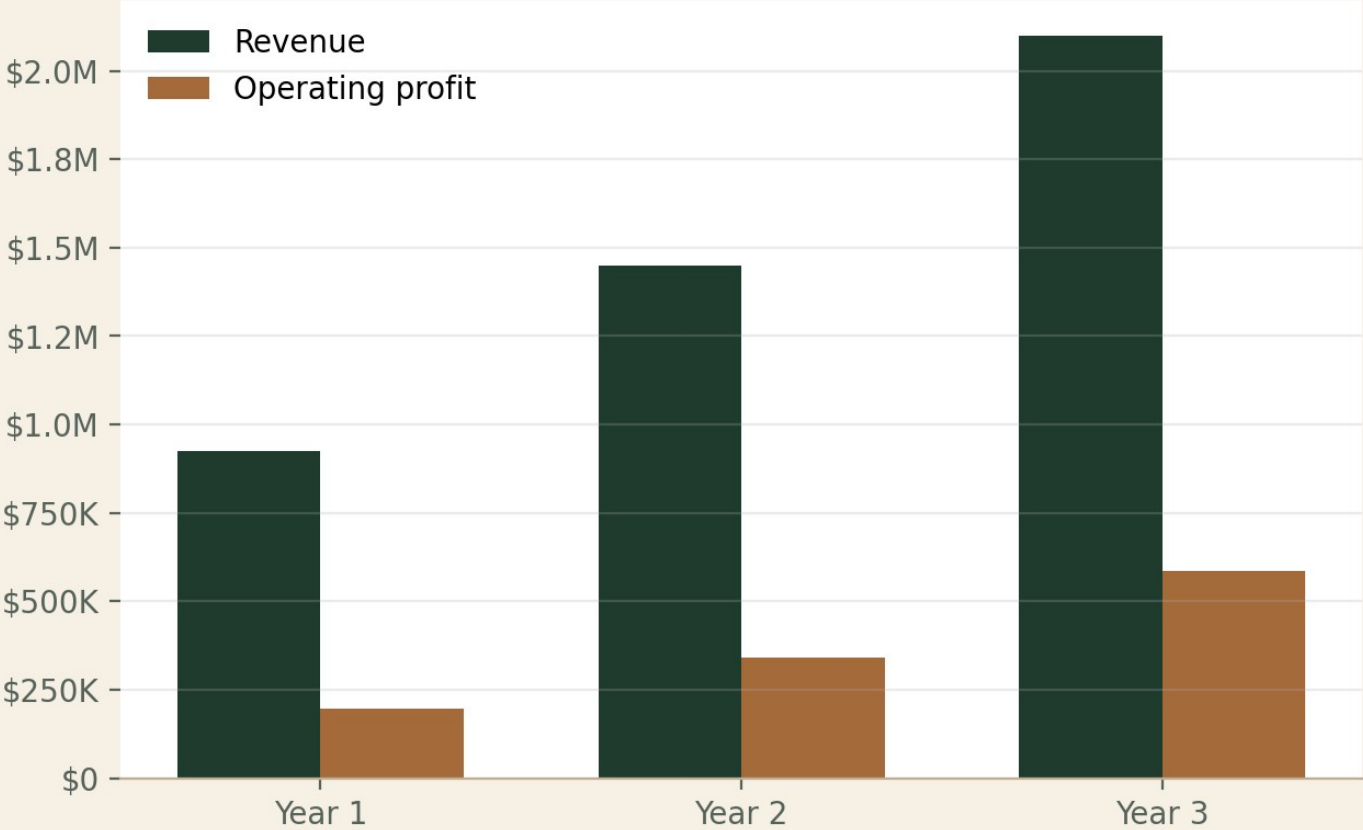
Pork lets the business create meaningful retail tickets without waiting for cattle-scale cycle timing.

Fastest Cash-Flow Path



Operating rule: every production increase should be tied to confirmed demand, processor dates, and available working capital.

Refined Planning Case



\$195K

illustrative Year 1 operating cash before debt service

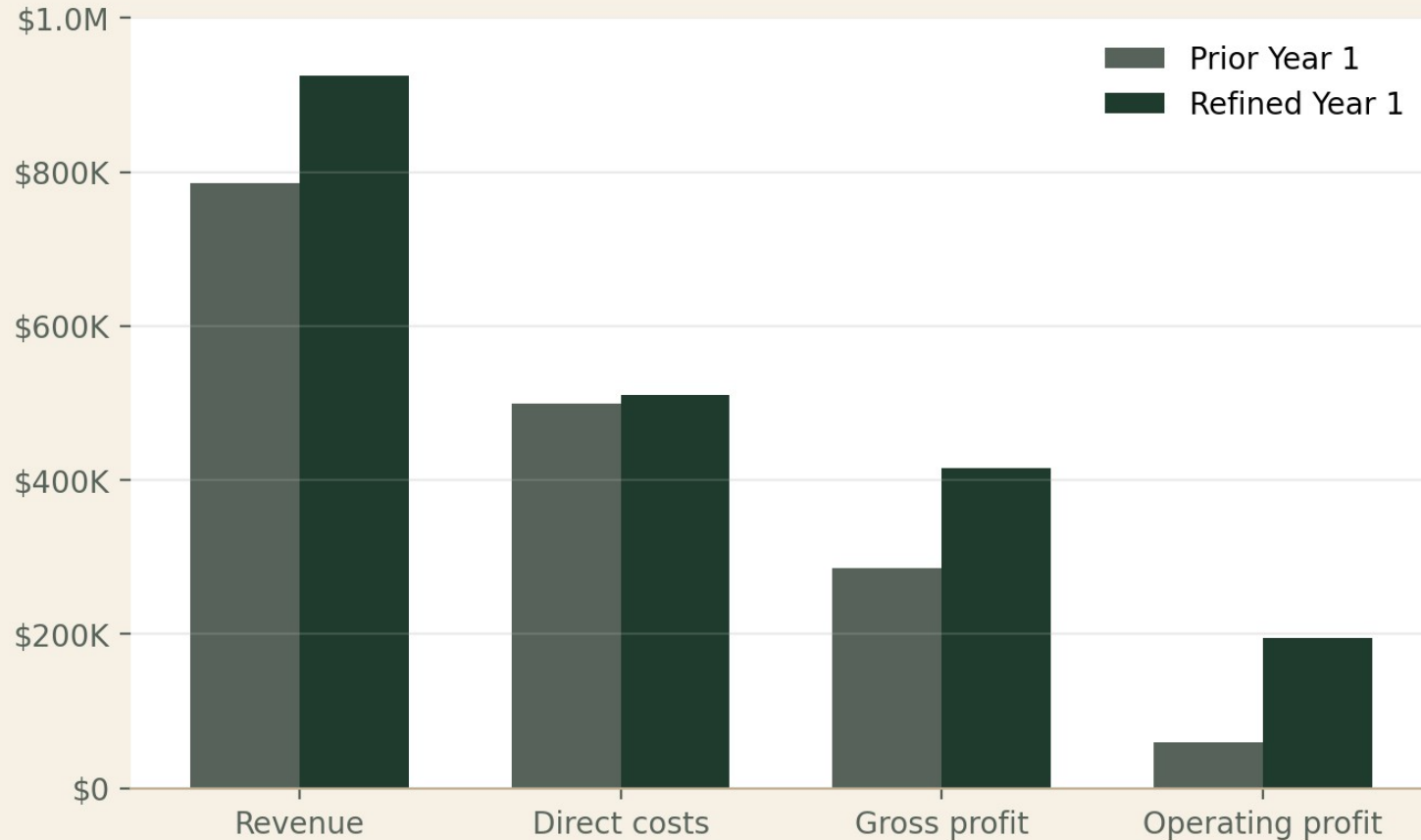
\$340K

illustrative Year 2 operating profit

\$585K

illustrative Year 3 operating profit

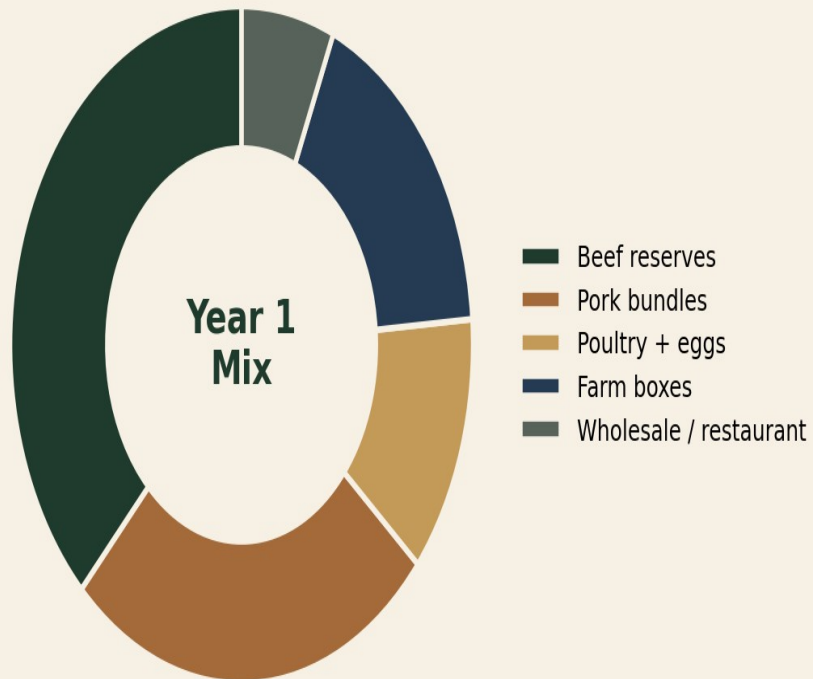
Why the Old Profit Looked Too Low



What changed

- Model the finished retail product, not only livestock value.
- Separate real processing costs from overhead and startup reserve.
- Use subscriptions and deposits to reduce cash gap.
- Show animal-by-animal contribution margin.

Sales Mix That Covers Debt Faster

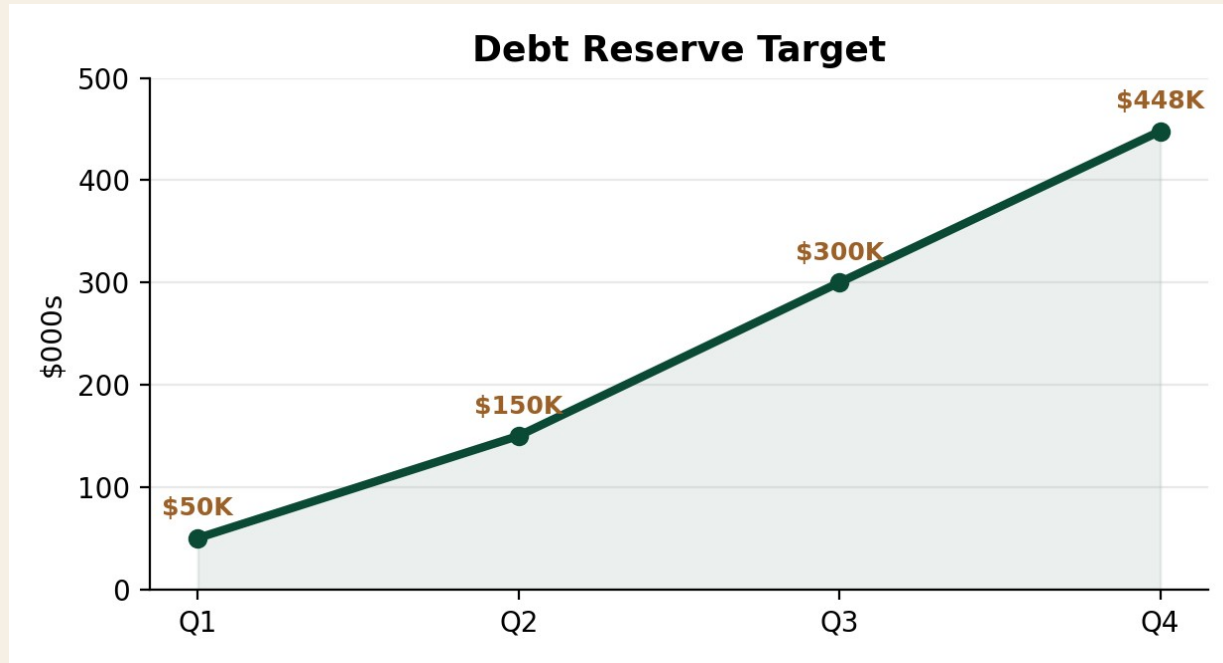


Cash-flow priorities

- Beef reserve deposits create large-ticket cash before delivery.
- Pork bundles create meaningful quarterly family purchases.
- Poultry and eggs keep customers active between major harvests.
- Farm boxes make Appalachia's Farmhouse feel accessible and recurring.

Target: Build a monthly revenue engine instead of waiting for a single annual sale.

Debt Coverage Plan



How we get there

- Use customer deposits and bulk reserves first.
- Move profit from early cycles into a dedicated debt reserve.
- Delay non-essential expansion until reserve milestones are met.
- Keep investor reporting monthly through operating records and quarterly summaries.

This makes the debt plan visible instead of vague.

Investor Economics: \$400K Note + 8,000 Gifted Units

Borrowed Capital

\$400,000

Short-term note capital

Interest Return

\$48,000

12% simple annual interest

Total Due

\$448,000

Principal + interest at maturity

Gifted Ownership Kicker

8,000 units = 8.0% ownership in perpetuity

Separate from the \$400K borrowed capital. Subject to final operating agreement, securities review, transfer limits, reserves, taxes, and governing documents.

Year 1 interest return

\$48,000

12% simple annual interest on \$400,000

Then: 8,000 Gifted Units

8,000 units represent 8% ownership granted in perpetuity, separate from the borrowed capital. Subject to final operating agreement, securities review, transfer limits, reserves, taxes, and governing documents.



Capital Structure & Valuation Overview

CFI

8% ownership = 8,000 gifted units; \$400K remains borrowed capital.

1) BORROWING ASK

\$400,000

Short-term capital

2) VALUATION

\$3,500,000

Illustrative enterprise
value

3) UNIT FRAMEWORK

100,000 units

\$35/unit implied

4) GIFTED UNITS

8,000 units

Perpetual ownership grant

5) OWNERSHIP

8.0%

8,000 gifted units

AUTHORIZED ISSUANCE: CFI retains the right to sell up to 30,000 units

6) WHAT THE CAPITAL SUPPORTS

- Acquire and secure the operating foundation
- Support the 880 JD Pond Loan Asset strategy and business readiness
- Limited closing, legal, launch, processing-readiness costs
- Targeted infrastructure and growth support

7) VALUE BEYOND COLLATERAL

- Direct-to-family food model
- Appalachia's Farmhouse consumer brand
- Beef, pork, poultry, eggs, subscriptions, and farm boxes
- Experienced CEO / COO leadership and operating infrastructure
- Long-term revenue and expansion platform

Illustrative valuation reference based on a \$3.5M enterprise value. \$400K is borrowed capital; 8,000 units are gifted ownership units in perpetuity.

Why Appalachia Matters



150 productive acres can do more here than many outsiders expect.

- Abundant rainfall supports forage growth and pasture recovery.
- Cool-season forage can extend grazing and reduce stored-feed pressure.
- Rotational grazing improves utilization and can raise carrying capacity over time.
- Stacked enterprises — cattle, pork, poultry, eggs — create more revenue per acre than commodity-only grazing.

How to Explain It in the Room

- CFI is the parent company. Appalachia's Farmhouse is the friendly brand families buy from.
- We convert land, livestock and processing access into packaged food customers can understand.
- The fastest cash comes from deposits, subscriptions, poultry/eggs, pork bundles and beef reserves.
- The 12-month debt is covered through disciplined cash reserve milestones.
- The 8,000 gifted units are perpetual ownership upside separate from the \$400,000 borrowed capital.

Keep it plain: land → animals → processing → farm boxes → cash flow → debt reserve → long-term company value.



Community Culture & Charitable Vision

Building a business that serves families, strengthens community, and gives back.



The Culture We Want to Create

- Stewardship of land, livestock, and people
- A family-centered, approachable farm culture
- Community involvement beyond the business itself
- Long-term responsibility and compassionate leadership



Future 501(c)(3) Mission

Outside of our company, we intend to develop a 501(c)(3) charity dedicated to helping provide forever homes for mistreated and neglected horses. This charitable effort will help raise funds for food, shelter, and veterinary care so these animals can receive the life they truly deserve.

“ We want people to know that our success is meant to create a lasting positive impact. ”



Final Data Lock: Bankable Numbers

1. Processor Rates

Anderson slaughter, cut/wrap, curing, sausage, packaging and freezer fees.

Locks true cost per packaged pound.

2. Animal Weights

Live weight, hanging weight, packaged yield and loss assumptions for cattle and hogs.

Locks sellable pounds per animal.

3. Retail Price List

Appalachia's Farmhouse bundles, shares, subscription boxes and average order value.

Locks revenue per animal and family.

Profit model output

Per steer margin → per hog margin → poultry cycle margin → subscription cash flow → debt reserve progress → 8,000 gifted units / 8% ownership

Once these three inputs are confirmed, the deck stops guessing and shows exactly how fast cash can move toward the \$448,000 note repayment.

The opportunity is not just raising animals.

It is turning Appalachian land, trusted food production, processing access, and recurring family demand into a disciplined cash-flow platform.



CROP FARMERS INTERNATIONAL

AMENDED AND RESTATED OPERATING AGREEMENT

2026 Governance & Operating Model Draft

Company	Crop Farmers International, LLC, a Wyoming limited liability company ("CFI" or the "Company")
Founding Members	Elkmont Holdings LLC / Schroeder Family Trust
Consumer Brand	Appalachia's Farmhouse
Operating Base	CFI: Wyoming parent company Appalachia's Farmhouse LLC: Virginia operating subsidiary
Status	Discussion draft for review by Company counsel; not an executed agreement

This draft consolidates the founding governance terms with the operating, brand, processing, subscription, reserve, investor, and expansion framework developed through August 2026.

Drafting Note and Legal Review

Important: This document is a business draft prepared to organize the members' current intentions. It is not a substitute for advice from a licensed attorney and should not be signed until Company counsel confirms the Company's exact state of formation, tax classification, securities treatment, investor documents, property/collateral structure, and any required amendments to the Articles of Organization.

- CFI will be organized as a Wyoming limited liability company. Company counsel should conform this Agreement to the Wyoming Limited Liability Company Act and the Company's filed Wyoming formation documents.
- The \$400,000 borrowed-capital transaction should be documented separately through a promissory note, any security/collateral documents, a unit grant or subscription agreement for the 8,000 gifted units, and any required disclosures. The \$400,000 transaction includes borrowed capital and a separate 8,000-unit ownership grant, subject to final documents and required approvals.
- If the proposed 8,000 gifted units close, they should be documented as an equity/unit grant representing 8.0% ownership in perpetuity, separate from the \$400,000 borrowed capital. Schedule A should be updated to reflect the issued units and voting/economic rights established by the final documents.

Current Business Structure Incorporated into This Restatement

Structure	Current CFI Framework
Parent company	Crop Farmers International, LLC — Wyoming parent company governing ownership, capital, strategy, IP, standards, finance, and expansion.
Consumer brand	Appalachia's Farmhouse LLC — Virginia wholly owned subsidiary (100% owned by CFI) and primary customer-facing operating brand.
Founding governance	Founding ownership and Operating Agreement exist only at the CFI Wyoming parent level; Appalachia's Farmhouse LLC is not a founding member.
Operations	Diversified beef, pork, poultry, eggs, subscriptions/pre-sales, processing coordination, cold-chain management, and future partner farms.
Financial discipline	Enterprise-level unit economics, working-capital protection, debt-paydown reserve, and a long-term operating reserve objective of approximately \$200,000.

AMENDED AND RESTATED OPERATING AGREEMENT

This Amended and Restated Operating Agreement (this “Agreement”) is entered into effective as of _____, 2026, by and among the persons and entities listed on Schedule A (collectively, the “Members”) with respect to Crop Farmers International, LLC, a Wyoming limited liability company (“CFI” or the “Company”).

The Members desire to restate the Company’s governance and operating framework to reflect the business model developed since formation, including the Company’s farm-to-family platform, the Appalachia’s Farmhouse consumer brand, diversified livestock operations, subscription and pre-sale programs, USDA-inspected processing relationships, direct-to-consumer sales, debt-management priorities, reserve policy, future investors, and qualified partner-farm expansion.

Accordingly, the Members agree as follows:

ARTICLE I — ORGANIZATION, PURPOSE, AND BRAND ARCHITECTURE

1.1 Formation. The Company shall be organized and maintained as a Wyoming limited liability company under the Wyoming Limited Liability Company Act. The Members shall maintain CFI in good standing in Wyoming and authorize Company counsel to conform this Agreement to CFI's Wyoming Articles of Organization and all required state filings.

1.2 Principal Office. CFI may maintain its principal executive office at a location selected by the Managers. Its agricultural and consumer operations may be conducted principally through its wholly owned Virginia subsidiary, Appalachia's Farmhouse LLC, and at other approved locations.

1.3 Business Purpose. The Company may engage in any lawful business, with its principal purpose being to build and operate a scalable farm-to-family agricultural platform that coordinates livestock production, farm products, processing, packaging, cold storage, subscriptions, e-commerce, direct sales, delivery, marketing, partner farms, and related services.

1.4 CFI Parent Company. Crop Farmers International is the parent operating platform. CFI shall own or control the systems, standards, customer data, commercial relationships, brand rights, intellectual property, partner-farm standards, and financial infrastructure used to scale the business.

1.5 Appalachia's Farmhouse LLC — Virginia Wholly Owned Subsidiary. Appalachia's Farmhouse LLC shall be organized in Virginia as a wholly owned subsidiary of CFI, with CFI owning one hundred percent (100%) of its membership interests. Appalachia's Farmhouse LLC shall serve as the principal customer-facing operating company and brand for packaged food, subscriptions, farm boxes, e-commerce, delivery, marketing, and related Virginia consumer operations. Appalachia's Farmhouse LLC is not a Member of CFI and is not governed as a founding owner under this Agreement.

1.6 Subsidiaries and Additional Entities. CFI may form, own, acquire, or dissolve subsidiaries, register trade names, license brands, or establish affiliated operating entities when approved in accordance with Article VI. Unless otherwise unanimously approved, CFI shall retain direct or indirect controlling ownership of core operating subsidiaries.

ARTICLE II — MEMBERS, UNITS, AND CAPITALIZATION

2.1 Initial Founding Interests. Before any approved outside issuance, the founding economic and voting interests are intended to be held equally by Elkmont Holdings LLC and the Schroeder Family Trust, fifty percent (50%) each. Schedule A shall state the legally effective unit count and ownership after counsel confirms capitalization.

2.2 Initial Unit Framework. For internal planning, the Company has used a 100,000-unit founding framework. Unless counsel recommends a different capitalization, 50,000 founding units may be attributed to each Founding Member before approved dilution.

2.3 Future Equity Pool. The Members may authorize up to 30,000 additional units, or such other amount unanimously approved, for investors, strategic partners, employees, management incentives, or acquisitions. No issuance is effective unless the percentage dilution and post-closing ownership are stated in a written amendment to Schedule A.

2.4 Proposed 8,000 Gifted Units. The Company's current \$400,000 financing plan contemplates a proposed grant of 8,000 CFI units, representing 8.0% ownership in perpetuity, as a separate ownership kicker to the borrowed-capital note. The precise class, voting rights, transfer restrictions, securities disclosures, dilution treatment, and distribution rights of those units must be fixed in definitive documents before issuance.

2.5 No Guaranteed Distribution. The 8,000 gifted units represent ownership, but they do not guarantee a fixed annual payment or a fixed distribution. Distributions shall be made only from available distributable cash after applicable reserves, taxes, debt obligations, operating needs, and approved Company expenses are satisfied or properly reserved.

2.6 Additional Capital Contributions. No Member is required to make additional capital contributions unless that Member separately agrees in writing. Failure to contribute additional capital shall not cause automatic forfeiture or dilution unless a written financing action approved under this Agreement expressly provides otherwise.

2.7 Loans by Members. A Member or affiliate may lend money to the Company only under written terms approved as a Reserved Matter. Member loans are debt and are not treated as capital contributions unless expressly converted by written agreement.

ARTICLE III — MANAGEMENT STRUCTURE AND OPERATING RESPONSIBILITIES

3.1 Manager-Managed Structure. The Company shall be manager-managed to the extent permitted by its state of formation. The Founding Members shall each designate one Manager while each retains a material ownership interest, subject to any amendment approved under this Agreement.

3.2 Officers and Initial Management Roles. John Schroeder shall serve as Chief Executive Officer (CEO) of CFI, with primary responsibility for company strategy, commercial execution, marketing, online sales, customer acquisition, capital relationships, and expansion. Frank Segreti shall serve as Chief Operating Officer (COO) of CFI, with primary responsibility for ranch operations, livestock, land stewardship, pasture, production planning, infrastructure, processing coordination, and on-site execution. Both officers remain subject to the Reserved Matters and approval requirements in this Agreement.

3.3 Shared Executive Responsibility. Material budgeting, financing, expansion, brand licensing, partner-farm admission, major capital expenditures, investor relations, and Company-wide strategy remain shared governance matters even when day-to-day execution is delegated.

3.4 Standard of Conduct. Managers shall act in good faith, use commercially reasonable judgment, protect Company assets and customer relationships, maintain required records, disclose material conflicts, and avoid using Company opportunities for personal benefit without disclosure and approval.

3.5 Delegation. Managers may hire employees, contractors, veterinarians, processors, accountants, attorneys, marketers, logistics providers, farm managers, and other professionals within an approved budget.

3.6 Emergency Authority. A Manager may spend beyond an approved line item when reasonably necessary to protect animal welfare, human safety, perishable inventory, insured property, regulatory compliance, or critical infrastructure, provided the other Manager receives prompt written notice and documentation.

3.7 Wholly Owned Subsidiary Governance. Appalachia's Farmhouse LLC shall be governed through CFI's ownership rights. CFI shall own one hundred percent (100%) of the Virginia subsidiary. The Managers of CFI shall cause the subsidiary to operate consistently with CFI budgets, standards, brand rules, debt covenants, reporting requirements, and Reserved Matters. Material actions by Appalachia's Farmhouse LLC that would be Reserved Matters if taken directly by CFI shall require the same CFI approvals.

3.8 Intercompany Agreements. CFI and Appalachia's Farmhouse LLC may enter into written management, intellectual-property license, services, product-purchase, lease, reimbursement, or other intercompany agreements. Such agreements should allocate revenue, costs, employees, inventory, assets, taxes, insurance, and liabilities in a manner approved by Company counsel and tax professionals.

3.9 Virginia Agricultural Lease. CFI is authorized to cause Appalachia's Farmhouse LLC to enter into a written agricultural and operating lease with Frank Segreti for approximately 150 acres of designated Virginia property. The lease shall have an initial three-year term plus three successive three-year renewal options exercisable by the subsidiary, for a maximum potential duration of twelve (12) years. The first twelve (12) months shall be rent-free to support startup solvency and infrastructure. Beginning Month 13, base rent shall be \$18,000 per full paid lease year, payable at \$1,500 per month, unless later amended in writing. Appalachia's Farmhouse LLC may terminate the lease at any time on ninety (90) days' written notice, and CFI, as its sole member, may direct the subsidiary to exercise that right. No future rent acceleration or early-termination fee shall arise solely from exercise of that contractual termination right. The leased premises shall be identified by map and supporting property description, and CFI may guaranty the lease obligations.

ARTICLE IV — AGRICULTURAL OPERATING SYSTEM

4.1 Diversified Enterprise Model. The Company shall manage beef, pork, poultry, eggs, subscriptions, and other approved farm products as separate operating and profit centers. Growth is intended to layer short-, medium-, and long-cycle revenue rather than depend on one annual livestock sale.

4.2 Beef Program. The current operating direction contemplates approximately 150 head in the initial scaled plan, expansion toward approximately 300 head by Year 3, a possible Year 2 addition of approximately 75 head, and calf production beginning as the breeding program matures. These figures are planning targets, not mandatory stocking levels.

4.3 Pork Program. The Company may operate a Duroc-based breeding and finishing program targeting approximately 125–200 finished hogs, subject to feed economics, processor capacity, customer commitments, labor, pasture conditions, and working capital.

4.4 Poultry Program. The current plan contemplates initial Cornish Cross placements around 1,000 birds with growth toward larger cycles only after mortality, feed conversion, processing capacity, labor, brooder space, pasture equipment, cold storage, and sales commitments support expansion.

4.5 Egg Program. Egg production may be used as a high-frequency customer and cash-flow channel. Management shall track feed cost, flock replacement, lay rate, packaging, spoilage, labor, and realized selling price per dozen.

4.6 Land and Forage Discipline. Livestock numbers shall be governed by actual forage availability, soil conditions, rainfall, slope, water, seasonal recovery, and pasture-management capacity rather than by revenue targets alone. Rotational grazing and enterprise stacking may be used when consistent with animal welfare and land stewardship.

4.7 No Growth Without Capacity. The Company shall not materially expand livestock placement solely because land is available. Management must consider customer demand, processor dates, cold storage, labor, feed, animal health, transport, and available working capital before expansion.

ARTICLE V — PROCESSING, FOOD INVENTORY, AND CUSTOMER FULFILLMENT

5.1 USDA-Inspected Resale Processing. For meat sold to consumers or commercial customers, the Company shall use processing and labeling pathways legally sufficient for resale. The current plan uses Anderson and Sons Meats in Abingdon, Virginia, for USDA-inspected processing where appropriate, subject to availability, pricing, and written processing arrangements.

5.2 Unit-Economics Tracking. For each livestock enterprise, the Company shall track live-animal or breeding basis, carrying costs, hanging weight where applicable, processing charges, packaged yield, packaging and labeling, delivery, realized selling price, and contribution margin.

5.3 Packaged Retail Value. The Company's financial model shall measure the value of finished packaged inventory and realized sales, not merely livestock-market value. Premium cuts, ground products, sausage/value-added products, bones, trim, shrink, unsold inventory, discounts, and spoilage must be included in blended realized pricing.

5.4 Cold Chain. Management shall maintain commercially reasonable refrigeration, freezer capacity, temperature controls, inventory records, sanitation procedures, and delivery practices appropriate to the product and applicable law.

5.5 Processing Capacity Risk. Production schedules should be aligned with confirmed processing dates. Management should maintain backup processing options where practical and avoid finishing animals without a commercially reasonable harvest and fulfillment plan.

ARTICLE VI — RESERVED MATTERS AND APPROVAL THRESHOLDS

The following actions (“Reserved Matters”) require the written approval of both Founding Members while each Founding Member holds at least twenty percent (20%) of the Company, unless the Members later adopt a different threshold in writing:

- Borrowing, guaranteeing, refinancing, or securing debt outside the approved annual operating budget or above a threshold set by annual written resolution.
- Issuing, redeeming, repurchasing, converting, or reclassifying membership units or admitting a new Member.
- Changing the economic, voting, dilution, transfer, or distribution rights of any class of units.
- Acquiring or selling real estate, granting a mortgage/deed of trust, or materially encumbering core ranch or Company assets.
- Approving distributions to Members other than tax distributions expressly authorized by this Agreement.
- Entering a merger, sale of substantially all assets, dissolution, bankruptcy filing, or material restructuring.
- Creating a subsidiary or materially licensing the CFI or Appalachia’s Farmhouse brands to a third party.
- Admitting a partner farm whose relationship creates material financial, regulatory, quality, or brand obligations.
- Entering a related-party transaction outside ordinary-course compensation or reimbursement.
- Changing the Company’s principal business model, tax classification, or state of organization.
- Approving annual capital expenditures or unbudgeted commitments above a threshold established by unanimous annual resolution.
- Settling material litigation or regulatory claims above a threshold established by unanimous annual resolution.

ARTICLE VI-A — REAL ESTATE DEBT ASSET AND RELATED-PARTY LOAN

6A.1 880 JD Pond Loan Asset; CFI as Lender; Frank Segreti as Borrower. For purposes of this Agreement, the “880 JD Pond Loan Asset” means the approximately Three Hundred Fifteen Thousand Dollar (\$315,000) principal real-estate debt obligation owed by Frank Segreti and secured by the First Deed of Trust/Mortgage encumbering the Virginia real property commonly referred to by the parties as “880 JD Pond,” together with the underlying promissory note, loan request, first mortgage/deed of trust, all addenda, amendments, modifications, extensions, renewals, assignments, security instruments, and other documents evidencing, modifying, or securing that indebtedness, as more particularly identified on Schedule H. CFI may acquire, originate, fund, or otherwise hold the 880 JD Pond Loan Asset. The underlying real property shall remain owned by Frank Segreti unless separately conveyed by a written real-estate instrument. CFI’s asset is the debt obligation and related lender/security rights—not ownership of the land itself.

6A.2 Company Asset. The 880 JD Pond Loan Asset shall be carried on CFI’s books as a Company asset in accordance with the accounting and tax treatment recommended by CFI’s accountants and counsel. Principal collections generally reduce the carrying amount of the loan asset; stated interest and other lender income are recognized in accordance with applicable accounting and tax rules.

6A.3 Minimum Three-Year Holding Period. Unless otherwise approved in writing as a Reserved Matter, CFI shall retain the 880 JD Pond Loan Asset as a Company asset for not less than three (3) years from the date CFI acquires or originates the debt. During that minimum holding period, Frank Segreti,

Elkmont Holdings LLC, or an affiliate shall have no unilateral right to compel a sale, assignment, payoff, or repurchase of the debt asset.

6A.4 Purchase Right After Holding Period. After expiration of the three-year minimum holding period, Frank Segreti and/or Elkmont Holdings LLC shall have the contractual right, subject to the governing loan documents and applicable law, to purchase or cause the purchase of the 880 JD Pond Loan Asset from CFI on terms documented in writing. Unless unanimously approved otherwise, the purchase price shall be no less than the then-outstanding principal, accrued and unpaid interest, reimbursable lender costs, and any other amount due under the loan documents.

6A.5 Interest, Premium, and Gain to CFI. Interest collected on the 880 JD Pond Loan Asset is Company lender income. To the extent CFI receives additional consideration on a sale, assignment, refinance, payoff, or purchase of the debt asset above the remaining principal balance and amounts already recognized as interest or lender income, that excess shall be recognized as Company gain or other income to the extent permitted by applicable accounting and tax rules. No Member has an individual right to such income or gain except through authorized Company distributions.

6A.6 Early Purchase by Agreement. The three-year minimum holding restriction applicable to the 880 JD Pond Loan Asset may be waived or shortened only by written approval of both Founding Members and any additional approval required by the governing loan documents or rights of an affected investor or lender.

6A.7 Related-Party Protections. Because Frank Segreti is the borrower and Frank Segreti and/or Elkmont Holdings LLC may later purchase the 880 JD Pond Loan Asset, all material terms of the note, collateral, interest, valuation, amendments, forbearance, release of collateral, sale, payoff, or repurchase shall be documented as related-party transactions and approved under the conflict and Reserved Matter provisions of this Agreement.

6A.8 Separate Loan Documents and Schedule H. The legal terms of the 880 JD Pond Loan Asset shall be stated in the underlying promissory note, Loan Request, First Deed of Trust/Mortgage, addendum or amendment documents, assignments, and other applicable security instruments. Schedule H is the master reference index for those documents and the encumbered parcels. This Agreement authorizes and governs CFI's ownership of the asset but does not replace the underlying loan instruments.

ARTICLE VII — FINANCIAL MANAGEMENT, CASH FLOW, AND RESERVES

7.1 Separate Books. The Company shall maintain complete books and records using a consistent accounting method selected with its tax and accounting professionals.

7.2 Enterprise Reporting. Management shall report revenue, direct costs, contribution margin, operating expense, and cash timing separately for beef, pork, poultry, eggs, subscriptions/farm boxes, and any material partner-farm or wholesale channel.

7.3 Working Capital Comes First. Cash shall first protect animal care, payroll, processing, taxes, insurance, product quality, and other critical operating obligations, followed by working capital reasonably required to complete committed production cycles.

7.4 Operating Reserve. The Company's long-term objective is to maintain an operating reserve of approximately \$200,000, subject to annual review based on scale, seasonality, debt, inventory, and risk. The reserve target is a policy objective and may be temporarily lower during an approved launch, acquisition, or debt-repayment period.

7.5 Debt-Paydown Reserve. While the 880 JD Pond Loan Asset, the CFI \$400K Borrowed Capital Note, or other material Company debt remains outstanding, management shall track debt obligations and dedicated repayment reserves separately. Planned excess realized cash may be swept to the applicable reserve after critical operating obligations and the next committed production cycle are protected.

7.6 CFI \$400K Borrowed Capital Note and 8,000 Gifted Units. Separate from the 880 JD Pond Loan Asset, the current outside-capital transaction contemplates a \$400,000 principal note issued by CFI bearing 12% simple annual interest, or \$48,000, for a total contractual maturity amount of \$448,000 at twelve (12) months, subject entirely to the definitive investor note and collateral documents. For clarity, the \$400,000 investor note is a CFI financing obligation; the approximately \$315,000 880 JD Pond Loan Asset is a separate lender asset held by CFI. The 8,000 gifted CFI units represent 8.0% ownership in perpetuity and are separate from the borrowed capital.

7.7 Cash-Flow Priority. The management priority during the note term is: (i) protect production and required obligations; (ii) fund the next committed production cycle; (iii) build the debt-paydown reserve; (iv) repay debt according to its terms and, when prudent, earlier; and (v) make allowed revenue-participation payments and member distributions only after obligations and approved reserves are protected and only as defined in final documents.

7.8 Preorders and Customer Deposits. Customer deposits, subscriptions, beef reserves, pork-share payments, and similar prepayments may be used to improve demand visibility and cash timing, but management must maintain sufficient product, cash, or production capacity to honor the related fulfillment obligation.

ARTICLE VIII — DISTRIBUTIONS AND TAX MATTERS

8.1 Distributable Cash. “Distributable Cash” means cash actually available after operating obligations, payroll, taxes, insurance, animal care, processing, inventory commitments, working capital, required debt service, approved reserves, and approved capital needs.

8.2 No Distribution of Projected Profit. Accounting profit, livestock inventory value, or projected future sales do not by themselves create a right to a distribution.

8.3 Distributions. Subject to applicable law and the foregoing priorities, distributions shall be made to Members according to their applicable economic interests unless a class-specific investment agreement approved under this Agreement provides otherwise.

8.4 Tax Distributions. The Managers may recommend reasonable tax distributions when Company taxable income is allocated to Members without corresponding cash distributions, subject to cash availability, lender restrictions, and advice of the Company’s tax professionals.

8.5 Withholding. The Company may withhold amounts required by law and treat them as distributed to the applicable Member to the extent permitted by law.

ARTICLE IX — EMPLOYEE AND MANAGEMENT PARTICIPATION

9.1 Profit-Sharing Objective. The Company may establish an employee or key-management profit-sharing program targeted at up to five percent (5%) of a defined distributable-profit pool, with eligibility generally beginning after two years of service, if unanimously approved by the Founding Members.

9.2 No Automatic Equity. Participation in a profit-sharing or incentive plan does not confer membership, voting rights, ownership, or transfer rights unless units are separately granted through written documents approved as a Reserved Matter.

9.3 Plan Terms. Any incentive plan should define eligibility, vesting, forfeiture, performance metrics, treatment on termination, and whether awards are cash, profits interests, phantom equity, or actual units.

ARTICLE X — INTELLECTUAL PROPERTY, BRAND, AND CUSTOMER DATA

10.1 Company Ownership. Except as expressly licensed to the Company in writing, all trademarks, trade names, websites, domains, customer lists, operating manuals, subscription systems, marketing assets, processing specifications, partner-farm standards, photographs created for Company use, and other business intellectual property developed for CFI or Appalachia’s Farmhouse shall be Company property.

10.2 Appalachia’s Farmhouse Ownership and Brand. CFI shall own one hundred percent (100%) of Appalachia’s Farmhouse LLC, a Virginia limited liability company, unless a later transfer is unanimously approved as a Reserved Matter. The Appalachia’s Farmhouse name, marks, customer-facing assets, e-commerce presence, subscription systems, and related consumer goodwill shall be owned by CFI or its wholly owned subsidiary as determined by counsel and documented by written assignment or license. No Member may separately exploit, encumber, transfer, or license the brand or subsidiary without Company approval.

10.3 Customer Data. Customer lists, subscription records, order histories, pricing, vendor terms, analytics, and marketing data are confidential Company assets and shall not be used outside the Company except as authorized.

ARTICLE XI — PARTNER FARMS AND SCALABLE EXPANSION

11.1 Capital-Light Expansion. CFI, as parent company, may expand through Appalachia's Farmhouse LLC, additional wholly owned subsidiaries, and qualified partner farms rather than owning every future acre. Partner relationships may include production contracts, licensing, purchase agreements, marketing services, fulfillment, standards programs, or other approved structures.

11.2 Admission Standards. A partner farm should not be activated until the Company documents minimum requirements for animal care, feed/forage practices, records, product specifications, processing, labeling, traceability, insurance, fulfillment, and customer-service standards.

11.3 Brand Protection. CFI may suspend or terminate a partner farm's right to use Company brands or customer channels when quality, animal welfare, regulatory, fulfillment, financial, or reputational standards are materially breached, subject to the applicable contract.

11.4 Milestone-Based Expansion. New regions, farms, livestock volume, personnel, and fixed overhead should be added only after the founding operation demonstrates repeatable unit economics, reliable processing, adequate reserves, and measurable customer demand.

ARTICLE XII — BOOKS, RECORDS, AND REPORTING

12.1 Monthly Internal Reporting. Management should maintain a monthly income statement, cash-flow report, livestock inventory/production status, sales by channel, accounts payable, processing commitments, and a forward cash-needs outlook.

12.2 Quarterly Member Review. At least quarterly, management shall review budget-to-actual performance, reserve levels, debt status, enterprise margins, customer/subscription performance, livestock inventory, processing capacity, and expansion readiness.

12.3 Investor Visibility. Where required by an approved investment agreement, an outside investor may receive a formal quarterly update and reasonable monthly access to designated Company operating records, including a controlled Google Drive or successor data room, subject to confidentiality and security procedures.

12.4 Inspection Rights. Members shall have inspection rights consistent with applicable law and may be required to protect confidential customer, employee, pricing, processor, and partner-farm information.

ARTICLE XIII — TRANSFERS, FAMILY PLANNING, AND SUCCESSION

13.1 Restricted Transfers. No Member may transfer, pledge, gift, assign, or otherwise dispose of units except as permitted by this Agreement and applicable law.

13.2 Permitted Family or Trust Transfers. A Founding Member may request approval to transfer units to an affiliated family trust, estate-planning vehicle, or controlled holding company, provided the transfer does not change ultimate control or circumvent transfer restrictions. The transferring Member remains responsible for causing the transferee to sign this Agreement.

13.3 Right of First Opportunity. Before a voluntary sale of founding units to an unrelated third party, the Company and then the non-selling Founding Member shall have a reasonable opportunity to purchase the offered units on substantially the same economic terms, subject to counsel's final drafting.

13.4 Death or Incapacity. The Members intend to preserve the family ownership foundation of CFI. Company counsel shall finalize buy-sell, trust, insurance, incapacity, and succession provisions so death does not unintentionally transfer management control to an unqualified or unintended person.

13.5 No Automatic Management Rights. A permitted transferee receives only the rights expressly transferred and does not automatically become a Manager or voting Member unless admitted under this Agreement.

ARTICLE XIV — CONFLICTS, RELATED-PARTY TRANSACTIONS, AND COMPENSATION

14.1 Disclosure. A Manager or Member with a material personal or affiliate interest in a proposed Company transaction shall disclose the material facts before approval.

14.2 Related-Party Approval. Material related-party transactions—including the 880 JD Pond Loan Asset involving Frank Segreti, any future purchase of that debt by Frank Segreti or Elkmont Holdings LLC, and the lease of approximately 150 acres from Frank Segreti to Appalachia's Farmhouse LLC—require written disclosure, documentation, and approval under the Reserved Matter procedures. The lease provides a 3-year initial term, three 3-year Tenant renewal options (maximum 12 years), a 12-month rent-free startup period, \$18,000 annualized base rent beginning Month 13, and a Tenant/CFI-controlled 90-day convenience termination right. The Company shall maintain commercially reasonable records supporting the related-party terms.

14.3 Compensation. Managers may receive reasonable compensation, management fees, reimbursements, or other benefits only as approved in the annual budget or by written Member approval. Compensation is separate from ownership distributions.

14.4 Company Opportunities. Material business opportunities arising directly from Company operations, customers, farms, processors, vendors, brands, or confidential information should first be offered to the Company unless the non-interested Members approve otherwise.

ARTICLE XV — DEADLOCK AND DISPUTE RESOLUTION

15.1 Direct Meeting. If the two founding sides are deadlocked on a Reserved Matter, the designated representatives shall meet in good faith and exchange written positions and supporting information.

15.2 Neutral Facilitation. If unresolved, the Members shall submit the issue to an agreed independent business neutral or mediator familiar with closely held businesses and, when relevant, agriculture.

15.3 Independent Arbitrator. If a defined governance deadlock remains unresolved after mediation, the issue may be submitted to a mutually agreed independent arbitrator under procedures finalized by Company counsel. The arbitrator's authority should be limited to the disputed Reserved Matter and should not permit rewriting the Company's fundamental economics unless both founding sides consent.

15.4 Emergency Relief. Nothing prevents a party from seeking temporary judicial relief when reasonably necessary to protect animals, perishable inventory, Company funds, intellectual property, confidential data, real property, or other assets from immediate material harm.

15.5 Buy-Sell Mechanism. Before execution, counsel should advise whether to include a shotgun, appraisal-based buy-sell, put/call, or other deadlock exit mechanism. No such mechanism is deemed agreed merely because this draft identifies the issue.

ARTICLE XVI — LIABILITY, INDEMNIFICATION, AND INSURANCE

16.1 Limited Liability. No Member or Manager is personally liable for Company obligations solely by reason of acting as a Member or Manager, except as provided by applicable law, a personal guarantee, or separate written agreement.

16.2 Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify Members, Managers, officers, and authorized agents for good-faith actions taken on behalf of the Company, excluding fraud, willful misconduct, knowing violation of law, or material breach of this Agreement.

16.3 Insurance. The Company should maintain insurance reasonably appropriate to its operations, which may include farm/ranch liability, property, commercial auto, product liability, workers' compensation, livestock or mortality coverage when economical, cyber/e-commerce, and management liability.

ARTICLE XVII — DISSOLUTION AND WINDING UP

17.1 Dissolution Events. The Company shall be dissolved upon an event required by applicable law or upon unanimous written approval of the Founding Members and any other approval required by the rights of an outstanding investor class.

17.2 Winding Up Priorities. Company assets shall be applied first to creditors and lawful winding-up expenses, then to reserves for contingent liabilities, and thereafter to Members according to their economic rights and applicable law.

17.3 Brand and Customer Assets. Any sale or disposition of CFI or Appalachia's Farmhouse intellectual property, customer data, subscription obligations, inventory, or partner-farm contracts during winding up must protect customer obligations and applicable privacy, food, and commercial requirements.

ARTICLE XVIII — AMENDMENTS AND MISCELLANEOUS

18.1 Amendments. Any amendment affecting founding control, dilution, distributions, transfer rights, investor rights, Reserved Matters, brand ownership, or dispute procedures requires written approval under Article VI and any separate class approval required by definitive investment documents.

18.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Wyoming, including the Wyoming Limited Liability Company Act, as amended. Company counsel shall reconcile this Agreement with CFI's filed Wyoming formation documents and any nonwaivable statutory provisions.

18.3 Entire Agreement. When executed, this Agreement and its schedules supersede prior operating agreements and inconsistent oral understandings concerning Company governance, except separate written investment, employment, property, loan, or intellectual-property agreements that expressly remain in effect.

18.4 Severability. If a provision is held unenforceable, the remaining provisions remain effective to the maximum extent permitted by law.

18.5 Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by legally effective electronic signatures.

18.6 Notices. Formal notices shall be delivered to the addresses or electronic notice destinations shown on Schedule A, as amended from time to time.

18.7 No Waiver. Failure to enforce a provision on one occasion does not waive future enforcement.

18.8 Further Assurances. The Members shall execute reasonably necessary documents to implement approved Company actions, capitalization, financing, intellectual-property ownership, and regulatory filings.

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned intend to adopt this Agreement only after final review and approval by Company counsel and completion of all blanks and schedules.

ELKMONT HOLDINGS LLC

By: _____

Name: _____

Title/Capacity: _____

Date: _____

SCHROEDER FAMILY TRUST

By: _____

Name: _____

Title/Capacity: _____

Date: _____

SCHEDULE A — MEMBERS, UNITS, AND OWNERSHIP

This schedule must be finalized at signing and updated after any approved issuance, transfer, redemption, or conversion.

Member / Holder	Class	Units	Economic %	Voting %
Elkmont Holdings LLC	Founding Common	46,000*	46.0%*	46.0%*
Schroeder Family Trust	Founding Common	46,000*	46.0%*	46.0%*
CFI \$400K note holder / gifted-unit holder	Class / rights TBD by final documents	8,000	8.0%	TBD
Future approved pool	TBD	Up to 30,000 planning units	TBD	TBD

* Figures shown for the current business draft after the contemplated 8,000-unit ownership grant. Final class, voting rights, post-closing percentages, and any future sale of up to 30,000 approved units must be documented separately and approved under this Agreement.

SCHEDULE B — CURRENT OPERATING RESPONSIBILITY MATRIX

Area	Primary Lead	Governance / Controls
Ranch / livestock / pasture / infrastructure	Segreti	Budget, stocking gates, Reserved Matters remain shared
Marketing / e-commerce / customer growth	John Schroeder	Brand standards, pricing strategy, major contracts remain shared
Appalachia's Farmhouse consumer brand	Commercial lead with operating coordination	Owned/controlled by CFI
Processing / cold chain	Operations with commercial forecast	Processor dates tied to customer commitments
Finance / reserves / debt	Shared management + accounting professionals	Monthly reporting and Reserved Matter approvals
Partner farms	Shared	Admission standards + unanimous material commitments

SCHEDULE C — CASH-FLOW AND DISTRIBUTION WATERFALL

- 1. Pay current operating obligations, payroll, livestock care, processing, taxes, insurance, and critical compliance costs.
- 2. Protect working capital required to complete committed production cycles and customer obligations.
- 3. Build or restore the dedicated debt-paydown reserve while material acquisition debt remains outstanding.
- 4. Fund the approved operating reserve, with a long-term objective of approximately \$200,000 as scale and risk justify.
- 5. Fund approved capital expenditures, debt reduction, and milestone-based expansion.
- 6. Consider tax and discretionary Member/investor distributions from remaining Distributable Cash.

SCHEDULE D — ITEMS COUNSEL MUST FINALIZE BEFORE EXECUTION

- Confirm CFI's exact Wyoming legal name, Wyoming registered agent/office, filed Articles of Organization, and manager-managed status.
- Confirm the original Operating Agreement and identify every provision being superseded.
- Final unit capitalization and post-investor ownership math.
- Terms of the proposed 8,000 gifted units, including class, voting rights, economic rights, transfer restrictions, dilution treatment, securities disclosures, and remedies.
- Dilution protections, preemptive rights, and future-unit pool mechanics.
- Property ownership, ranch acquisition entity, intercompany leases, and any deed of trust/mortgage.
- Collateral and lien position securing the \$400,000 note; repayment source; default and cure terms.
- Buy-sell, death, incapacity, divorce, creditor, and succession procedures for founding ownership.
- Deadlock process: mediation, arbitration rules, venue, appointment mechanics, and whether a buy-sell backstop is included.
- Tax classification; partnership representative; tax distributions; basis and allocation provisions.
- Securities-law review for any outside unit issuance.
- Food, labeling, processing, subscription, privacy, employment, insurance, and partner-farm compliance documents.

SCHEDULE E — BUSINESS PRINCIPLES INCORPORATED INTO THE 2026 RESTATEMENT

Principle	Operating Meaning
Customer clarity	Families buy from Appalachia's Farmhouse; investors and partners understand CFI as the parent platform.
Margin before scale	Every enterprise is measured per head, per bird, per pound, or per dozen before expansion.
Cash conversion	Preorders, subscriptions, poultry/eggs, pork bundles, and beef reserves are used to reduce long cash gaps.
Retail value capture	Where lawful and economical, CFI captures packaged-food value rather than stopping at commodity livestock value.
Land stewardship	Stocking follows forage and water capacity; the land is not overloaded to satisfy a revenue forecast.
Processing discipline	Production is matched to confirmed USDA-inspected resale processing and cold-chain capacity.
Debt discipline	The 12-month acquisition note is treated as a visible cash-management priority.
Capital-light replication	Partner farms can expand production without requiring CFI to buy every future property.
Family-company governance	Equal founding interests require written thresholds, transparent records, and a neutral deadlock process.

SCHEDULE F — PARENT / SUBSIDIARY STRUCTURE

Entity	State	Ownership	Primary Function
Crop Farmers International, LLC (CFI)	Wyoming	Owned by CFI Members shown on Schedule A	Wyoming parent; governance, capital, investor rights, IP, strategy, financial controls, debt/note assets, guaranties, and partner-farm platform

Appalachia's Farmhouse LLC	Virginia	100% owned by CFI	Virginia wholly owned operating subsidiary; lessee of designated 150-acre farm operating area; packaged products, subscriptions, farm boxes, e-commerce, sales, delivery, and Virginia operations
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Operating Agreement scope: This Agreement governs CFI only. Appalachia's Farmhouse LLC shall have its own Virginia formation documents and any subsidiary operating agreement or written member consent appropriate for a single-member LLC, with CFI listed as its sole member.

SCHEDULE G — REAL ESTATE DEBT ASSET AND 150-ACRE OPERATING LEASE

Item	Party / Structure	Current Intent
Land ownership	Frank Segreti	Retains title to the underlying Virginia land.
Debt asset / lender	CFI LLC (Wyoming)	CFI holds the loan/note as a Company asset for at least 3 years unless otherwise unanimously approved.
Borrower	Frank Segreti	Obligated under separate note and any collateral documents.
Future debt purchase right	Frank Segreti and/or Elkmont Holdings LLC	May purchase the debt asset after the 3-year minimum holding period, subject to written purchase terms.
Operating lease	Frank Segreti → Appalachia's Farmhouse LLC	Approx. 150 acres; initial 3 years + three 3-year Tenant options (max 12 years); Months 1-12 rent-free; Month 13 onward \$1,500/month; Tenant/CFI may terminate at any time on 90 days' notice with no future rent acceleration or termination fee.
Lease guarantor	CFI LLC	CFI guarantees subsidiary lease obligations under separate written guaranty provisions.
Management	John Schroeder / Frank Segreti	CEO / COO respectively.

Counsel note: The promissory note, deed of trust/mortgage if any, debt-purchase option/right, and Virginia agricultural lease should be documented as separate instruments. This Operating Agreement establishes CFI authority and governance for those transactions.

SCHEDULE H — 880 JD POND LOAN ASSET

This Schedule is the controlling reference index for the real-estate debt asset commonly referred to within CFI documents as the “880 JD Pond Loan Asset.” The placeholder parcel identifiers below are temporary and must be replaced or confirmed against the actual county land records, recorded deed of trust/mortgage, survey, title work, and legal description before execution or reliance by a lender, investor, attorney, accountant, or title professional.

Reference Item	Current Draft Information
Defined name	880 JD Pond Loan Asset
Borrower	Frank Segreti
Lender / Asset Holder	Crop Farmers International, LLC (CFI), Wyoming
Current principal reference	Approximately \$315,000 — verify exact principal/balance at acquisition or assignment
Common property reference	880 JD Pond
Underlying instrument	First Deed of Trust/Mortgage — date, recording number and deed book/page TO BE INSERTED
Promissory Note	Date and original principal TO BE INSERTED
Loan Request	Date/version TO BE INSERTED
Addendum / Amendment	Date/version TO BE INSERTED
Assignment to CFI	Instrument/date TO BE INSERTED if CFI is acquiring an existing loan
Minimum CFI holding period	3 years unless otherwise approved under the Operating Agreement
Future purchase right	Frank Segreti and/or Elkmont Holdings LLC after minimum holding period, subject to definitive documents

Schedule H-1 — Parcel Reference Placeholders

Parcel Reference	Status	Acreage / Legal Description
000089	PLACEHOLDER — verify actual parcel identifier	TO BE INSERTED / CONFIRMED
0000225	PLACEHOLDER — verify actual parcel identifier	TO BE INSERTED / CONFIRMED
000137	PLACEHOLDER — verify actual parcel identifier	TO BE INSERTED / CONFIRMED
002143	PLACEHOLDER — verify actual parcel identifier	TO BE INSERTED / CONFIRMED

Document-control rule: once the First Mortgage/Deed of Trust, Promissory Note, Loan Request, Addendum/Amendment, assignment documents, and verified parcel data are inserted into Schedule H, all other CFI documents should refer to this transaction only as the “880 JD Pond Loan Asset” unless a full legal citation is specifically required.



AGRICULTURAL AND OPERATING LEASE

Approximately 150 Acres • Southwest Virginia

Landlord	Frank Segreti
Tenant	Appalachia's Farmhouse LLC, a Virginia limited liability company
Guarantor	Crop Farmers International, LLC, a Wyoming limited liability company
Premises	Approximately 150 acres shown on Exhibit A map and supplemented by parcel/survey/legal description
Status	Business draft; rent, term, commencement date, parcel information, insurance limits, and other blanks require completion

AGRICULTURAL AND OPERATING LEASE

This Agricultural and Operating Lease (the "Lease") is entered into as of _____, 20__ (the "Effective Date"), by and between Frank Segreti ("Landlord"), Appalachia's Farmhouse LLC, a Virginia limited liability company ("Tenant"), and Crop Farmers International, LLC, a Wyoming limited liability company ("CFI" or "Guarantor"), solely in its capacity as guarantor as provided below.

1. Leased Premises. Landlord leases to Tenant approximately one hundred fifty (150) acres of agricultural land located in Virginia, together with the nonexclusive or exclusive access rights, internal roads, water points, pasture areas, barns, structures, utilities, fencing, and other improvements specifically identified on Exhibit A and any supplemental property schedule (collectively, the "Premises"). The controlling leased area shall be the area shown on the final signed Exhibit A map and any attached parcel, survey, GIS, metes-and-bounds, or other legal description.

2. Purpose. Tenant may use the Premises for lawful agricultural and farm-to-family operations, including cattle, swine, poultry, eggs, pasture, rotational grazing, livestock handling, feed and equipment storage, brooding, farm product storage, approved customer or educational activities, subscription fulfillment, delivery staging, and other activities reasonably related to Appalachia's Farmhouse and CFI operations, subject to applicable law and this Lease.

3. Term and Renewal Options. The initial lease term shall be three (3) years, beginning on the Commencement Date of _____, 20__ and ending on the third anniversary thereof, unless earlier terminated under this Lease. Tenant shall have three (3) successive options to renew the Lease for additional three-year periods, creating a maximum potential lease duration of twelve (12) years: Initial Term (Years 1-3), First Option Term (Years 4-6), Second Option Term (Years 7-9), and Third Option Term (Years 10-12). Tenant may exercise each renewal option by written notice delivered to Landlord not less than ninety (90) days before expiration of the then-current term. Unless otherwise amended in writing, the other terms and conditions of this Lease continue during each exercised option period.

4. Rent. No base rent shall be due during Months 1 through 12 of the initial lease term. This rent-free period is granted to allow Tenant and CFI to establish operating solvency and install or improve required agricultural infrastructure. Beginning with Month 13, Tenant shall pay Landlord base rent of One Thousand Five Hundred Dollars (\$1,500) per month, equivalent to Eighteen Thousand Dollars (\$18,000) per full paid lease year. Unless the parties execute a written amendment, that base rent shall continue through any exercised renewal option. The rent-free period is a concession and does not accrue as deferred rent, debt, or a repayment obligation.

5. CFI Guaranty. CFI unconditionally guarantees Tenant's payment of rent and performance of Tenant's material obligations under this Lease, subject to any expressly stated cure periods, defenses, limitations, or monetary cap inserted here before execution:

_____. This guaranty does not transfer ownership of the Premises to CFI.

6. Landlord Retains Ownership. Landlord retains full legal title to the Premises. Nothing in this Lease gives Tenant or CFI an ownership interest in the land. The separate real-estate debt asset held or to be held by CFI and commonly referred to in CFI documents as the "880 JD Pond Loan Asset" is an approximately \$315,000 debt obligation of Frank Segreti evidenced and secured by separate loan documents, including the First Deed of Trust/Mortgage and related note, loan request, addendum/amendment, assignment, and collateral documents. The 880 JD Pond Loan Asset does not

merge with this Lease. Any CFI \$400K Borrowed Capital Note or separate 8,000-unit ownership grant is also separate from this Lease and does not transfer ownership of the Premises.

7. Possession and Quiet Use. So long as Tenant is not in uncured material default, Tenant shall have the right to use and possess the Premises for the permitted purposes without unreasonable interference. Landlord retains reasonable inspection rights upon advance notice, except in emergencies.

8. 150-Acre Boundary and Map. The parties shall attach a map as Exhibit A clearly identifying the approximately 150 leased acres, access points, roads, barns or structures included, water sources, pasture/paddock areas, and excluded or shared-use areas. The map should be initialed by Landlord and Tenant at signing. The \$18,000 annual rent is based on the designated operating area and included rights rather than a simple per-acre pasture rent. If the final mapped acreage materially changes, the parties may review the rent by written amendment.

9. Agricultural Improvements. Tenant may install or improve temporary fencing, water systems, portable livestock equipment, chicken tractors, feeders, mineral stations, gates, signs, and similar agricultural improvements consistent with approved operations. Permanent buildings, material excavation, substantial road work, or permanent utility installations require Landlord's written approval unless specifically authorized on Exhibit B.

10. Maintenance and Stewardship. Tenant shall use commercially reasonable agricultural practices, maintain reasonable fencing and livestock controls within its operating responsibilities, avoid waste, and manage grazing with consideration for forage recovery, soil conditions, water resources, and animal welfare. Allocation of responsibility for roads, barns, utilities, mowing, drainage, major fencing, and structural repairs shall be listed on Exhibit B.

11. Utilities and Operating Costs. Responsibility for electricity, water systems, fuel, waste handling, internet, propane, repairs, and other operating costs shall be allocated on Exhibit B or by written amendment.

12. Insurance. Before occupancy, Tenant shall maintain commercially reasonable general liability and agricultural/business insurance and any legally required workers' compensation coverage. CFI and Landlord shall be named as additional insureds where commercially appropriate. Minimum limits:

13. Indemnity. To the extent permitted by Virginia law, Tenant shall be responsible for claims arising from Tenant's operations, employees, customers, livestock, products, or negligence on the Premises, except to the extent caused by Landlord's negligence, willful misconduct, or breach. Final indemnity and waiver language should be reviewed by Virginia counsel and the parties' insurers.

14. Compliance. Tenant shall comply with applicable agricultural, environmental, animal-health, food-handling, employment, fire, building, access, and business requirements applicable to Tenant's use. This Lease does not itself authorize any regulated activity for which a permit or approval is required.

15. Assignment and Subleasing. Tenant may not assign this Lease or sublease a material portion of the Premises to an unrelated party without Landlord's written approval. Tenant may allow CFI employees, contractors, processors, service providers, customers, and approved partner farms to access the Premises as reasonably necessary for Tenant's business, subject to Tenant's responsibility for their conduct.

16. **Related-Party Nature.** The parties acknowledge that Landlord is an officer and principal of CFI and that Tenant is wholly owned by CFI. The parties intend this Lease to be administered as a bona fide related-party whole-farm operating lease. The first 12 months are rent-free as a documented startup and infrastructure concession. Beginning Month 13, the negotiated base rent is \$18,000 annually (\$1,500 monthly) for the approximately 150-acre operating area and included agricultural rights. The parties shall maintain the attached Rent Support Schedule and records reasonably sufficient to explain the business purpose and pricing methodology to accountants, tax professionals, lenders, investors, and counsel.

17. **Default and Cure.** A monetary default shall be subject to any notice and cure period required by applicable Virginia law and the following contractual cure period, if longer: _____. A nonmonetary default shall be subject to written notice and a cure period of _____ days, provided additional time is allowed when cure reasonably requires more time and Tenant diligently proceeds.

18. **Tenant / CFI Convenience Termination Right.** Tenant may terminate this Lease at any time, during the initial term or any renewal option period, for any reason or no stated reason, by giving Landlord at least ninety (90) days' prior written notice. Because CFI owns 100% of Tenant, CFI may direct Tenant to exercise this termination right. Upon the effective termination date, Tenant and CFI shall have no liability for rent accruing after that date, no acceleration of future rent, no early-termination fee, and no damages based solely on the exercise of this contractual termination right. Amounts and obligations that accrued before the termination date, and any specifically agreed surrender, cleanup, removal, repair, or restoration obligations, survive as provided in this Lease. The Lease may also terminate by mutual written agreement or for an uncured material default under its other provisions.

19. **Casualty and Condemnation.** If casualty, condemnation, road closure, environmental restriction, or another event materially prevents the permitted agricultural use of a substantial portion of the Premises, the parties shall equitably adjust rent or terminate the affected portion as provided in a written amendment or as required by law.

20. **No Merger with 880 JD Pond Loan Asset.** This Lease and the 880 JD Pond Loan Asset are independent transactions. Payment, sale, refinance, assignment, transfer, or purchase of the 880 JD Pond Loan Asset does not automatically terminate, transfer, or amend this Lease, and termination of this Lease does not automatically satisfy, release, or modify the 880 JD Pond Loan Asset.

21. **Notices.** Formal notices shall be delivered to the addresses and email addresses listed on the signature page, or to any updated address designated in writing.

22. **Governing Law.** This Lease shall be governed by the laws of the Commonwealth of Virginia. Any venue provision shall be inserted by Virginia counsel after confirming the county/city in which the Premises are located.

23. **Entire Agreement; Amendments.** This Lease, its exhibits, and any signed amendments constitute the agreement concerning Tenant's possession and use of the Premises. Amendments must be in writing signed by Landlord and Tenant and, if the amendment materially changes the guaranty, acknowledged by CFI.

24. **Counterparts and Electronic Signatures.** This Lease may be executed in counterparts and by legally effective electronic signatures, subject to any recording or notarization requirements counsel determines are appropriate.

25. Memorandum of Lease. Because the Lease may remain in effect for up to twelve (12) years if all options are exercised, the parties may execute and record a short-form memorandum of lease in the appropriate Virginia land records. The memorandum may identify the parties, Premises, initial term, renewal-option structure, and other information required by Virginia law without publicly disclosing confidential business terms unless required.

SIGNATURE PAGE

LANDLORD

Frank Segreti

By / Signature: _____

Name / Title: _____

Date: _____

Notice Address / Email: _____

TENANT

Appalachia's Farmhouse LLC, a Virginia limited liability company

By / Signature: _____

Name / Title: _____

Date: _____

Notice Address / Email: _____

GUARANTOR

Crop Farmers International, LLC, a Wyoming limited liability company

By / Signature: _____

Name / Title: _____

Date: _____

Notice Address / Email: _____

EXHIBIT A — DESIGNATED 150-ACRE LEASED PREMISES

Attach the final map here. The map should identify, at minimum:

- Boundary of the approximately 150 leased acres
- Parcel number(s) and county/city
- Road and gate access
- Barns, brooder building, handling areas, and other included structures
- Water sources, ponds, springs, wells, and major utility points
- Pasture/paddock areas and any excluded zones
- Shared roads or areas retained for Landlord use
- Any residence, family-use area, timber tract, wetland, or other land specifically excluded from the lease

[INSERT SIGNED MAP / GIS / SURVEY IMAGE HERE]

Landlord initials: _____ Tenant initials: _____ Date: _____

EXHIBIT B — RESPONSIBILITY AND IMPROVEMENT SCHEDULE

Item	Landlord Responsibility	Tenant Responsibility
Major perimeter fencing	_____	_____
Interior/temporary fencing	_____	_____
Roads and gates	_____	_____
Barn structural repairs	_____	_____
Utilities	_____	_____
Water systems	_____	_____
Pasture improvement	_____	_____
Snow/storm cleanup	_____	_____
Waste/manure handling	_____	_____
Permanent improvements	_____	_____
Property taxes	_____	_____
Property insurance	_____	_____

Counsel review note: Virginia Code § 11-2 generally requires signed written evidence for a lease of real estate for more than one year and for a promise to answer for another's debt/default. The final lease and CFI guaranty should therefore be reviewed and executed in a form appropriate for the actual term and property.

EXHIBIT C — RENT SUPPORT SCHEDULE

The parties negotiated the following base rent for a whole-farm operating lease. This schedule is intended to document the commercial reasoning behind the related-party lease; it is not an appraisal.

Component	Lease Value Consideration	Treatment
Underlying pasture/acreage	Approximately 150 designated acres	USDA pasture cash-rent data is used only as a low baseline; it does not price the full operating package.
Agricultural operating rights	Cattle, swine, poultry, eggs, rotational grazing, feed/storage and farm operations	Adds value beyond a grazing-only lease.
Access and internal roads	Farm access for livestock, employees, feed, equipment, deliveries and service providers	Included to the extent shown on Exhibit A.
Water resources	Use of designated springs, ponds, wells or water points	Included only where shown/authorized.
Existing structures/infrastructure	Designated barns, brooder/handling areas, fencing, gates and storage	Included only as specifically identified in Exhibits A and B.
Commercial operating use	Subscription fulfillment, farm boxes, delivery staging and other lawful farm-to-family activity	Permitted subject to law and the Lease.
Negotiated annual base rent	\$18,000 per full paid lease year	\$1,500/month beginning Month 13; same base rent during exercised options unless changed by written amendment.
Initial term	3 years	Months 1-12 rent-free; Months 13-36 at \$1,500/month.

Benchmark note: USDA/NASS county cash-rent statistics measure land rented for agricultural use and are useful as a baseline, but this Lease includes a broader operating package. The negotiated rent should be reviewed if the actual mapped acreage, included structures, water rights, access rights, or operating privileges materially change.

EXHIBIT D — TERM AND OPTION SCHEDULE

Period	Years	How It Starts	Tenant / CFI Exit Right
Initial Term	1-3	Effective Date / Commencement Date	Any time on 90 days' written notice
First Option	4-6	Tenant notice at least 90 days before Year 3 expiration	Any time on 90 days' written notice

Second Option	7-9	Tenant notice at least 90 days before Year 6 expiration	Any time on 90 days' written notice
Third Option	10-12	Tenant notice at least 90 days before Year 9 expiration	Any time on 90 days' written notice

Maximum potential occupancy: 12 years. The renewal options belong to Tenant. Exercise of an option does not eliminate the separate 90-day convenience termination right.



SCHEDULE H

880 JD POND LOAN ASSET

Master Loan / Mortgage / Parcel Reference Sheet

Purpose: create one permanent reference for the CFI-held real-estate debt so the Operating Agreement, prospectus, pitch deck, financial model, resolutions, and future legal documents do not use inconsistent descriptions.

Reference	Information
Defined name	880 JD Pond Loan Asset
Borrower	Frank Segreti
Lender / Asset Holder	Crop Farmers International, LLC (CFI), Wyoming
Current principal reference	Approximately \$315,000 — verify exact principal/balance at acquisition or assignment
Common property reference	880 JD Pond
Underlying instrument	First Deed of Trust/Mortgage — date, recording number and deed book/page TO BE INSERTED
Promissory Note	Date and original principal TO BE INSERTED
Loan Request	Date/version TO BE INSERTED
Addendum / Amendment	Date/version TO BE INSERTED
Assignment to CFI	Instrument/date TO BE INSERTED if CFI is acquiring an existing loan
Minimum CFI holding period	3 years unless otherwise approved under the Operating Agreement
Future purchase right	Frank Segreti and/or Elkmont Holdings LLC after minimum holding period, subject to definitive documents

Parcel Placeholders

Placeholder	Verified Parcel No.	Acreage	Legal Description / Notes
000089	PENDING	PENDING	Replace with verified county/title information
0000225	PENDING	PENDING	Replace with verified county/title information
000137	PENDING	PENDING	Replace with verified county/title

			information
002143	PENDING	PENDING	Replace with verified county/title information

Document Index

Document	Date	Recording / Version	Status
Promissory Note	PENDING	PENDING	Insert verified document
First Deed of Trust / First Mortgage	PENDING	PENDING	Insert verified document
Loan Request	PENDING	PENDING	Insert verified document
Addendum / Amendment	PENDING	PENDING	Insert verified document
Assignment to CFI	PENDING	PENDING	Insert verified document
Any Extension / Modification	PENDING	PENDING	Insert verified document

Standard reference language for other CFI documents: “880 JD Pond Loan Asset” means the approximately \$315,000 principal real-estate debt obligation owed by Frank Segreti and held by CFI as lender, together with all loan, mortgage/deed-of-trust, amendment, addendum, assignment, and collateral documents identified on Schedule H.

Important: the four parcel references above are placeholders supplied for drafting convenience and are not represented as verified county parcel numbers or legal descriptions.



CFI / APPALACHIA'S FARMHOUSE

150-ACRE LEASE RENT SUPPORT

Whole-Farm Operating Lease • Southwest Virginia • 2026 Business Draft

Recommended Lease Economics

Annual base rent	\$18,000 annualized beginning Month 13
Monthly base rent	\$0 Months 1-12; \$1,500/month beginning Month 13
Designated operating area	Approximately 150 acres
Initial term	3 years + three 3-year Tenant options; maximum 12 years

Why This Is Not a Pasture-Only Lease

- The tenant is receiving an operating base for a diversified farm business, not merely grazing rights.
- The lease can include designated access roads, fencing/gates, water resources, barns/handling areas, poultry infrastructure, storage and farm-business access.
- The permitted use includes cattle, swine, poultry, eggs, rotational grazing, subscription fulfillment, delivery staging and related agricultural operations.
- The final map and responsibility schedule determine what is actually included; the rent should be revisited if those rights materially change.

Market Baseline and Negotiated Adjustment

USDA/NASS county cash-rent statistics are appropriate as a baseline for ordinary agricultural land, but they measure land rent rather than the full value of a functioning farm operating platform. USDA identifies county cash rents as annual per-acre rents for irrigated cropland, non-irrigated cropland, and pasture. The negotiated \$18,000 annual rent therefore is not presented as a pasture-market statistic; it is a business-negotiated whole-farm operating rent reflecting the land plus the specific rights and infrastructure granted in the lease.

Value Layer	Why It Matters	Pricing Effect
Land baseline	150-acre agricultural operating footprint	Establishes the starting point.
Infrastructure / access	Roads, gates, fencing, water and included structures	Supports a premium above bare pasture.
Commercial farm use	Multiple livestock enterprises and fulfillment activity	Broader rights than grazing only.

Operational continuity	Three-year committed operating base	Three-year committed base with a 12-month startup concession.
Related-party documentation	Clear monthly rent and support schedule	Improves transparency for accounting, investors and lenders.

CFI Financial Treatment

Appalachia's Farmhouse LLC records no base cash-rent expense during Months 1-12. Beginning Month 13, recurring base rent is \$1,500 per month, or \$18,000 annualized. The lease provides an initial 3-year term plus three 3-year Tenant options, for a maximum 12-year horizon, but Tenant/CFI may terminate at any time on 90 days' notice without future-rent acceleration or an early-termination fee solely from exercising that right. Because the landlord is Frank Segreti personally rather than CFI, paid rent remains an external related-party operating expense at the consolidated CFI level.

Documentation Package

- Signed three-year Virginia agricultural and operating lease.
- Exhibit A map showing the approximately 150-acre boundary and included/excluded areas.
- Exhibit B responsibility schedule for fencing, roads, utilities, structures, water and improvements.
- Exhibit C rent-support schedule.
- CFI written approval of the related-party lease and guaranty under its Operating Agreement.
- Periodic review if acreage, structures, water/access rights, or commercial use materially changes.

Source note: USDA/NASS Cash Rents by County methodology and Virginia county cash-rent estimates are used as baseline context. Virginia Code § 11-2 requires written evidence for a lease of real estate for more than one year and for a promise to answer for another party's debt/default. Final legal, tax, accounting, recording, and fair-market-value treatment should be reviewed by Virginia/Wyoming counsel and the Company's tax professionals.

Term / Flexibility Rationale

- Long operating horizon: the three renewal options can keep the same 150-acre operating base available for as long as 12 years.
- Tenant-controlled flexibility: each option belongs to Appalachia's Farmhouse LLC rather than creating an automatic 12-year obligation.
- 90-day exit: Tenant may end the lease at any time on 90 days' written notice, and CFI may direct that action as sole member.
- No future-rent penalty: exercise of the contractual termination right does not accelerate rent for the unused balance of a term or create an early-termination fee.
- Accrued obligations remain: rent and other obligations already due before termination, plus agreed surrender/restoration obligations, are not erased.