



Enviro.Farm Systems Inc.

Regenerative AgriFood Production – Profit & Sustainability

ASSUMED CAPITAL STRUCTURE

Total Project: \$155,000,000

Reg D \$ 2,500,000

Reg A \$ 25,000,000

South Dakota Bond Program \$ 25,000,000

Commercial Debt \$102,500,000

Total \$155,000,000

Breakdown:	Equity	Debt
Reg D.	\$0	\$2,500,000
Rate 20% per annum		
Term 7 years. SAFE Conv Debt.		

Reg A \$25,000,000

South Dakota Bond \$25,000,000

Rate: 5%

Term 10 years. Subordinated

Commercial Debt \$102,500,000

Avg Rate 12%

Term: Various

Total	\$25,000,000	\$130,000,000	\$155,000,000
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Enviro.Farm Systems Inc.

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A-6



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Assumption of Interest expense predicated on usage:

Working Capital :	\$2,500,000
Senior Debt, SAFE, etc. 20% 7-year	
\$500,000 per annum accrued interest years 1&2,	
\$600,000 annual interest payment years 3 through 7.	
Balloon payment \$2,500,000 year 7.	
Environmental, land and herd preparation expenses:	\$25,000,000
South Dalota Bonds 10+ year, 0% Int. See following page	
Balloon payment at end of term.	
Cheese and Dairy Mortgage \$21MM + \$27.5MM	\$48,500,000
10 Year mtg 6% rate . Payments begin year 3.	
\$6,500,000 annual payments beginning year 3 through year 7	
Dairy and Cheese Plant Equipment	\$22,000,000
7-year lease 9%	
\$4,500,000 per annum lease years 3 through 10	
Dairy Herd	\$32,000,000
5 Year Term 8% \$7,000,000 per annum lease	
Beginning year 3 to year 7.	

Total \$130,000,000

Total Debt service by year: (\$MM) \$130,000,000 includes 10% equity down payment component.

Year	1	2	3	4	5	6	7	7+balloon
	0	0	\$19	\$20	\$21	\$20	\$21	



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A-7



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South Dakota Value Added Finance Authority (VAFA)

- **Value Added Agribusiness Relending Program (VAARP):**
 - **Maturity and Amortization:** The loan maturity may not exceed 10 years, and regular payments may not be amortized over more than 20 years.
 - **Term Matching:** The VAFA matches the loan term with the useful life of the collateral securing the loan.
 - **Interest Rate:** The interest rate is fixed for the loan term, cannot exceed the prime rate, and cannot be less than the federal discount rate.
 - **Refinancing/Extension:** Borrowers are responsible for arranging other financing when the note is due. If they are unable to obtain financing, they can apply for a loan extension from the VAFA, with terms and interest rates set by the VAFA.
- **Value Added Sub Fund (VASF):**
 - **Purpose:** The VASF helps finance feasibility or business studies related to agricultural development.
 - **Interest Rate:** The interest rate is 0%.
 - **Repayment:** Offers flexible repayment terms.

What is the current mortgage rate in South Dakota?
South Dakota mortgage and refinance rates today (APR)

Product	Interest Rate	APR
15-year fixed-rate	6.049%	6.060%
10-year fixed-rate	5.973%	6.003%



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A-8



CROWDFUNDING LAWYERS

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Enviro.Farm Systems Inc.
18 Grant Street
Plymouth, MA 02360

July 15, 2024

Re: Form 1-A Offering Statement

Ladies and Gentlemen:

Dodson Robinette, PLLC dba Crowdfunding Lawyers has acted as counsel to Enviro.Farm Systems Inc., a South Dakota corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission of a Regulation A Offering Statement on Form 1-A (the "Offering Statement") relating to the sale by the Company of up to 25,000,000 shares of common stock for total potential gross proceeds of \$25,000,000. This opinion is being delivered in accordance with the requirements of Part III of Form 1-A. The shares described above may collectively be referred to herein as the "shares" and each, individually, as a "share."

In rendering this opinion, we have examined (i) the Offering Statement and the exhibits thereto, (ii) certain resolutions of the Company, relating to the issuance and sale of the shares, and (iii) such other records, instruments and documents as we have deemed advisable in order to render this opinion. In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. As to certain factual matters, we have relied upon resolutions and representations of the manager of the Company and have not sought independently to verify such matters.

Based on the foregoing, we are of the opinion that when sold and issued against payment therefor as described in the Offering Statement, the shares will be validly authorized, legally issued, fully paid and non-assessable.

Our opinion herein is expressed solely with respect to the South Dakota Code, as currently in effect, and we express no opinion as to whether the laws of any jurisdiction are applicable to the subject matter hereof. No opinion is being rendered hereby with respect to the truth, accuracy or completeness of the Offering Statement or any portion thereof.

The information set forth herein is as of the date hereof. We assume no obligation to supplement this opinion letter if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof. Our opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the shares, the Offering Statement, or the circular included therein.

We hereby consent to the filing of this opinion as an exhibit to the Offering Statement. In giving such consent, we do not believe that we are "experts" within the meaning of such term as used in the Securities Act of 1933 or the rules and regulations of the Commission issued thereunder with respect to any part of the Offering Statement, including this opinion as an exhibit or otherwise.

