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.