

FRANCHISE DISCLOSURE DOCUMENT



ENZA FRUIT Products Inc.

A Member of the ENZA group of companies

ENZA FRUIT Products Inc., a
Delaware corporation
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The Franchise gives franchisees the right to grow and harvest pipfruit varieties and grade, brand, package, store and distribute those varieties within the restrictions set out in the Franchise Agreement. The Franchise is offered by ENZA FRUIT Products Inc. ("Franchisor" or "EPI"), as part of EPI's New York State Program ("NYSP").

The total estimated investment necessary to begin operation of a NYSP Franchise (subject to the assumptions described in Item 7 beginning on page 9 of this disclosure document) is approximately **\$65,257 per acre** or part thereof planted with trees. This includes the initial franchise planting fee depending upon Varietal of \$20,000 per acre or part thereof planted with trees that must be paid to the Franchisor.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the Franchisor or an affiliate, in connection with the proposed Franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract (the Franchise Agreement and all schedules and exhibits attached thereto) will govern your Franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant. Capitalized terms not defined in this disclosure document shall have the meaning set forth in the Franchise Agreement.

Buying a Franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP (1-877-382-4357) or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date in New York: March 31, 2026.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only EPI business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an EPI franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

NEW YORK STATE ADDENDUM TO FDD

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or

exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit F.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by litigation only in **King County, Washington**. Out-of-State litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Washington than in your own state.

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EXHIBITS

A	Franchise Agreement
B	Trademarks
C	Agent for Service of Process
D	Regulations Pertaining to the Apple Growing Industry
E	Financial Statements
F	State Franchise Administrators
G	List of Current Franchisees in Washington State and New York State

ITEM 1. The Franchisor, any Parent Entities, EPI's Predecessors and Affiliates

To simplify the language in this disclosure document "EPI" means ENZAFRUIT Products Inc., the franchisor. "You" means the person who buys a Franchise. If you are a corporation, partnership, or other entity, "you" includes your owners. Unless otherwise indicated, capitalized terms have the meanings set forth in Section 1 of the Franchise Agreement.

The Franchisor, any Parent Entities and EPI's Predecessors

EPI is a Delaware corporation that was incorporated March 18, 1998. EPI is a wholly owned subsidiary of ENZAFRUIT New Zealand International Limited ("ENZI"), a New Zealand corporation. The parent of ENZI is T&G Global Limited ("T&G Global" formerly known as Turners & Growers Limited), a New Zealand corporation, which markets fruit in New Zealand and through a group of companies, internationally (the "ENZA group"). EPI does not do business under any other name. EPI's principal business address is 1 Fifth Street, Suite 260, Wenatchee, Washington 98801. ENZI's principal place of business is Central Park Business Centre, Building 1, Level 1, 660 Great South Rd, Ellerslie, Auckland (PO Box 56, Shortland Street, 1140 New Zealand).

EPI's agent for service of process is disclosed in Exhibit C.

EPI's Business

EPI franchises the right to participate in EPI's New York State Program ("NYSP"), a program developed by the ENZA group to grow pipfruit varieties (the "Varieties") in Washington State. EPI tests and trials the Varieties during Phase One of the NYSP to ensure their suitability to the New York State growing environment. Phase One is not part of the Franchise being offered under this disclosure document. If the Phase One tests are satisfactory, the Variety will then be introduced into Phase Two of the NYSP which is a part of the Franchise.

Your participation in the NYSP requires you to plant, grow, produce, harvest, arrange grading, packing, branding and storage through an EPI licensed/approved service provider and sell Conforming Fruit (as defined in the Franchise Agreement) to EPI. See Item 9 on page 13 of this disclosure document for more information.

EPI does not itself operate businesses of the type being franchised. EPI's business activities include buying Conforming Fruit and advertising, marketing and arranging for the selling of the Varieties, either directly or through an authorized marketer or sales agent. The NYSP and the Varieties in the NYSP were initially developed by a member of the ENZA group and The Horticulture and Food Research Institute of New Zealand Limited, a New Zealand corporation ("HortResearch"). On December 1, 2008, HortResearch merged with Crop and Food Research to form The New Zealand Institute for Plant and Food Research Limited ("Plant and Food Research").

At present, EPI has the franchisees listed in Item 20 below operating in the United States, and all but five (5) franchisees operate in the State of Washington. The other five franchisees operate in the State of New York.

The market for the Fruit you will grow is seasonal. The market for the Varieties which will be included in the NYSP is not yet fully developed. Exhibit D attached to this disclosure document contains a summary of regulations pertaining to growing apples in New York State. Your competitors include all other apple orchards and growers who develop specialty fruit varieties within the United States, as well as those who may export apples from their own country to the United States.

EPI's Business History

EPI was established for the purpose of implementing the Washington State Program ("WSP") and has been offering franchises under this program in the State of Washington since April 15, 1999. EPI implemented the NYSP franchise program in New York state beginning September 17, 2024. EPI has never offered franchises in other lines of business. EPI's parent corporation, ENZI, is a marketer and developer of varieties of apples and pears.

ENZI does not conduct similar franchise operations in the United States. However, over the past 50 years the predecessor of ENZI (ENZA FRUIT Marketing Limited, which on January 1, 2014, amalgamated to become ENZI), arranged for the marketing, advertising and distribution of New Zealand pipfruit varieties in the United States through its United States distribution agent, David Oppenheimer and Company I, L.L.C., and/or its agents or its predecessor, and other United States licensed distribution agents. As of the aforementioned amalgamation, ENZI has carried on the marketing, advertising and distribution of New Zealand pipfruit varieties in the United States through its United States distribution agents. Examples of New Zealand pipfruit varieties previously introduced into the United States include Gala, Royal Gala, and Braeburn apples. In New Zealand, ENZI and its predecessors have carried out its role as a marketer since 1948. The New Zealand pipfruit industry is not regulated by industry specific law. ENZI has largely dealt with all stages of variety and market development itself or through its subsidiaries, rather than through third parties by way of franchise or otherwise. ENZI assigned its rights in the intellectual property associated with the plant Varieties and associated trademarks to VGL, a sister company, who then arranged for the relicensing of those rights to EPI to enable EPI to seamlessly continue the franchise program. To the best of EPI's knowledge, neither ENZI or VGL have previously offered franchise arrangements in the United States, either for the same type of business as that to be operated by a franchisee under the NYSP or otherwise, and there are no predecessors to EPI for the growing of New Zealand apples in the United States.

The ENZA group of companies is ultimately owned by BayWa Aktiengesellschaft, a German company, and the immediate controlling parent of the ENZA group of companies remains T&G Global, a New Zealand fruit growing and marketing company which has been in existence since 1921.

Regulations Pertaining to the Apple Growing Industry

The New York Department of Agriculture has established specific grades and classifications for Fruit based upon its authority under N.Y. Comp. Codes R. & Regs. tit. 1, § 185. Further, under N.Y. Comp. Codes R. & Regs. tit. 1, § 185.11, the Department of Agriculture applies standards to the conditions for export.

Pursuant to N.Y. Comp. Codes R. & Regs. tit. 1, § 201.10, as amended from time to time, the New York Apple Commission is authorized to levy an assessment upon all fresh apples grown annually in New York State. Under N.Y. Comp. Codes R. & Regs. tit. 1, § 201.10, during each marketing season and not later than July 1st, the commissioner shall estimate a budget necessary for the administration and enforcement of this order and for carrying on duly authorized programs and activities including advertising, promotion and publicity, marketing and product research and informational services as hereinbefore provided. The commissioner shall announce rates of assessment to provide adequate funds to defray expenditures in the budget. The rate of assessment shall not exceed: eight cents per hundred pounds of apples delivered to juice or cider processing plants for processing into juice or cider or products thereof; eight cents per hundred pounds of apples purchased or accepted for all other processing; and sixteen cents per bushel or bushel weight equivalent of apples sold for fresh market use; provided, however, the maximum assessment for fresh apples sold for direct market sale shall be eight cents per bushel.

N.Y. Comp. Codes R. & Regs. tit. 1, § 201.11 states that all growers, processors, grower sales cooperatives, grower sales agents, and storage operators shall make remittance and accounting of the proper assessment to the commissioner or his designated fiscal agent not later than the 15th of each of the months of November, February, May and August. Such quarterly remittance and accounting shall be inclusive of all sales of apples and/ or removal of apples from storage through the end of the month just preceding the months designated.

ITEM 2. Business Experience

Following is a list of our principal officers and directors who have management responsibility for EPI's Franchise and their principal positions and employers during the past five years.

Chairperson, President and Director: Shane S. Kingston

Shane joined T&G Global in January 2024 as Director International Sales & Marketing and leads T&G Global's Apples since November 2024. Shane was appointed Chairperson, President and Director of EPI in February 2025. Before starting at T&G Global, Shane worked at Alliance Group Limited as General Manager - Global Sales, Marketing, Outbound Logistics - from September 2018 to January 2024 at 51 Don Street, Invercargill 9840, New Zealand.

Secretary, Treasurer, and Director: Douglas Bygrave

Doug has been with T&G Global (previously Turners & Growers Ltd.) in Auckland, New Zealand since April 1997. He took responsibility for the Group's Treasury function in 2007 and Company Secretarial function in 2010. Doug was appointed Chief Financial Officer of T&G Global effective March 1, 2021 and Secretary, Treasurer and Director of EPI effective March 1, 2021.

Vice President Operations, Supply Chain and Quality: Chris Willett

Chris Willett has been with EPI since September 2009. Chris oversees and manages EPI's business, personnel and technical aspects in North America. He is responsible for the day-to-day operations of the EPI business and is located in Wenatchee, WA.

ITEM 3. Litigation

There is no litigation which is required to be disclosed in this disclosure document.

ITEM 4. Bankruptcy

No bankruptcy is required to be disclosed in this Item.

ITEM 5. Franchisee's Initial Fees

The initial payments to be made, once accepted for participation in the NYSP, include a tree purchase fee and/or fee for purchase of budwood, a franchise planting fee and royalty fees as each is more fully described in Sections 2.2.8, 2.2.9, and Schedule Three and Four of the Franchise Agreement, which is Exhibit A to this disclosure document. The total amount of initial fees payable by franchisee will depend upon the quantity and variety of trees which franchisee plants, the density of the trees on the authorized growing area and the royalties associated with that type of Fruit. A summary of initial fees as they exist at the date of this disclosure document appears below. Fees may be adjusted from time to time during the term of the Franchise as more fully explained in Section 13.13 of the Franchise Agreement.

The tree and/or budwood purchase fees are refundable by Willow Drive Nursery, Inc., a Washington corporation ("Supplier"), EPI's current master licensee, if Supplier fails to deliver trees or budwood ordered. Any franchise planting fee is nonrefundable.

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Type of Fee	Amount	Due Date	Remarks
2026 Tree Purchase Fee	Geneva Rootstocks 11: 7/16" Trees US\$9.30 per Tree 1/2" Trees US\$9.78 per Tree 5/8" Trees US\$10.27 per Tree 3/4" Trees US\$10.76 per Tree Geneva Rootstocks 41: 7/16" Trees US\$10.60 per Tree 1/2" Trees US\$11.08 per Tree 5/8" Trees US\$11.57 per Tree 3/4" Trees US\$12.06 per Tree Sleeping Eye: Trees US\$4.76-\$5.11 per Tree (all Trees inclusive of taxes).	To Supplier: \$2.00 per Tree deposit upon order and balance due upon delivery by Supplier	The Tree Purchase Fee may vary by Variety of tree and is set by the Supplier; see <u>Section 2.2.8(a)</u> of the Franchise Agreement Price per Tree is determined by Supplier in year of delivery
Budwood Purchase Fee	\$3.50 per whip or \$0.875 per grafting stick (usually about 4 grafting sticks per whip) for grafting or \$.035 per bud for budding.	To Supplier: 50% on order, and 50% on delivery of the budwood	The Budwood Purchase Fee may vary by Variety of tree; see <u>Section 2.2.8(b)</u> of the Franchise Agreement. The Budwood Purchase Fee is determined by Supplier in year of delivery
Franchise Planting Fee	Assessed at a rate per acre of trees or part thereof: - For Scilate (ENVY®) the franchise planting fee is US\$20,000 per acre or part thereof, however, such fee may increase or decrease by an amount up to 75% per acre or part thereof based on market conditions and commercial performance of Scilate. - The Franchise Planting Fee for any new Variety licensed under this Franchise Agreement will be based on market conditions and commercial performance of such Variety.	To EPI: 30% on order; and balance payable: 33% in year 3; 33% in year 4; and 33% in year 5 regardless of delivery date; see Schedule 4 of the Franchise Agreement	The Franchise Planting Fee may vary by Variety of tree; see <u>Section 2.2.8(c)</u> of the Franchise Agreement Franchise Planting Fee is determined in year of order of Trees/Budwood (and not year of delivery). Any increase is based on nursery costs, market outlook and competitor performance, as well as cost to support and cost to service such Variety.

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ITEM 6. Other Fees**OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty ¹	Either: • A percentage (currently estimated to be 3.5%) of the net invoiced value of Conforming Fruit by Variety; or • A set dollar value per Variety as established by EPI.	Royalties are paid in exchange for the benefit of the use of Trademarks and Proprietary Information in accordance with the Franchise Agreement and includes a fee set by the Variety owner and will be payable to EPI. Royalties, if calculated on a production basis, are due upon sale of Conforming Fruit, or if on a per tree basis, are due at the time the trees are invoiced.	Varies by Variety and by NYSP Phase. See <u>Section 2.2.8(d)</u> and Schedule Three of the Franchise Agreement
EPI Charge ²	10% of the gross sales market price for all Varieties.	Due upon sale of Conforming Fruit	See <u>Section 2.2.7</u> of the Franchise Agreement. Please note: The entity through which sales may be accomplished is or may be an entity in which EPI or its affiliate has an ownership interest, including David Oppenheimer and Company I, L.L.C. as described in Item 1 above. On that basis, some of the fees payable to such entity may be returned to EPI or its affiliate as earnings.

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¹ Such fees include fees imposed by the Variety owner and license fees for the use of Trademarks and Proprietary Information according to the terms of the Franchise Agreement.

² Such fees are imposed by and are payable to EPI. Such fees are non-refundable.

ITEM 6. Other Fees (cont.)

Type of Fee	Amount	Due Date	Remarks
Marketing/ Advertising Fund ³	May vary by Variety. Any franchisee contribution is set on an annual basis and in consultation with franchisees. For the 2025-2026 crop year, the Marketing Fund Deduction per TCE for Scilate will be US\$1.50. Marketing Fund Deduction for Scilate will not increase by more than 25% per year from the then current Marketing Fund Deduction.	Due upon sale of Conforming Fruit	Such contributions are imposed by and are payable to EPI. EPI holds the funds for the benefit of the NYSP. The unspent marketing contributions are refundable upon termination of the Marketing Fund. See Section 2.2.9(b) of the Franchise Agreement. Please note: The entity through which marketing and advertising may be accomplished is or may be an entity in which EPI or its affiliate has an ownership interest.
Additional Training	Not Applicable	Not Applicable	No additional training is anticipated
Additional Assistance ⁴	Varies upon assistance provided	Upon rendering of assistance	EPI provides franchisees with technical support depending upon each franchisee's specific needs; see <u>Section 2.2.6(a)</u> of the Franchise Agreement
Transfer	Varies upon legal requirements	Due upon receipt of invoice	Transfer of the Franchise is not allowed without EPI's prior written consent; see <u>Section 13.6</u> of the Franchise Agreement. If such consent is provided, all fees, costs and expenses, including reasonable attorneys' fees, incurred by EPI to effectuate the transfer shall be paid by franchisee

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³ Such fees are imposed by and are payable to EPI. Such fees are only refundable on termination of the Marketing Fund.

⁴ Such fees are imposed by and are payable to EPI.

ITEM 6. Other Fees (cont.)

Type of Fee	Amount	Due Date	Remarks
Audit	Not Applicable	Not Applicable	Not Applicable
Renewal Fee	Not Applicable	Not Applicable	There is no set termination date for the Franchise, however, EPI may require franchisee to sign a then-current Franchise Agreement from time to time. <i>See Section 10</i> of the Franchise Agreement.
Legal Fees	Varies upon legal requirements	Due upon receipt of invoice	<i>See</i> Section 6 of Franchise Agreement and see Franchise Agreement for post-termination obligations

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ITEM 7. Estimated Initial Investment**YOUR ESTIMATED INITIAL INVESTMENT**

Description	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Planting Fee	\$20,000 (Note 1)	See Item 5	See Item 5	EPI
Cash Flow Needs for Year 1 Per Acre	\$33,453 (Note 2)	As incurred	During orchard plantings	EPI, Suppliers, Utilities, etc.
Cash Flow Needs for Year 2 Per Acre	\$11,804 (Note 2)	As incurred	During orchard plantings	EPI, Suppliers, Utilities, etc.
Travel and Living Expenses While Training	Not Applicable (Note 3)	Not Applicable	Not Applicable	Not Applicable
Real Estate and Improvements	Not Applicable (Note 4)	Not Applicable	Not Applicable	Not Applicable
Equipment, fixtures, other fixed assets	Not Applicable (Note 5)	Not Applicable	Not Applicable	Not Applicable
Signs	Not Applicable	Not Applicable	Not Applicable	Not Applicable
EPI Charge	Not Applicable (Note 6)	Not Applicable	Not Applicable	Not Applicable
Marketing/Advertising Fee	Not Applicable (Note 6)	Not Applicable	Not Applicable	Not Applicable
Additional Funds - 3 months	See above (Note 7)	As incurred	As incurred	Employers, suppliers, utilities, insurers, etc.
TOTAL	\$65,257 (Note 7)			

These figures are estimates and are taken from, “2024 Cost and Return Estimates of Establishing, Producing, and Packing Honeycrisp Apples in Washington” copyrighted by WSU Extension Service in 2024.

Access at https://wpcdn.web.wsu.edu/cahnrs/uploads/sites/5/TB106E_2024-Honeycrisp-Enterprise-Budget.pdf Potential franchisees are encouraged to consider and research their specific situation when estimating these initial investment figures. Factors such as tree density, variety, rootstock, training system, trellis structure and location can all have an impact on these costs. Upon written request, EPI may refer potential franchisee to resources that may provide general estimates, however, such resources are not specific to the EPI Varieties.

Notes:

(1) Based on plantings of 2,178 trees per acre is to give prospective franchisees an example as to the initial investment, one acre planted and a franchise planting fee equaling the Scilate franchise planting fee in effect as of the effective date of this disclosure document of \$20,000 per acre.

The initial franchise planting fee is nonrefundable and the fee is determined by Variety. EPI does not finance any fees. In 2026, for Scilate (ENVY®) the franchise planting fee is US\$20,000 per acre or part thereof and such fee may increase or decrease by an amount up to seventy-five percent (75%) per acre or part thereof at EPI's sole discretion pursuant to Section 2.2.8(c) of the Franchise Agreement.

(2) Based on plantings of 2,178 trees per acre and one acre planted, the estimate of costs is broken down as follows: Capital costs of land, trellis system, irrigation system, equipment, etc. (52%); Variable costs including trees, soil preparation, water, fertilizer, chemicals, labor, etc. (39%); Fixed costs depreciation, interest, insurance, etc. (9%).

(3) It is a condition for EPI selling you a Franchise that you possess the present ability to grow fruit trees and therefore it is anticipated that no initial training is required.

You will be responsible for any and all travel and personal expenses, including food and lodging, incurred in connection with any training which you request, and EPI agrees to provide.

(4) It is a condition for EPI selling you a Franchise that you own and/or lease on a long-term basis (such lease shall not terminate within 10 years of the execution of a Franchise Agreement) sufficient acreage to actively participate in the NYSP. Therefore, we do not anticipate that you will need to purchase or lease additional real estate in order to participate in the NYSP. If you do not own or lease adequate land to participate in the NYSP, it is your responsibility to purchase or lease additional land relative to your desired level of production under the NYSP. You must advise us of the location of any and all land upon which you intend to plant the Varieties.

(5) It is a condition for EPI selling you a Franchise that you are presently capable of growing fruit trees and therefore it is anticipated that you have at your disposal presently the principal equipment required to participate in the NYSP. Therefore, we do not anticipate that you will need to purchase additional equipment in order to participate in the NYSP and to meet the obligations listed in Item 9 of this disclosure document except to the extent that your existing equipment has exceeded its operating life cycle as you may determine. Any equipment you may need to purchase, including computer hardware and software, is your own responsibility.

(6) An EPI Charge equal to 10% for all Varieties of the gross sales market price, a royalty fee as identified in Item 5 herein and Schedule Three of the Franchise Agreement and a marketing/advertising fee will be payable directly to EPI and will be deducted directly from the sales proceeds returned to you. EPI may ask for additional contributions from franchisees to enhance promotional marketing activities. The method of promotion and planning thereof shall

be at the sole discretion of EPI. As a new franchisee, EPI does not anticipate that you will incur the EPI Charge within the first three months of operating the Franchise given the growing life cycle of the Varieties.

(7) This estimates your initial start-up expenses, including payroll costs and insurance. These figures are estimates and EPI cannot guarantee that you will not have additional expenses starting the business. Your expenses may vary substantially, upward or downward, depending upon the nature of your existing operations. You should review the figures contained in this Item 7 carefully with a business advisor before making any decision to purchase the Franchise.

ITEM 8. Restrictions on Sources of Products, Services and Tree Allocation

During Phase Two of the NYSP, except in certain limited circumstances described below, you must purchase your trees and budwood for grafting to existing stock directly and exclusively from Supplier or its authorized sublicensee. EPI will inform you of any authorized sublicensees. EPI and Supplier have entered into a Master License Agreement. Under that Master License Agreement, you will pay Supplier to bud and grow trees of the Varieties included in the NYSP. There is no minimum required purchase of trees or budwood by a franchisee in establishing and operating a franchise. EPI does not generate revenue from the required purchases; all of EPI's revenue is generated from payments from franchisees as set forth herein and in the Franchise Agreement. Under the Franchise Agreement, you undertake not to propagate any of the Varieties, including for your own use or the use of third parties, without the prior express written consent of EPI (see Franchise Agreement Sections 2 and 5). Under certain limited circumstances, EPI will authorize you to propagate trees yourself, provided that you execute a separate agreement with EPI and Supplier covering the propagation. You will be required to arrange and pay the costs of grading, packing, branding and storage of the Fruit through an EPI licensed/approved service provider (which, if the parties agree, may be a franchisee or a related party) to ensure that the Fruit is graded, packaged, branded and stored according to EPI's requirements and using EPI packaging and branding (see Franchise Agreement Section 2.2.1). Branding selected by EPI will be neutral to all parties but will acknowledge EPI's rights. EPI will not directly derive revenue or other material consideration as a result of the required purchases from Supplier or use of EPI's selected packaging or branding or EPI's licensed/approved service provider.

You will indicate to EPI the number of Trees that you desire and are able to produce (the "Desired Production Volume") and the number of Trees you propose to grow which will be New Trees and the number which will be Grafted Trees. EPI, in its sole discretion, may approve or modify the Desired Production Volume. After your initial planting you are not entitled to grow, and EPI is not required to offer you the right to grow additional New Trees or create additional Grafted Trees. EPI may, in its sole discretion, offer to you the right to grow New Trees or Grafted Trees as set forth in Schedule Four of the Franchise Agreement.

In addition to EPI's rights set forth above, if EPI becomes aware that franchisee may file for bankruptcy, have assets necessary to operate the Franchise foreclosed upon, is insolvent, fails to pay EPI in a timely manner pursuant to the Franchise Agreement, or undergo such other event that EPI determines in its sole discretion may put the Franchise at risk, then EPI may cancel or limit any Trees or Budwood allocated to franchisee pursuant to the preceding paragraph. If EPI

exercises such right, then EPI shall instruct Supplier in writing, with copy to franchisee, to either cancel or limit the Trees or Budwood. If franchisee cures such event to the satisfaction of EPI within a reasonable period, then EPI may permit Supplier to supply the original number of Trees or Budwood allocated to franchisee under the preceding paragraph.

EPI may convene an annual meeting of its franchisees to review past season performance and to plan for the following season. At that time, you will be able to provide advice to EPI on the following matters: (i) growing principles and operating procedures for the next year; (ii) production issues; (iii) quality standards; (iv) volume and pricing strategies; and (v) changes of product status within and between Phases Two and Three of the NYSP. EPI may establish committees from among its Phase Two growers to address certain matters under items (i) through (v) above as well as matters that address the amount each franchisee shall contribute to the Marketing Fund (see Franchise Agreement Section 2.2.9). EPI will have the final decision with regards to all matters addressed at such annual or committee meetings.

ITEM 9. Franchisee's Obligations

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section(s) in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 2.2.5	Item 7(4)
b. Pre-opening purchases/leases	Section 2.2.5 and 7.2	Item 7(4)
c. Site development and other pre-opening requirements	Section 2.2.5 and 7.2	Item 7(3), (4), (5)
d. Initial and ongoing training	Not Applicable	Not Applicable
e. Opening	Not Applicable	Not Applicable
f. Fees	Sections 2.2.7, 2.2.8, 2.2.9, 2.3 and 2.4	Items 5 and 6
g. Compliance with standards and policies (no operating manual provided)	Sections 2.2.1, 2.2.6 and 2.2.7	Not Applicable
h. Trademarks and proprietary information	Sections 4 and 5	Item 13 and 14
i. Restrictions on products/services offered	Sections 2.2.1 and 2.2.7	Not Applicable
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases and tree allocation	Sections 2.2.1 and 2.2.3	Item 8
m. Maintenance, appearance and remodeling requirements	Section 2.2.5	Item 7 and Item 12

n.	Insurance	Section 11	Item 7(7)
o.	EPI Charge	Section 2.2.7	Item 6, Item 7(6)
p.	Marketing/Advertising Fee	Section 2.2.9	Item 6, Item 7(6)
q.	Indemnification	Section 12.3	Not Applicable
r.	Owner's participation/management/staffing	Section 8	Not Applicable
s.	Records/reports	Section 2.2.6	Not Applicable
t.	Inspections and audits	Sections 2.2.5, 7 and 9.1	Not Applicable
u.	Transfer	Section 13.6	Item 6
v.	Renewal	Section 10	Item 17
w.	Post-termination obligations	Sections 6 and 7	Risk factors; Item 17
x.	Non-competition covenants	Not Applicable	Not Applicable
y.	Dispute resolution	Section 13.3	Addendum To New York Franchise Disclosure Document and Franchise Agreement

ITEM 10. Financing

EPI does not offer direct or indirect financing. EPI does not guarantee any note, lease or obligation which you may have outstanding or may incur at a later date.

ITEM 11. Franchisor's Assistance, Advertising, Computer Systems and Training Obligations

Except as listed in this Item 11, EPI is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your business, EPI will:

(1) File for registration of the Variety trade names, trademarks, and plant varietal rights with the relevant authorities in the applicable jurisdictions (see Franchise Agreement Section 5).

(2) Contract and coordinate with Supplier for the growth and production of the trees to be sold to the franchisees under the Franchise Agreement (see Franchise Agreement, Section 2.2.3).

On-going Obligations

During the operation of the franchised business, EPI will:

(1) Select Varieties for inclusion in Phases Two and Three of the NYSP (see Franchise Agreement Sections 2.2.1(a) and 2.3).

(2) Designate the number of trees per Variety which you may purchase and the conditions of such purchase (see Franchise Agreement Sections 2.2.2 and 2.2.3).

(3) Convene discussion groups among all franchisees at least once a year to discuss technical results and identify opportunities for improvement and may hold an annual meeting or such committee meetings from time to time to discuss and decide upon: (i) growing principles and operating procedures for the forthcoming year; (ii) production issues; (iii) quality standards; (iv) volume and pricing strategies and (v) changes of product status within and between Phase Two and Phase Three of the NYSP (see Franchise Agreement Section 2.2.6(c)). EPI may also seek a recommendation from a committee of growers to discuss Marketing Fund contributions (see Franchise Agreement Section 2.2.9).

(4) Establish harvest, grading, packing and packaging quality criteria in specifications and standards and designate EPI licensed/approved service providers for grading, packing, branding and storage of the Fruit (see Franchise Agreement Section 2.2.1).

(5) At its discretion, appoint a specialist consultant for the provision of technical advice (see Franchise Agreement Section 2.2.6(a)).

(6) Communicate to non-NYSP pack-houses and the New York Apple Commission the potential exposure to legal action from EPI associated with any unauthorized propagating, growing and commercializing of NYSP varieties without being a franchisee (see Franchise Agreement Section 4.2).

Service, Advertising and Marketing

EPI through its authorized agents will conduct the following services, marketing and sales activities for NYSP Varieties:

(1) Sales meetings, performances and presentations with key wholesalers and retailers in the United States who have established relationships with ENZI or its subsidiaries and who stock and sell New Zealand grown fruit.

(2) Promotional programs with key retailers aimed at increasing consumer awareness of the Varieties (point of sales advertising, testings, etc.).

EPI's promotional programs for Fruit grown in the United States will complement or be identical to promotional programs developed for the New Zealand grown Fruit of the Varieties.

The following general principles will govern EPI's services, marketing and sales activities:

(1) The source of advertising will be either internal, through external agencies, or T&G Global or ENZI's in-house marketing departments and will be coordinated from New Zealand.

(2) Branding and packaging will be developed by EPI and ENZI, and EPI licensed/approved service providers will follow these specifications. The brand will be neutral to all parties but will acknowledge EPI's rights (see Franchise Agreement Section 2.2.7(d)).

(3) Except where EPI provides its prior written approval, franchisees will not be permitted to use their own advertising materials (see Franchise Agreement Section 2.2.9).

(4) The entity or entities through which advertising and marketing may be accomplished may be an entity in which EPI or its affiliate has an ownership interest, including David Oppenheimer and Company I, L.L.C., described in Item 1 above. On that basis, some of the fees payable to such entity may be returned to EPI as earnings.

(5) The Marketing Fund contributions are set annually in consultation with franchisees. The amount of contribution may vary annually; however, EPI may at any time defer or reduce contributions of a franchisee (see Franchise Agreement Section 2.2.9).

(6) Beginning January 1, 2026 each franchisee will contribute \$1.50 per 18kg carton of Envy for the 2025-2026 crop year.

Computer System Requirements

ENZI and EPI use SAP software. SAP is an internationally recognized enterprise resource planning application. However, there is no requirement for the franchisees to buy a license to use the SAP system or to have access to ENZI's or EPI's in-house system.

ENZI and EPI do not provide an operating manual to franchisees as franchisees represent as a condition to the Franchise Agreement that they are experienced and capable of growing trees similar to the Varieties.

There is no training program for this Franchise.

ITEM 12. Territory

If you intend to, or do, expand or change in any manner the real property upon which you grow Varieties, you must notify Franchisor as soon as reasonably possible of any such expansion or change and provide Franchisor with the written legal description of any real property upon which you grow Varieties. You must update the real property description and provide such update to EPI, as often as necessary, to ensure that EPI always has an accurate and complete legal description of all real property upon which you grow Varieties, and should EPI require it (see Franchise Agreement Section 4.6), assist EPI to record the global positioning coordinates of all Authorized Sites.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that EPI may own in the future, or from other channels of distribution or

competitive brands that EPI may control. There are no restrictions on EPI's rights to solicit or accept orders, by any means, within the United States.

ITEM 13. Trademarks

EPI grants you the right to grow, produce, harvest and deliver Fruit of the Varieties selected by EPI and have the indirect benefit to use certain Proprietary Information and the trademark names "ENZA®", "ENVY®", and such other names as EPI informs you from time to time, within the terms of the Franchise Agreement. You may only use our current and future trademarks to label the Conforming Fruit within the terms of the Franchise Agreement. By trademark we mean the trade names, trademarks, service marks and logos used to identify the Fruit.

These marks are registered on the Principal Register of the United States Patent and Trademark Office. VGL is the owner of, and EPI has a license to use and sublicense, U.S. Trademark Registration Number 1,875,395 granted on January 24, 1995 for the "enza" apple logo, U.S. Trademark Registration Number 3,674,977 granted on September 1, 2009 for the mark "ENVY", and U.S. Trademark Registration Number 3,594,000 granted on March 24, 2009 for the ENVY apple logo.

The license agreement between VGL and EPI ("Trademark Agreement") provides EPI a non-exclusive license to use the trademarks only with respect to the "Conforming Fruit" defined in the FA as "Fruit meeting EPI's Purchase Specifications set forth in the Apple Supply Rider." Franchisees' sublicense to use the trademarks is subject to meeting the Specifications and following the brand guidelines set forth herein. There is no set term in the Trademark Agreement. Either party may terminate the agreement upon six months' notice, however, since the Trademark Agreement is an ENZA group (intra-group) agreement there is no benefit to VGL in terminating the Trademark Agreement as it would negatively impact revenue flow of the ENZA group.

You may not directly or indirectly interfere with our rights to our trademarks, trade names, trade secrets or business techniques that are part of our business. You must refrain from taking any actions that will negatively affect VGL's trademarks and the ENZA group of companies' good will. If required by EPI, you must enter into a registered user agreement with respect to any trademark or trade name. Any such registered user agreement will contain terms not inconsistent with the Franchise Agreement. You must notify EPI immediately if you learn about an infringement of, challenge to, or unfair competition with the use of our trademarks. You must also immediately notify EPI if a sport, derivative, improvement or variation of a Variety is found on your Commercial Block(s) (see Franchise Agreement [Section 5.1](#)). EPI will take whatever action, if any, we deem appropriate. EPI has no contractual obligation to defend you or to prosecute any legal action against others with respect to any infringement, unfair competition or other claim in any way related to your use of our trademark.

EPI does not know of any infringing uses that could materially affect your use of the trademarks.

ITEM 14. Patents, Copyrights and Proprietary Information

On December 1, 2008, HortResearch merged with Crop and Food Research to form The New Zealand Institute for Plant and Food Research Limited ("Plant and Food Research"). A U.S. plant patent grant number PP20477 (for Scilate) was applied for on February 26, 2008, in the name of HortResearch and was issued in the name of Plant and Food Research on November 10, 2009. The duration of this patent is 20 years from the date of filing the application.

Plant and Food Research (through its merger with HortResearch) has the plant patent rights in many parts of the world for those varieties (and many others) and has granted an exclusive worldwide license in respect of the Varieties to ENZI or its nominee. For the United States, ENZI nominee is EPI.

EPI will use all reasonable efforts to ensure that the uniqueness of the Varieties included in the NYSP is maintained for so long as is reasonably possible. However, because plant varietal rights do not provide absolute protection against copying or the development of substantially identical Fruit, EPI cannot and does not guarantee the uniqueness of any of the Varieties. Also, where EPI is a licensee of the owner of a Variety, the license granted to you under the Franchise Agreement is subject to the overriding rights of Plant and Food Research.

EPI's right to use the plant patents is not restricted by the terms of its agreement with Plant and Food Research except that those rights would end if the agreement were to be terminated by Plant and Food Research, for example, if canceled due to a material breach of the agreement by EPI.

EPI is obliged to protect the plant patents at its own cost. You have no obligation to notify EPI of infringements which come to your notice, but EPI requests that you do so. However, you are obligated under the terms of the Franchise Agreement to notify EPI in writing immediately upon discovery of any unauthorized access to the Commercial Blocks, removal of any budwood, trees, Fruit or other plant material subject to the Franchise Agreement, or the existence of any trees of any Variety outside the NYSP. If any litigation arose, EPI would control the litigation and EPI would not be obliged to indemnify you either from the litigation or from any consequential loss you suffer. If EPI requires a franchisee to discontinue use of any Variety for any reason, then you would have no rights to grow such Variety and would be required to discontinue such Variety as provided under Section 6 of the Franchise Agreement.

EPI is not aware of any infringement that could materially harm the Franchise.

ITEM 15. Obligation to Participate in the Actual Operation of the Franchise Business

You are responsible for direct, on-premises supervision of the Franchise. The Franchise Agreement specifically requires that you, (and if you are a corporation, partnership, or other entity, your owners, officers, employees, managers and agents) and your managers, employees, agents, consultants and advisers will maintain confidentiality of the proprietary information described in Item 14 (see Franchise Agreement Section 4 and Section 6).

ITEM 16. Restrictions on What the Franchisee May Sell

EPI is responsible for the marketing of all Conforming Fruit subject to the Franchise during Phase Two. You will deliver Conforming Fruit to EPI or its designees for distribution and sale. EPI requires you to arrange grading, packing, storing and labeling of the Conforming Fruit through an EPI licensed/approved service provider that meets the quality standards that we establish (see Item 9 and Franchise Agreement Section 2.2.1). You will have to follow EPI's specifications to dispose of the Nonconforming Fruit that does not meet the quality standards as provided under the Franchise Agreement Section 2.2.7(b). You may not sell any Fruit directly from your farm (except to EPI), or by way of farmstand, or to any other third party, without the prior written approval of EPI.

ITEM 17. Renewal, Termination, Transfer, and Dispute Resolution

This table lists certain important provisions of the Franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

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THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	Not Applicable	There is no set termination date of the Franchise
b. “Renewal” or extension of the term	Section 10	“Renewal” means EPI may require you to sign from time to time a then-current Franchise Agreement that may have materially different terms and conditions from your original Franchise Agreement.
c. Requirements for you to renew or extend	Section 10	Franchisee to sign a then-current Franchise Agreement
d. Termination by you	Section 6 and 6.3	You may terminate the Franchise Agreement on any grounds available by law.
f. Termination by EPI with cause	Section 6.4	EPI may terminate at any time upon a material breach; you will be responsible for paying all fees, costs and expenses incurred by EPI in consummating a termination with cause
g. “Cause” defined – defaults which can be cured	Section 6.1	The Franchise Agreement defines “material breach” and allows you five days to cure a service or payment default
h. “Cause” defined – defaults which cannot be cured	Section 6.1	The Franchise Agreement defines “material breach” and identifies happenings that cannot be cured by franchisee
i. Your obligations on termination/non-renewal	Sections 6 and 7	At EPI’s request, destroy or remove the trees or overgraft them in such a way that the Varieties can no longer be produced from

Provision	Section in Franchise Agreement	Summary
		them, or allow EPI access to your property under a license or easement or otherwise in order to destroy, inspect, remove or overgraft the trees
j. Assignment of contract by EPI	Section 13.5	EPI has the right to transfer or assign the Franchise Agreement in whole or in part
k. "Transfer" by you – definition	Section 13.6	Includes any transfer, assignment, mortgage, conveyance or other encumbrance as well as merger, consolidation, dissolution, termination, liquidation, transfer or other disposal of all or substantially all of franchisee's assets, any real property upon which any Variety is grown, or change in franchisee's legal structure
l. EPI's approval of transfer by franchisee	Section 13.6	Franchisee may not transfer or otherwise convey its Franchise (for security purposes or otherwise) without the prior notice to, and written consent of, EPI; if EPI provides such consent it shall be conditioned, among other things, upon payment by franchisee and/or proposed transferee or assignee, of all costs, fees and expenses, including reasonable attorneys' fees, incurred by EPI as a result of franchisee's transfer.
m. Conditions for EPI approval of transfer	Section 13.6	EPI may withhold its consent to any transfer but will not unreasonably withhold consent to any restructuring of franchisee's

Provision	Section in Franchise Agreement	Summary
		operations for estate planning purposes
n. EPI's right of first refusal to acquire your business	Not Applicable	Not Applicable
o. EPI's option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the Franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the Franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 13.13	In addition to Section 10 of the Franchise Agreement, the Franchise Agreement may be amended by mutual written consent
t. Integration/merger clause	Section 13.10	Only the terms of the Franchise Agreement are binding (subject to New York law). Any other promises are not enforceable
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 13.3	Litigation must be in the state and federal courts in King County, Washington subject to applicable state law
w. Choice of law	Section 13.3	New York law applies subject to applicable state law

ITEM 18. Public Figures

EPI does not use any public figure to promote its Franchise.

ITEM 19. Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document.

Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

EPI does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. EPI also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Franchise, however, Franchisor may provide you with the actual records of that franchise. If you receive any other financial performance information or projections of your future income, you should report it to Franchisor's management by contacting the Chris Willett, VP Operations, Supply Chain and Quality at Chris.Willett@tandg.global, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. Outlets and Franchisee Information

The following Table No. 1 reflects the number of franchised outlets for each of the Franchisor's last three fiscal years.

Table No. 1
Systemwide Outlet Summary
For years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised Outlets	2023	67	66	-1
	2024	66	78	+12
	2025	78	83	+5
Company Owned Outlets	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	67	66	-1
	2024	66	78	+12
	2025	78	83	+5

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Table No. 2
Total Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Washington	2023	8
	2024	0
	2025	0
New York	2023	0
	2024	0
	2025	0
Total	2023	8
	2024	0
	2025	0

*Washington and New York are currently the only states where franchises are located and there are no franchisor-owned franchises/outlets.

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The following Table No. 3 reflects the status of franchised outlets for the last three fiscal years.

Table No. 3
Status of Franchised Outlets
For years 2023 to 2025

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals*	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
WA	2023	67	5	6	0	0	6	66
	2024	66	12	5	0	0	5	73
	2025	73	3	0	0	0	0	76
NY	2023	0	0	0	0	0	0	0
	2024	0	5	0	0	0	0	5
	2025	5	2	0	0	0	0	7
Total	2023	67	5	6	0	0	6	66
	2024	66	17	5	0	0	5	78
	2025	78	5	0	0	0	0	83

*There is no specified renewal date, however, per Section 10 of Franchise Agreement, franchisee may be required to sign from time to time a then-current Franchise Agreement.

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The following Table No. 4 shows that Franchisor has not owned an outlet in the United States for the last three fiscal years.

Table No. 4
Status of Company-Owned Outlets in the United States
For years 2023 to 2025

Col. 1 USA*	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
WA	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
NY	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

*Washington and New York are currently the only states where franchises are located and there are no franchisor-owned franchises/outlets.

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The following Table No. 5 reflects Franchisor's projected new franchised outlets for FY2026.

Table No. 5
Projected New Franchised Outlets
As of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Washington	0	2	0
New York	0	2	0
Total	0	4	0

Attached as Exhibit G is the list of all current franchisees and their respective addresses and phone numbers. Also included in Exhibit G is a list of the franchisees and their respective addresses and phone numbers who had an outlet/Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the **2025** fiscal year or who have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no franchisor-owned franchises/outlets, therefore, Franchisor has never sold a franchised-owned franchise/outlet.

All franchisees are required to maintain with strict confidentiality and security any and all Confidential Information, the Varieties, Trees, Fruit, Trial Blocks, Trademarks, and PVRs as these are essential to the success of Phase Two of the NYSP (see Section 4 of the Franchise Agreement). Other than the Franchise Agreement and such additional documents as described therein, current and former franchisees are not required to sign additional documents restricting their ability to speak about their experience with the Franchise.

There is no trademark-specific franchisee organization associated with the franchise system being offered.

ITEM 21. Financial Statements

Attached as Exhibit E are the audited financial statements of EPI dated March 31, 2026 for years ending December 31, 2025 and December 31, 2024 and the audited financial statements of EPI dated March 24, 2025 for years ending December 31, 2024 and December 31, 2023.

ITEM 22. Contracts

Attached as Exhibit A is a copy of EPI's Franchise Agreement as being offered under this disclosure document.

ITEM 23. Receipt

Attached as the last page to this Disclosure Document.

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NEW YORK SUPPLEMENTAL INFORMATION PAGE

1. List the following:
 - a. The states in which this proposed renewal registration is effective. **None.**
 - b. The states in which this proposed registration is or will be shortly on file. **New York.**
 - c. The states, if any, which have refused, by order or otherwise, to register these franchises. **None.**
 - d. The states, if any, which have revoked or suspended the right to offer these franchises. **None.**
 - e. The states, if any, in which the proposed registration of these franchises has been withdrawn. **None.**
2. With respect to all franchises sought to be registered set forth, in budget form, the total projected financing required by franchisor to fulfill the franchisor's obligations to provide real estate, improvements, equipment, inventory, training and all other items included in the offering. Show separately the sources of all of the required funds including any proposed loans or contributions to capital.

It is a condition of entering into the Franchise that the franchisee is currently capable of growing the Varieties. There are no obligations on the Franchisor to provide real estate, improvements, equipment, inventory, training, or other similar items. As such, no loans or capital contributions are envisaged as being required by the Franchisor to finance its activities under this Franchise.

**ADDENDUM TO NEW YORK FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The New York State Program Franchise Agreement between ENZA FRUIT Products Inc., a Delaware corporation (“Franchisor”) and _____ (“Franchisee”) dated _____, 20__ (the “Agreement”) is hereby amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Addendum”):

NEW YORK LAW MODIFICATIONS

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at

the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to Agreement for the State of New York as of the date of the Agreement.

FRANCHISOR:

ENZAFRUIT Products, Inc.,
a Delaware corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Exhibit A
Franchise Agreement

See attached.

ENZAFRUIT PRODUCTS INC.

NEW YORK STATE PROGRAM

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into at _____, New York as of this _____ day of _____, 2026, by and between ENZAFRUIT Products Inc. (“**EPI**” or “**Franchisor**”), a Delaware corporation, and _____ (“**Franchisee**”), organized under the laws of the State of New York. Franchisor and Franchisee are sometimes referred to herein as a “**Party**” or collectively as the “**Parties.**” Capitalized terms have the meanings set forth in Section 1 of this Agreement.

RECITALS

A. EPI’s business address in Washington is 1 Fifth Street, Suite 260, Wenatchee, Washington 98801. Franchisee’s address is _____. Franchisee is owned by _____.

B. EPI as a result of time, skill, research, effort and money has developed a developmental program in New York State (the “**NYSP**”) whereby certain pipfruit Varieties will be grown in New York State under controlled conditions including techniques, processes, standards and specifications for growing, harvesting, grading, marking, packaging, storing, distributing, marketing and selling the Varieties. EPI may change, improve and further develop the NYSP, which changes will be communicated to Franchisee from time to time. EPI’s NYSP comprises three phases referred to as Phase One, Phase Two and Phase Three. Phase One is a research, development and testing phase and is not part of this Agreement.

C. EPI has the rights to use in connection with the NYSP and the Varieties certain trade names, service marks and trademarks as may be utilized by EPI as part of the NYSP from time to time (hereinafter referred to as “**Proprietary Information**”), and EPI continues to develop and use such Proprietary Information for the benefit of itself and its franchisees in order for the public to identify the source of Varieties marketed under the NYSP. EPI will use all reasonable efforts to ensure that the uniqueness of the Varieties included in the NYSP is maintained for so long as is reasonably possible. However, because plant varietal rights do not provide absolute protection (including against copying or the development of substantially identical Fruit), EPI cannot and does not guarantee either the uniqueness of any of the Varieties or complete protection of the Variety, either presently or at any future time. Furthermore, where EPI is a licensee of the owner of a Variety, the license granted to Franchisee pursuant to this Agreement is subject to the overriding rights of the owner of the Variety.

D. Franchisee wishes to: (1) participate in the NYSP and obtain a non-exclusive license from EPI to (i) grow the Varieties in orchards it owns and/or leases; (ii) sell Conforming Fruit exclusively to EPI in accordance with the terms and conditions of the Apple Supply Rider and dispose of the Nonconforming Fruit in accordance with Section 2.2.7; (iii) obtain the indirect

benefit of EPI having the use certain Proprietary Information and Trademarks, all in accordance with the terms and conditions in this Agreement; and (2) receive assistance and expertise provided by EPI in connection with the NYSP.

E. Under the NYSP and, more specifically the Apple Supply Rider, EPI shall purchase Conforming Fruit and EPI shall market and sell the Conforming Fruit.

F. Franchisee acknowledges and understands the importance of EPI's protection of the Proprietary Information, EPI's high and uniform standards for quality, and the necessity of growing, harvesting, grading, marking, packaging, storing, distributing, marketing, disposing of, and selling the Fruit in conformity with EPI's standards and specifications, as amended from time to time.

NOW, THEREFORE, in consideration of the undertakings and commitments of the Parties set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby mutually agree as follows:

AGREEMENT

1. RECITALS AND DEFINITIONS

1.1 **RECITALS.** The parties agree that the Recitals set forth above are hereby incorporated herein.

1.2 **DEFINITIONS.** Unless the context requires otherwise, the following definitions shall apply throughout this Agreement:

"Affiliate" means any entity, which directly or indirectly controls, or is directly or indirectly controlled by, or is under common control with a Party named in this Agreement.

"Apple Supply Rider" means the supply contract including any exhibits and schedules attached thereto, the current form of which is attached hereto as Schedule Seven.

"Authorized Site" means Franchisee's owned and/or leased orchard(s) located at such locations as are listed on Schedule Six attached hereto and incorporated by this reference as the same may be amended from time to time as provided under Section 2.2.5 and Section 13.13 of this Agreement.

"Budwood" means budwood of the Trees and includes any plant material of the Variety capable of vegetative reproduction.

"Business Day(s)" means any day other than a Saturday, Sunday or day on which banking institutions in the State of New York are authorized by law or executive action to close.

"Calendar Day(s)" means each day, not including the day of the act, event, or default from which a designated period of time begins to run but including the last day of the period unless it is

a Saturday, Sunday, or legal federal holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday, or legal federal holiday.

“Commercial Blocks” has the meaning set out in Section 2.2.1(b).

“Confidential Information” means any and all information and data, knowledge and know-how, technical or non-technical, written or oral, communicated to Franchisee, or of which Franchisee may be apprised by virtue of its operation under the terms of this Agreement, or whether requested by EPI or maintained at Franchisee’s discretion, which relates to or is in any manner, right, or respect associated with the Fruit, Trees, Varieties, Trademarks, or PVRs, including without limitation the Proprietary Information as that term is defined above. Confidential Information also includes any knowledge or know-how concerning the NYSP or the Franchise generated by this Agreement.

“Conforming Fruit” refers to Fruit meeting EPI’s Purchase Specifications set forth in the Apple Supply Rider.

“Desired Production Volume” has the meaning set out in Section 2.2.3.

“EPI” means ENZAFRUIT Products Inc., a Delaware corporation and a wholly-owned subsidiary of ENZAFRUIT New Zealand International Limited, a New Zealand corporation.

“Force Majeure” shall mean any act of God, acts or decrees of governmental or military bodies, fire, casualty, flood, earthquake, war, strike, lockout, disease, epidemic, pandemic, outbreak of communicable disease, quarantine, destruction of production facilities, riot, insurrection, or any other cause whether similar or dissimilar to any of the foregoing beyond the reasonable control of the Party.

“Franchise” has the meaning set out in Section 2.1 below.

“Franchisee” refers to _____, a _____, as signatory to this Agreement and the exhibits and Schedules attached hereto.

“Fruit” refers to the fruit produced from and which is the product of the Trees and for the avoidance of doubt, includes juice fruit.

“Grafted Trees” refers to Trees which are produced by Franchisee grafting Budwood onto an existing tree of another type in order to produce a Tree subject to this Agreement.

“Grower” refers to Franchisee and any other grower at the applicable time participating in the NYSP.

“Marketing Fund” refers to a fund that may be established by EPI, which funds would be collected from Franchisees for advertising, marketing, and public relations programs for the NYSP.

“Net Invoiced Value” means, in respect of a time period, the total invoiced sales value for Conforming Fruit sold under the Apple Supply Rider in that time period less those credit invoices processed during the that time period for returned or rejected Fruit, trade or customer volume discounts or other customer volume rebates.

“New Trees” refers to Trees which are provided to a Grower complete with roots and trunk and not produced by Franchisee by grafting Budwood onto an existing tree of another type.

“Nonconforming Fruit” refers to Fruit which does not meet EPI’s Purchase Specifications as set forth in the Apple Supply Rider, which Fruit shall be disposed of in accordance with Section 2.2.7.

“Phase Two” refers to the second phase of the NYSP wherein the Varieties are produced on a limited commercial scale by the Growers while EPI directly or indirectly markets the Varieties.

“Phase Three” refers to the third phase of the NYSP involving unrestricted production of a Variety.

“PVR” refers to the grant of certain plant variety rights pursuant to the Plant Variety Rights Act of 2022 (New Zealand), or similar or equivalent legislation in any other jurisdiction (including other plant patents or similar reservations) for the Varieties. A list of PVRs with respect to each Variety included in the NYSP as of the date of this Agreement is contained in Schedule One hereto.

“Royalty” or **“Royalties”** means the royalties payable by Franchisee to EPI during Phases Two and Three and as calculated in accordance with Sections 2.2.8 and 2.3 and Schedule Three hereto.

“Supplier” refers to Willow Drive Nursery, Inc., a Washington corporation or another supplier designated by EPI, who will provide certain nursery and related services to EPI, as EPI’s master licensee under the NYSP.

“Trademark” refers to any and all trademarks, trade names, service marks and logos associated with the Variety, the particulars of which are set forth in Schedule Two hereto as the same may be amended from time to time.

“Tree” or **“Trees”** refers to trees of the Varieties selected for inclusion in the NYSP, whether such trees are New Trees or Grafted Trees.

“Variety” or **“Varieties”** refers to the varieties of pipfruit listed on Schedule One hereto, as amended from time to time, and which have been selected for inclusion in the NYSP by EPI, together with such additional varieties as may subsequently be added to the NYSP by EPI.

2. **APPOINTMENT; PHASES OF THE NYSP**

2.1 **APPOINTMENT.**

2.1.1 Subject to the terms hereof, EPI hereby grants to Franchisee, and Franchisee undertakes the obligation, upon the terms and conditions contained herein, a non-exclusive right and license to: (a) grow, produce and harvest the Varieties under Phase Two and Three of EPI's NYSP (hereinafter referred to as the "**Franchise**"), as the Franchise may be changed, improved, and further developed by EPI from time to time; and (b) use the Proprietary Information in relation to Conforming Fruit of the relevant Variety, all according to the terms of this Agreement. Franchisee expressly acknowledges and agrees that this license relates exclusively to the Authorized Site and the license expires upon the earlier of the termination of the NYSP and this Agreement. Where EPI is a licensee of the owner of a Variety, Franchisee's rights and obligations under this Agreement and the Franchise are subject to the rights of the owner of the Variety.

2.2 **PHASE TWO AND THREE.** During Phase Two and Three, Franchisee shall produce specified quantities of the Varieties while demand is created by EPI's active marketing of said Varieties. Further, during Phase Two and Three:

2.2.1 **Services.** Franchisee shall provide upon the terms and conditions set forth herein the following services during Phase Two of the NYSP:

(a) Upon consultation with and consent of EPI, Franchisee shall select the Varieties and, for each of these Varieties, the volume that it desires and is able to produce and Franchisee shall communicate this information to EPI in accordance with Section 2.2.3.

(b) Franchisee shall establish and designate separate and distinct commercial blocks for Trees of each Variety (the "**Commercial Blocks**" as further described under Section 2.2.5 of this Agreement) and the Parties shall agree on the location of the Commercial Blocks (including such specificity with respect to the type and location of trees which are to become Grafted Trees as EPI may reasonably request), each of which shall be part of the Authorized Site.

(c) Franchisee shall produce and harvest the Fruit, by furnishing at its own cost the Authorized Site, irrigation systems, water, equipment and labor in connection with the cultivation, harvest and delivery of the Fruit.

(d) Franchisee is exclusively responsible for managing and supervising the growing of the Fruit, including but not limited to, soil preparation, planting, irrigation, cultivation, fertilization, spraying, and other agricultural practices.

(e) Franchisee shall arrange grading, packing, branding and storage of the Fruit through an EPI licensed/approved service provider (which, if the Parties agree, may be Franchisee or a related party), in accordance with the Apple Supply Rider.

(f) Franchisee shall make the packed Fruit available for delivery and sale to EPI at locations selected by EPI. Franchisee cannot sell, deliver, or dispose of Fruit except to EPI, unless expressly provided for in Section 2.2.7 or the Apple Supply Rider.

(g) During the term of the Franchise, Franchisee may not sell or dispose of any Fruit without an Apple Supply Rider with EPI currently being in effect and only then in accordance with the terms and conditions of that Apple Supply Rider.

The list of services provided for under this Section 2.2.1 is not exhaustive. Franchisee shall perform such additional services as EPI may reasonably request from time to time in its sole discretion and, where this requires significant additional effort in time and/or cost to Franchisee, for an additional fee to be agreed upon by the Parties. In each case, services shall be performed in accordance with EPI's requirements and instructions as periodically conveyed to Franchisee.

2.2.2 Scale. Trees of a Phase Two Variety or Budwood for the purpose of creating Grafted Trees will be supplied to Franchisee by Supplier upon EPI's instructions. The total economic retail volume of a given Variety which EPI can market and sell will be determined by EPI in its sole discretion. Nothing contained in this Agreement shall permit Franchisee to create Grafted Trees in a number or location or from plant material not approved in advance by EPI.

2.2.3 Tree Allocation. For each Phase Two Variety, the Franchisee will indicate to EPI the number of Trees that it desires and is able to produce (the **"Desired Production Volume"**) and the number of Trees it proposes to grow which will be New Trees and the number which will be Grafted Trees. EPI, in its sole discretion, may approve or modify the Desired Production Volume. After Franchisee's initial planting on the Commercial Blocks, Franchisee is not entitled to grow, and EPI is not required to offer to Franchisee the right to grow additional New Trees or create additional Grafted Trees. EPI may, in its sole discretion, offer to Franchisee the right to grow New Trees or Grafted Trees on acreage outside of the initial Commercial Blocks or Authorized Site as set forth in Schedule Four. If necessary, for the purpose of supporting the aggregate desired Phase Two production volume for a given Variety, Supplier may appoint a sub-licensee subject to EPI's consent. Franchisee specifically acknowledges that allocation or provision of Budwood to Franchisee for grafting onto Grafted Trees is consent only to graft onto trees in the number, of a type and in the Commercial Block previously approved by EPI and for no other purpose.

(a) The Trees and any Budwood shall remain the sole and exclusive property of Supplier subject to any agreement between Supplier and EPI regarding the same, until final payment for the Trees and any Budwood used in the Grafted Trees has been made (see Section 2.2.8 "Costs" below).

(b) After Supplier has delivered all Trees and/or Budwood it has committed to supply to such Franchisee, or if Supplier fails to deliver the contracted quantities, EPI, in its sole discretion, may grant Franchisee limited propagation rights to grow a supply of Trees for use exclusively in such Franchisee's controlled environments. In such circumstances, EPI and Franchisee shall enter into a separate written agreement reflecting any grant of limited propagation rights. Trees propagated by Franchisee under an agreement between Franchisee and EPI, together with the Fruit thereof, shall be owned by the Franchisee once all fees payable under such agreement

for propagation rights have been paid in full; such fees shall be negotiated as part of the separate agreement, and may be payable to either EPI, Supplier or both. All rights, title and interest in the Varieties, Trademarks, and PVRs shall remain the sole and exclusive property of the owners of the Varieties, Trademarks and PVRs.

(c) Any and all alternative arrangements for growing Trees proposed by Franchisee shall require the prior written approval of EPI.

(d) In addition to EPI's rights set forth above, if EPI becomes aware that Franchisee may file for bankruptcy, have assets necessary to operate the Franchise foreclosed upon, is insolvent, fails to pay EPI in a timely manner pursuant to this Agreement, or undergo such other event that EPI determines in its sole discretion may put the Franchise at risk, then EPI may cancel or limit any Trees or Budwood allocated to Franchisee pursuant to this Section 2.2.3. If EPI exercises such right, then EPI shall instruct Supplier to cancel or limit the Trees and/or Budwood to be delivered to Franchisee. If Franchisee cures such event to the satisfaction of EPI within a reasonable period of time, then EPI may permit Supplier to supply the original number, or such other number as EPI may decide in its sole discretion, of Trees and/or Budwood allocated to Franchisee in accordance with this Section 2.2.3.

2.2.4 Duration and Review. Phase Two for a given Variety shall have no pre-established end date. A review of the Variety market conditions will be undertaken by EPI in consultation with Phase Two Growers at the end of each season. The end of Phase Two for a given Variety will be determined by EPI after consultation with the Phase Two Growers when EPI determines, in its sole discretion, that either: (i) the Variety premium has dropped below a level determined by EPI, or (ii) the Variety's life cycle is mature.

2.2.5 Commercial Block Planting and Management. Franchisee shall exercise and maintain a high standard of care of the Commercial Blocks at all times in accordance with the generally recognized industry best practices and standards.

(a) Prior to designation of a Commercial Block for a given Variety including expanding or changing in any manner any Commercial Block upon which Franchisee grows or desires to grow the Varieties, Franchisee shall provide EPI with a written physical and real property legal description of such Commercial Block stating the Variety to be planted and/or grafted and detailing the physical location of said Commercial Block generally and within the Authorized Site and shall obtain EPI's prior consent of such Commercial Block. Further, Franchisee must provide EPI with any updated real property legal description as often as necessary to ensure that EPI always has an accurate and complete real property legal description of all property upon which Franchisee shall grow the Varieties, and should EPI require it (under Section 4.7 below), assist EPI to record the global positioning coordinates of all Authorized Sites.

(b) EPI shall have the right to enter onto the Authorized Site and inspect the Commercial Blocks at any time.

2.2.6 Information and Support. For the overall benefit of the NYSP, information on the performance of the Varieties during Phase Two may be exchanged freely between, EPI, Supplier, the PVR owner, and the Phase Two Growers.

(a) EPI may in its discretion appoint a specialist/consultant who will be available to provide technical advice to Franchisee, as needed. Only if agreed upon by Franchisee in advance, where the advice provided is specific to Franchisee, shall the cost for any such consultant be borne by Franchisee.

(b) Franchisee shall keep and maintain records of the production processes, procedures, and results and shall periodically provide such records to EPI. Details on the contents of the records and recording methodology will be agreed between EPI and Franchisee in writing, taking into account Franchisee's current and projected information management capabilities; provided, however, that Franchisee shall in all cases comply with any and all informational or reporting requirements reasonably imposed upon EPI by the owner of the Varieties, if other than EPI.

(c) EPI may convene an annual meeting of Phase Two Growers to review past season performance and planning for the following season. EPI shall provide Franchisee not less than ten (10) Business Days advance notice of any meeting and Franchisee shall endeavor to have a representative of Franchisee attend the meeting to be held at a location agreed upon at the last meeting. Franchisee may provide advice to EPI on the following matters: (i) growing principles and operating procedures for the forthcoming year; (ii) production issues; (iii) quality standards; (iv) volume and pricing strategies; and (v) changes of product status within and between Phases Two and Three of the NYSP. EPI may establish committees from among its Growers to address certain matters identified under items (i) through (v) above, as well as the amount each Franchisee shall contribute to the Marketing Fund (as described under Section 2.2.9). EPI shall have the final decision with regard to all matters addressed at such annual or committee meetings.

2.2.7 Fruit Harvesting and Quality. All Fruit grown and produced during Phase Two shall be owned by and be the exclusive property of Franchisee once the relevant Trees have been paid for but shall be made exclusively available for purchase by EPI or its nominated agent. Under the Apple Supply Rider EPI shall, as part of the purchase price payable for the Conforming Fruit, be entitled to deduct an EPI charge. The EPI charge shall be calculated at ten percent (10%) per Variety of the Net Invoiced Value less the Marketing Fund Deduction (as defined in Section 2.2.9), which charge will be adjusted to reflect the fact that EPI sales agent commissions are calculated on the Net Invoiced Value (the "**EPI Charge**"). The EPI charge may be amended by EPI from time to time. Further, EPI may ask for additional contributions from Franchisees to enhance promotional and advertising activities as set forth in Section 2.2.9.

If the Net Invoiced Value of the immediately preceding quarter, falls below an average of US\$20 per box across all sizes for first class Fruit (extra fancy grade) with respect to a particular Variety, EPI shall reduce its EPI Charge for that Variety from 10% to 6% of the Net Invoiced Value less the Marketing Fund Deduction, which charge will be adjusted as set forth above. The reduced percentage shall remain in force as long as the Net Invoiced Value remains below US\$20 per box. Franchisee shall also be liable to pay any Royalties, other costs and any taxes or levies (including

but not limited to any levies by the New York Apple Commission), as set forth in the Apple Supply Rider.

(a) Franchisee will harvest Fruit according to criteria and procedures established by EPI in its sole discretion. EPI shall periodically inform Franchisee of applicable harvesting criteria and procedures.

(b) As set forth in the Apple Supply Rider, Franchisee will submit to EPI all Conforming Fruit. Nonconforming Fruit will not be purchased by EPI, but may, at EPI's discretion, be industrially processed or otherwise dealt with as agreed between EPI and Franchisee. Additionally, Franchisee understands it may not sell any Conforming Fruit or Nonconforming Fruit, directly from its farm, or by way of farm stand, or to any other third party, without the prior written approval of EPI.

(c) In the event EPI consents to Franchisee disposing of any Nonconforming Fruit, Franchisee shall not use any trademark, license, brand owned or licensed by EPI, or any name associated with EPI in connection with the Nonconforming Fruit.

(d) Franchisee shall arrange grading, packing, repacking and branding of the Fruit according to EPI's requirements through an EPI licensed/approved service provider chosen by EPI, at its sole discretion. Branding selected by EPI shall be neutral to all Parties but shall acknowledge EPI's rights. Franchisee shall bear the risk of loss with respect to any and all Fruit packing, repacking and branding quality issues.

(e) Franchisee shall ensure that the Fruit is stored according to EPI's requirements through an EPI licensed/approved service provider.

(f) Any Conforming Fruit sold by Franchisee to EPI may be sold by EPI or its agents in the market that EPI determines and to any customers that EPI chooses, in each case in its sole discretion. Further, EPI may elect to sell the Conforming Fruit to an Affiliate of EPI provided that any sale to such Affiliate must be on terms no less favorable than those that EPI would be willing to accept in that market from an unrelated customer (on a like for like basis including terms on price, and as to when payment must be received).

2.2.8 Costs and Fees. Franchisee shall pay EPI (or, where required, Supplier on behalf of EPI) a New Tree purchase fee and/or Budwood fee, as applicable, a franchise planting fee, an EPI Charge pursuant to Section 2.2.7, and a consulting fee may be incurred under Section 2.2.6.

(a) The New Tree purchase fee shall be calculated according to a rate per New Tree established by Supplier for each Variety as set forth in Schedule Four, as the same may be amended from time to time. The New Tree purchase fee shall be payable by Franchisee to Supplier in two installments, unless otherwise agreed to by Supplier: (i) \$2.00 per New Tree ordered, and (ii) the balance is due upon delivery of each New Tree.

(b) The Budwood purchase fee is established by Supplier for each Variety as set forth in Schedule Four (as the same may be amended from time to time).

(c) The franchise planting fee shall be calculated on a rate per acre (or part thereof) planted/grafted or to be planted/grafted with a given Variety, at such rates as may be established by EPI for such Variety and as the same may be amended from time to time. EPI shall not be required to provide prior notice to Franchisee in the event of a change in the franchise planting fee, however any such change shall be prospective and shall not affect any prior written agreement between the Parties. The franchise planting fee rates for the Phase Two Varieties in effect at the date of this Agreement are set forth in Schedule Four hereto.

Any franchise planting fee arising from planting a Variety in a designated Commercial Block is nonrefundable and shall be payable to EPI under payment terms set forth in Schedule Four hereto. Notwithstanding the foregoing, in the event EPI transitions a Variety into Phase Three and Franchisee has paid installments of the franchise planting fee for new acres of such Variety (“**New Acres**”) but has not yet planted the New Acres at the time it transitions to Phase Three, the franchise planting fee for the New Acres shall be refundable.

Nothing contained in this paragraph eliminates Franchisee’s obligation to pay additional amounts owed under this Agreement, including franchise planting fees resulting from planting additional acreage, buying New Trees or Budwood or as a result of Royalties owed (whether on additional acreage or land for which a franchise planting fee has already been paid).

(d) The amount and method of calculation of the Royalty is established by EPI and includes a fee set by the Variety owner. EPI will advise Franchisee of the Royalty amount when a Variety is introduced in Phase Two. The Royalty will be calculated either on a per Tree basis or on a production basis depending on the Variety. For the initial Varieties in Phase Two, the Royalty in effect as of the date of this Agreement is as stated in Schedule Three hereto. No change in Royalty calculations shall apply to Trees already planted or subject to a firm order prior to the effective date of the change in Royalty calculation.

(e) In case replacement or replanting of any Trees is necessary following the occurrence of a Force Majeure or upon EPI’s consent to replant due to mature Commercial Blocks, Franchisee shall be required to pay a New Tree purchase fee and/or Budwood purchase fee, as applicable, including, if relevant, the Royalty, but not the associated new franchise planting fee.

(f) Franchisee shall pay any and all transporting costs and fees associated with shipment and delivery of Trees and/or Budwood from Supplier to Franchisee. All other costs including, but not limited to, orchard management and growing costs, insurance costs, any and all tax assessments, freight, packing and storage costs shall also be borne by Franchisee.

2.2.9 Advertising and Marketing Fund. Franchisee acknowledges and recognizes the value of the ENZA brand, Trademarks and Varieties, the need to develop, enhance, and promote the ENZA brand, Trademarks and Varieties, and the need to advertise and market the ENZA brand and pipfruit Varieties. Franchisee also acknowledges and recognizes the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the “ENZA” brand and pipfruit Varieties. Therefore, Franchisee agrees to (i) contribute to the

Marketing Fund pursuant to this Section 2.2.9, and (ii) make local advertising and marketing expenditures pursuant to Sections 2.2.8 and 2.2.9.

(a) Franchisee acknowledges and agrees that the public image of the ENZA brand and Varieties is important to the NYSP. EPI may establish a Marketing Fund (the “**Marketing Fund**”) for the enhancement and protection of the ENZA brand and Varieties, and for the advertising, marketing, and public relations programs and materials as EPI deems appropriate. EPI will have the right to use, or direct the use of, the Marketing Fund, and monies in the Marketing Fund to: enhance and protect the ENZA brand and pipfruit Varieties; improve and increase public recognition and perception of the ENZA brand, Trademark and pipfruit Varieties; and to improve and enhance the perception of pipfruit Varieties held by franchisees and the public. Among the programs, concepts, and expenditures for which EPI may utilize the Marketing Fund monies are: creative development and production of print ads, commercials, radio spots, direct mail pieces, door hangers, and other advertising and promotional materials; creative development of, and preparing, producing, and placing video, audio, and written materials and electronic media; media placement and buying, including all associated expenses and fees; administering, and/or allocating monies of the Marketing Fund for use in, regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; the creative development of, and actual production associated with, promotions, public relation events, and charitable or nonprofit events; creative development of signage and posters; distributor recognition and awards events and programs; periodic national and regional conventions and meetings; Website, extranet and/or intranet development, implementation, and maintenance; retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and public relations and community involvement activities and programs. EPI will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

(b) EPI agrees to seek a recommendation from a committee of the Growers (as described in Section 2.2.6(c)) of the amount a Franchisee should contribute to the Marketing Fund. However, EPI shall have the sole discretion to specify, and periodically modify, the required contribution level from each Franchisee. The contributions that make up the Marketing Fund are funds deducted directly from the sales proceeds returned to Franchisee (“**Marketing Fund Deduction**”). Notwithstanding the sole discretion held by EPI in determining the contributions made to the Marketing Fund by the Franchisee set forth herein, EPI agrees that the maximum Marketing Fund Deduction per TCE for Scilate apples will be US\$1.50 for the growing year 2026.

(c) EPI will account for the Marketing Fund separately from other funds and not use the Marketing Fund for EPI’s general operating expenses. However, EPI may use the Marketing Fund to pay reasonable administrative costs and associated taxes of or relating to the Marketing Fund including but not limited to, managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by EPI for advertising and marketing, and EPI may use the Marketing Fund to pay the reasonable salaries and benefits of personnel (including EPI’s personnel and personnel of its Affiliates) who manage and administer the Marketing Fund. EPI may use the Marketing Fund to pay for other reasonable administrative costs, travel expenses of personnel while they are on advertising and marketing business, meeting

costs, overhead relating to Marketing Fund business, and other reasonable expenses that EPI incurs in activities related to administering or directing the Marketing Fund and its programs.

(d) The Marketing Fund will not be the asset of EPI. Although the Marketing Fund is not a trust, EPI will hold all Marketing Fund contributions for the benefit of the NYSP, the ENZA brand, and the contributors, and use contributions only for the purposes described in this Section. EPI does not owe any obligation, fiduciary or otherwise, other than those expressly set forth herein, to Franchisee for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from EPI or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. EPI will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. Any amounts in the Marketing Fund not used in any fiscal year shall be carried over to the next year. However, the foregoing provision does not waive Franchisee's obligation to make Franchisee's annual contributions to the Marketing Fund.

(e) If a Marketing Fund is established, EPI will prepare an annual, unaudited statement of Marketing Fund collections and expenses. The statement will be available for Franchisee's review upon written request, ninety (90) Calendar Days after EPI's fiscal year-end. EPI may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. EPI may incorporate the Marketing Fund or operate it through a separate entity as EPI deems appropriate. The successor entity will have all of the rights and duties specified in this Section.

(f) EPI intends the Marketing Fund to maximize and enhance public and Franchisee recognition of the ENZA brand, Trademarks and pipfruit Varieties. Although EPI may use the Marketing Fund, or portions of the monies in the Marketing Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and EPI may try to engage in brand enhancement activities that will benefit all franchisees under the NYSP, EPI cannot and does not ensure that Marketing Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Marketing Fund contributions by Franchisees operating in that geographic area. EPI does not guarantee or assure that Franchisee will benefit directly or in proportion to its Marketing Fund contribution from the brand enhancement activities of the Marketing Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

(g) EPI has the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. EPI also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, EPI assumes no direct or indirect liability or obligation to franchisee for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

(h) EPI may at any time defer or reduce contributions of Franchisee and, upon thirty (30) Calendar Days prior written notice to Franchisee, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if

terminated, reinstate) the Marketing Fund. If EPI terminates the Marketing Fund, EPI will distribute all unspent monies to each franchisee in proportion to their respective Marketing Fund contributions during the preceding twelve (12) month period.

2.3 **PHASE THREE.** The objective of Phase Three is to provide unrestricted access to grow a Phase Two Variety which EPI has decided, in its sole discretion, to transition into Phase Three in accordance with Section 2.2.4 hereof.

2.3.1 **Notice.** EPI shall provide Franchisee thirty (30) Calendar Days advance notice of its decision to transition a Variety into Phase Three.

2.3.2 **Other Terms.** The Parties will continue to be bound by and comply with this Agreement for all other Varieties not in Phase Three.

2.4 **ALL FEES FINAL.** Except as set out in Section 2, all fees, including franchise planting fees, Marketing Fund contributions, EPI Charges, and Royalties are final and nonrefundable.

3. **EXPANSION.** EPI shall have the right to offer Franchises to growers, in addition to Franchisee and/or other Growers which are part of the NYSP as of the date of this Agreement in order to optimize the total production volume of a given Variety.

4. **CONFIDENTIALITY AND SECURITY.** Maintenance of strict confidentiality and security by Franchisee and EPI with respect to any and all Confidential Information, the Varieties, Trees, Fruit, Trial Blocks, Trademarks, and PVRs is essential to the success of the NYSP.

4.1 Franchisee, its owners, officers, employees, agents, contractors, consultants, and advisers shall keep any Confidential Information, and any other information regarding the NYSP, strictly confidential. Where Franchisee leases or rents real property on which the Commercial Block or Authorized Site is located, Franchisee agrees to use its best efforts to obtain the real property owner's, and all other persons who may enter the property, agreement to keep Confidential Information confidential. Franchisee, its officers, employees, consultants and advisers shall not, so long as this Agreement is in effect or thereafter, communicate, whether by means of oral, written, telephonic or electronic media or otherwise, divulge or otherwise discuss any Confidential Information or information regarding the NYSP with any person or entity, except to the extent communication of such information is allowed between EPI, Supplier, the PVR owner, and the Phase Two Growers under Section 2.2.6 of this Agreement or is otherwise required with respect to obtaining lien releases, landlord's consents, easements or the like as otherwise required under the terms of this Agreement (and then such disclosures shall be only to the extent necessary). Any communication by Franchisee with external or third parties except as expressly authorized under Section 2.2.6 of this Agreement shall be subject to EPI's prior written approval. The obligation of confidentiality and non-disclosure shall not apply to any information that is in the public domain, provided by third parties who Franchisee does not know have a duty of confidentiality, or became generally known through no fault of a Party to this Agreement.

4.2 In order to enhance protection of the Confidential Information, Trees, Varieties, Fruit, Trademarks, and PVRs, EPI will convey to non-NYSP pack-houses and the New York Apple Commission that EPI will vigorously pursue legal action against any individual or entity undertaking any unauthorized propagation, growing, or commercialization of NYSP Varieties.

4.3 Franchisee shall develop and comply with a written security plan describing the features and procedures Franchisee has and will establish in order to manage the Commercial Blocks in a secure fashion. Franchisee's security plan shall include specific provisions designed to minimize the risks of an unauthorized removal, release, disposal of, sale or propagation of any Budwood, Trees, Fruit, or other plant material from the Commercial Blocks.

4.4 Franchisee shall restrict access to the Commercial Blocks to employees, agents or personnel of Franchisee and authorized representatives of EPI. Franchisee shall maintain a record of any and all visitors to each Commercial Block including the visitor's name, company, address, and date of visit. Franchisee shall maintain constant supervision of any and all authorized visitors to the Commercial Blocks.

4.5 Any removal or transfer of Budwood, Trees, Fruit or other plant material from the Commercial Blocks shall be subject to EPI's prior express written authorization.

4.6 Franchisee shall notify EPI in writing immediately upon discovery of any unauthorized access to any Commercial Block, removal of any Budwood, Trees, Fruit or other plant material, or the existence of any Trees of any Variety outside the NYSP.

4.7 Should EPI require it, a global positioning system for recording land coordinates may be used by EPI to record the coordinates of the Authorized Site or parts thereof. If so, Franchisee shall provide all such reasonable assistance as may be required for the surveying to be carried out.

4.8 Franchisee shall not take any actions that will negatively affect EPI's Proprietary Information and its goodwill.

5. **VARIETY PROTECTION.** Franchisee shall not undertake any propagation of any of the Varieties except as expressly authorized hereunder. The restriction on propagation extends to any propagation by Franchisee for its own use.

5.1 **Sports or Derivatives.** Franchisee will immediately notify EPI if a sport, derivative, improvement or variation of a Variety is found in its Commercial Blocks. All sports, derivatives, improvements or variations of Varieties shall be the sole and exclusive property of EPI, its nominee, or the owner of the original Variety licensed to EPI, subject to existing agreements between EPI and the PVR owner, and Franchisee shall obtain no interest therein by virtue of this Agreement, the services provided hereunder, or otherwise.

5.2 **Cross Breeding.** Cross breeding using a Variety is not permitted and any new Variety arising from unauthorized cross breeding of a Variety with any other variety shall be immediately disclosed to, and becomes the exclusive property of, EPI or its nominee.

5.3 **Cooperation and Documentation.** In order to secure EPI's rights in the Varieties, including any sports, derivatives, improvements, variations of a Variety or any new variety arising from unauthorized cross breeding of a Variety, the Parties agree to execute any document or take any reasonable actions required by the other to effect any necessary or appropriate documentation and registrations, including but not limited to:

(a) Documenting or registering any PVR or similar plant protection rights with respect to the Varieties or any sports, derivatives, improvements or variations of a Variety in the name of EPI or its nominee.

(b) Franchisee obtaining any releases, consents, waivers or authorizations from Franchisee's secured lenders or any other party claiming a lien on Franchisee's real property, inventory, equipment or other assets of Franchisee whatsoever under which the exercise of any rights may, in EPI's sole judgment impair EPI's rights under this Agreement.

(c) Franchisee executing and/or filing or recording any document or agreement necessary to effectuate the purpose of this Agreement, including but not limited to the Apply Supply Rider, security agreements, right-of-way easements, UCC financing statements and fixture filings or similar instruments evidencing EPI's on-going right, title and interest in and to the Trees, Varieties, PVRs, Trademarks, and Budwood. Franchisee hereby grants to EPI a security interest in any interest Franchisee may have in the Phase Two and Three Trees and Budwood, and in the Varieties, PVRs, and Proprietary Information, and agrees that, to the extent EPI deems it necessary, hereby authorizes EPI to file any UCC financing statements, fixture filings or other document in accordance with this Agreement.

(d) Franchisee may not directly or indirectly interfere with EPI's rights to Trademarks, trade names, trade secrets or business techniques that are part of its business. If required by EPI, Franchisee shall enter into a registered user agreement with respect to any Trademark or trade name. Any such registered user agreement shall contain terms not inconsistent with those set forth in this Agreement. Franchisee will notify EPI immediately if Franchisee learns about an infringement of, challenge to, or unfair competition with the use of the Trademarks.

5.4 **Sampling.** If a sport, derivative, improvement, variation of a Variety or any new Variety arising from unauthorized cross breeding of a Variety is found, EPI or its appointed agent may at any reasonable time enter upon Franchisee's property and take such samples of the improved, developed or altered material as EPI deems necessary in its sole discretion.

5.5 **Propagation.** Under no circumstances may propagation of an NYSP Variety be undertaken without the express written consent of EPI. The limitation upon propagation provided for herein shall apply equally to propagation by Franchisee for its own use or for the use of others. Any propagation by Franchisee for its own use will be subject to EPI's authorization and, if so authorized, EPI and Franchisee shall enter into an agreement setting forth the terms and conditions upon which Franchisee may engage in such propagation.

6. **WITHDRAWAL AND TERMINATION.** Franchisee may withdraw from the NYSP completely or in respect of one or more Varieties either upon the written agreement of EPI or within ninety (90) Calendar Days after completion of harvest for the affected Variety(ies). If Franchisee leases the real property where the Variety(ies) have been planted or grafted and such lease is terminated and EPI, at its sole discretion, does not consent to an assignment of the Franchise, Franchisee must voluntarily withdraw from the NYSP and destroy the Trees on such leased property as required under Section 6.9 or 6.10, to the full satisfaction of EPI. EPI may terminate the NYSP completely or in respect of one or more Varieties of the breaching Grower(s), upon the occurrence of a material breach by any Grower under the NYSP or in accordance with Section 8 below. Upon the voluntary or involuntary withdrawal from the NYSP, Franchisee shall pay EPI all fees and costs outstanding, including but not limited to any unpaid franchise planting fees. EPI may also terminate the NYSP with respect to one or more Varieties in the event the Variety does not, in EPI's sole discretion, prove to be a commercially viable Variety. In the event EPI terminates the NYSP with respect to a specific Variety, Franchisee shall not be required to pay EPI any franchise planting fee outstanding at the date of termination, for the terminated Variety.

6.1 **Material Breach.**

6.1.1 For purposes of this Section 6, a material breach by Franchisee includes but is not limited to the happening of the following: (i) Franchisee shall have failed to perform any of the services as required under Section 2.2.1 hereof and shall have failed either to cure such default within five (5) Business Days of written notice from EPI regarding the same, or to commence steps and be actively attempting to cure if a cure cannot be completed in five (5) Business Days; (ii) Franchisee shall have failed to timely make any payment provided for hereunder and shall have failed to cure such default within five (5) Business Days of written notice from EPI regarding the same; (iii) Franchisee shall have breached its duties of confidentiality as provided in Section 4 hereof; (iv) a holder of any security interest in or to Franchisee's real property, inventory, equipment or other assets of any kind whatsoever takes any action or exercises any rights which may in EPI's sole judgment impair EPI's rights under this Agreement; or (v) a change in control or assignment as described in either Section 6.7 or Section 13.6 below. The foregoing list is not exclusive and there may be other breaches by Franchisee of covenants, representations or warranties which may be material as determined under applicable law.

6.1.2 For purposes of this Section 6, a material breach by EPI shall be deemed to have occurred upon the happening of any of the following: (i) EPI fails to pay Franchisee any sum owed to it by EPI hereunder when due and shall have failed to cure such default within five (5) Business Days of written notice from Franchisee regarding the same, or to commence steps and be actively attempting to cure if a cure cannot be completed in five (5) Business Days; (ii) EPI shall have breached its duties of confidentiality as provided in Section 4 hereof; or (iii) EPI shall have breached or otherwise failed to abide by any provision of this Agreement having a material effect upon the agreement of the Parties hereunder and shall have failed to cure any such event described herein within five (5) Business Days of written notice from Franchisee regarding the same, or to commence steps and be actively attempting to cure if a cure cannot be completed in five (5) Business Days.

6.2 ***Intentionally Left Blank.***

6.3 ***Withdrawal by Franchisee.***

6.3.1 ***Withdrawal from the NYSP.*** In case of Franchisee's voluntary withdrawal from the NYSP, EPI will have the right to demand and ensure the immediate destruction of all Trees, Fruit and Budwood licensed to or under control of Franchisee and Franchisee shall immediately surrender any and all information collected on NYSP Varieties. No costs incurred by the Franchisee at the time of, and resulting from, withdrawal will be reimbursed.

6.3.2 ***Withdrawal from a Specific Variety.*** In case of voluntary withdrawal by the Franchisee with respect to a specific Variety, EPI will have the right to demand and ensure the immediate destruction of all Trees, Fruit and Budwood of that Variety licensed to or under control of Franchisee remaining and Franchisee shall immediately surrender any and all information collected on such Variety. No costs incurred by the Franchisee at the time of, and resulting from, withdrawal will be reimbursed.

6.4 ***Material Breach by Franchisee.*** In case of a material breach by Franchisee, EPI will have the right to terminate Franchisee's participation in the NYSP at any stage, and the right to demand and ensure the immediate destruction of any and all Trees, Fruit and Budwood licensed to or under control of Franchisee and Franchisee shall immediately surrender of any and all information collected on NYSP Varieties. No costs incurred by the Franchisee at the time of, and resulting from, withdrawal will be reimbursed. Further, all expenses, fees and costs, including reasonable attorneys' fees, resulting from Franchisee's material breach, shall be paid by Franchisee. Nothing in this Agreement shall be construed as prohibiting EPI from pursuing any other remedy available to EPI for such breach, including recovery of damages.

6.5 ***Material Breach by EPI.*** In case of a material breach by EPI, Franchisee will have the right to terminate its participation in the NYSP, provided Franchisee immediately destroys all Trees, Fruit and Budwood and immediately surrenders any and all information collected on NYSP Varieties. No costs incurred by the Franchisee at the time of, and resulting from, termination will be reimbursed.

6.6 ***Assignment of Franchisee's Assets or Business.*** If Franchisee makes any assignment of significant assets or a significant portion of its business for the benefit of creditors, or a trustee or receiver is appointed to conduct Franchisee's business or affairs, or a voluntary or involuntary petition of any type of bankruptcy is filed as to Franchisee, or Franchisee is declared bankrupt or becomes insolvent, then EPI shall have the right to immediately terminate Franchisee's participation in the NYSP at any stage, and EPI shall have the right to demand and ensure the immediate destruction of any and all Trees and Budwood under Franchisee's control or custody and the surrender of any and all information collected on NYSP Varieties. If EPI incurs any expenses, fees or costs, including attorneys' fees, as a result of Franchisee's assignment of Franchisee's assets or business for security purposes or otherwise, Franchisee agrees to reimburse EPI for such expenses, fees, costs and attorneys' fees.

6.7 *Change in Control.* At EPI's sole discretion, any direct or indirect change in control of Franchisee (whether by change of legal or beneficial ownership of share capital, possession of voting power, or by contract, trust, merger, consolidation, reorganization, re-capitalization or other restructuring) shall constitute a material breach and shall entitle EPI to terminate Franchisee's participation in the NYSP at any time. If the change in control is principally for facilitating a change in ownership of Franchisee to blood relatives of the current owners, then upon written notice to and written consent by EPI as set forth under Section 13.6, which consent shall not be unreasonably withheld, a change in control shall not constitute a material breach. If EPI consents to the change in control, then Franchisee agrees to reimburse EPI for all expenses, costs and attorneys' fees incurred by EPI, as a result of such change in control.

6.8 *Invalidity of Representation or Warranty.* In the event a representation or warranty contained in Section 9 of this Agreement should no longer remain valid, the Party to whom such representation or warranty was made may withdraw from or terminate the other Party's participation in the NYSP, as applicable at any time.

6.9 *Franchisee's Duties Upon Termination or Withdrawal.* In all cases of a withdrawal or termination (partial or full) described in Section 6, Franchisee shall, unless instructed otherwise by EPI, destroy all Trees, Fruit and Budwood under Franchisee's control or custody, and any and all information, including but not limited to any Confidential Information, collected and maintained by Franchisee regarding the Varieties, Trees, Fruit, Trademarks, PVRs, or other information which Franchisee may have generated or maintained in conjunction with the NYSP shall be immediately surrendered to EPI and Franchisee shall cease using the Trademarks and Proprietary Information. Franchisee shall be solely responsible for the costs incurred as a result of the performance of the duties set forth in this Section 6.

6.10 *Overgrafting.* As an alternative to destruction of the relevant Trees as required in this Section 6, Franchisee may overgraft the relevant Trees in such a way that in no event can the Variety(ies) being terminated be produced from that Tree. By electing to overgraft rather than destroy the Trees, Franchisee agrees, without the requirement of further writing, to assume responsibility for all losses whatsoever that EPI may suffer directly or indirectly as a consequence of Franchisee overgrafting. In the event overgrafting is used rather than actual destruction of the Trees, the entire process shall be completed within one (1) year of withdrawal or termination, and EPI or its agent shall be allowed to inspect the relevant Trees from time to time during and at the end of the overgrafting process to ensure that the Trees are no longer capable of producing any affected Variety(ies). In such circumstances, Franchisee shall remain obligated to destroy any and all existing Fruit or Budwood and shall deliver all information collected on such relevant Variety(ies) to EPI. Allocations of costs associated with destruction of Trees, Fruit or Budwood as specified elsewhere in this Agreement shall also apply to costs associated with overgrafting.

6.11 *Survival.* Notwithstanding anything to the contrary in this Agreement, Franchisee shall continue to be bound by the provisions of this Agreement following termination as required in Sections 9.3 and 11.1, Franchisee's obligations to defend, indemnify, and hold harmless as provided in Section 12.3 shall survive termination of this Agreement, and any obligations and duties that, by their nature, (a) extend beyond the expiration or earlier termination of this Agreement, including the Apple Supply Rider and all exhibits and schedules thereto, (b) provide

rights or remedies after termination or expiration, or (c) assist with interpretation of this Agreement.

7. EASEMENT AND LICENSE.

7.1 **Easement.** With respect to the Authorized Site, including any and all Commercial Blocks, and in order to further secure EPI's proprietary rights in the Varieties, Franchisee hereby grants or shall cause to be granted to EPI a non-exclusive and limited easement upon the Authorized Site or so much thereof as Franchisee is using or intends to use to grow some or all of the Varieties for a period of time to exceed the duration that a given Variety is included by one (1) year, whereby EPI shall have the right to enter upon such real property for the purpose of inspecting, removing, cutting down or destroying all or any portion of any Variety, Trees, Budwood or Fruit then present upon the land. Further, in the case where overgrafting is used, rather than actual destruction of the relevant Trees, EPI shall have the right to enter upon the Authorized Site to inspect from time to time the relevant Trees to ensure they no longer produce any affected Variety(ies).

7.1.1 Franchisee covenants and agrees to use its best efforts to obtain any and all easement documents, consents, waivers or authorizations from its secured lenders, lessors or any other party claiming a lien on the Authorized Site with respect to the easement granted or to be granted in this Section 7.

7.1.2 Franchisee further agrees to execute any document or agreement necessary to effectuate the purpose of this Section 7.

7.1.3 Franchisee agrees that any lien rights granted to EPI under any prior executed Franchise Agreement and program regarding the Varieties, shall remain in full force and effect under this Agreement.

7.2 **License.** With respect to any and all of the Authorized Site which is leased by Franchisee and in order to further secure EPI's proprietary rights in the Varieties, Franchisee hereby agrees as follows:

7.2.1 Franchisee shall provide EPI with written notice indicating which portions of the Authorized Site is leased by Franchisee. EPI reserves the right to decline use of any such leased land as a Commercial Block unless and until EPI is satisfied with its right of access under this Section 7 which shall include, but may not be limited to, evidence of a written agreement between Franchisee and the owner and/or landlord of such leased Authorized Site that upon termination or non-renewal of the lease the owner and/or landlord acknowledges, accepts and agrees that Franchisee may be obligated to destroy the Trees as provided in this Agreement, which Franchisee shall be solely responsible for the costs of such Tree destruction. Further, if Franchisee and the owner and/or landlord have not entered into a written lease agreement for such Authorized Site, then EPI, at its sole discretion, may accept or decline such Authorized Site and any Commercial Block(s) therein as a location where any Trees or Varieties may be planted by Franchisee.

7.2.2 Franchisee grants a license to EPI to enter upon any real property leased by Franchisee and upon which any Trees are planted, or Varieties are located for the purpose of inspecting, removing, cutting down or destroying all or any portion of any Variety, Trees, Budwood or Fruit then present upon the land in accordance with the terms of this Agreement. Franchisee agrees to execute an easement, or such other document as may be necessary, to effectuate EPI's license to enter upon said leased property. Franchisee agrees that any easement granted to EPI under any prior executed Franchise Agreement shall remain in full force and effect under this Franchise Agreement.

7.2.3 Franchisee shall use its best efforts to obtain an easement and/or waiver from any owner or landlord of any such leased property under Section 7.1 above and/or the written consent and authorization of any owner or landlord of any such leased property to Franchisee's license under this Section 7.2. Franchisee agrees that any waiver and/or written consent and authorization from any owner or landlord of such leased property under Section 7.1 provided under any prior executed Franchise Agreement shall remain in full force and effect under this Franchise Agreement.

8. **AGREEMENT SUBJECT TO OWNERS RIGHTS.** When and where EPI is a licensee of the owner of a Variety, the rights and obligations of the Parties under this Agreement are subject to the rights of the owner of the Variety. Accordingly, EPI may terminate the NYSP completely, or in respect of a given Variety, in the event the owner of a Variety, other than EPI, shall exercise its rights in such a manner that EPI reasonably considers such full or partial termination of the NYSP to be necessary.

9. **REPRESENTATIONS, WARRANTIES AND COVENANTS.**

9.1 **Representations, Warranties and Covenants of Franchisee.** Franchisee acknowledges, agrees, represents and warrants as follows:

9.1.1 Franchisee is either an individual or an entity of the type described in the opening paragraph of this Agreement duly organized, existing and in good standing under the laws of the state referenced there. Franchisee is duly authorized to do business in the State of New York and has the authority to enter into this Agreement and to carry out its terms. Franchisee has obtained and paid for any licenses, permits, or inspections by governmental agencies as may be required in connection with the cultivation, harvest and delivery of the Fruit.

9.1.2 Franchisee is either (i) the owner subject to the mortgages, liens, deeds or encumbrances listed on Schedule Five hereto of the Authorized Site or (ii) the lessee of the Authorized Site subject to the ownership and liens as described on Schedule Five hereto. Franchisee further represents that the Trees will be grown exclusively on the approved Commercial Blocks within the Authorized Site, and Franchisee acknowledges that any variation therefrom shall require the express prior written consent of EPI.

9.1.3 There are no constraints, restrictions or limitations preventing Franchisee from (i) entering into this agreement, (ii) providing the services contemplated hereunder, or (iii) selling Conforming Fruit as contemplated hereunder, and the execution, delivery, and performance

of this Agreement by Franchisee requires no action, consent, approval, waiver or other action by any third party.

9.1.4 Neither execution or delivery of this Agreement nor compliance with its terms and provisions by Franchisee will breach any statute or regulation or will conflict with or result in a breach of any agreement or instrument to which Franchisee is a party or by which Franchisee is bound or constitute a default thereunder, or result in any lien, charge, encumbrance or restriction on the Budwood, Trees, Fruit, Varieties, Trademarks, or PVRs or give any third party any interest or right with respect thereto.

9.1.5 Franchisee neither has, nor shall it obtain by virtue of this Agreement or otherwise, any right, title, or interest in the Budwood, Trees (until the relevant Trees and/or any Budwood purchased under the terms of this Agreement are paid for in accordance with Section 2.2.3(a) and/or any Budwood purchased for grafting in accordance with the terms of this Agreement has been grafted), Varieties, Trademarks, or PVRs of the NYSP. Franchisee further acknowledges that EPI is the exclusive owner or licensee for the owner of all right, title, and interest in the Budwood, Trees (until the relevant Trees and/or any Budwood purchased under the terms of this Agreement are paid for in accordance with Section 2.2.3(a) and/or any Budwood purchased for grafting in accordance with the terms of this Agreement has been grafted), Varieties, Trademarks, and PVRs.

9.1.6 Franchisee will disclose to EPI immediately upon discovery any improvements to, or developments of (including any sport or mutation) a Variety. Franchisee acknowledges that all sports, derivatives, or variations of a Variety are the exclusive property of EPI or the owner of the original Variety.

9.1.7 Franchisee shall promptly pay when due all taxes levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of Franchisee's business and the Franchise.

9.1.8 Franchisee will neither create nor allow to exist any lien or other encumbrance on the Trees, Budwood or this Franchise.

9.1.9 At the time of purchase of the Conforming Fruit by EPI from Franchisee, Franchisee warrants, covenants and agrees that Franchisee is the sole owner of the Conforming Fruit, that Franchisee has good and marketable title to the Conforming Fruit, and that the Conforming Fruit is free and clear of all liens, encumbrances, mortgages and debts of any nature whatsoever (other than EPI's liens).

9.1.10 All of the Fruit and Franchisee's activities hereunder will comply with all applicable U.S. and foreign laws, including, without limitation, Bioterrorism Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Federal Food, Drug and Cosmetic Act, the Food Safety Modernization Act, the Fair Labor Standards Act, the Migrant and Seasonal Agricultural Worker Protection Act, the Immigration Reform and Control Act, and all laws relating to food safety and pesticide residue, and all regulations promulgated by the USDA and FDA and all other federal and state agencies. Without limiting the foregoing, all of the Fruit:

- (a) Will not be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, or the pure food and drug laws or any other legal requirement then in effect in the states or countries in which the Fruit is distributed or sold;
- (b) Will be merchantable and fit for the particular purpose for which it is intended;
- (c) Will meet all applicable specifications;
- (d) Will comply with all applicable laws and codes, requirements and regulations in the states and countries in which the Fruit is produced, distributed or sold;
- (e) Will be packaged and secured in a manner that protects Fruit from tampering or interference, and to prevent damage or deterioration to ensure that Fruit is delivered in good condition, and packaging will not contain any improper, unlawful, or unspecified contents; and
- (f) Will be produced, by Franchisee to be safe and without risk to health or property when properly used.

9.1.11 No chemicals will be applied to any of the Fruit, or on the Authorized Site on which the Fruit is grown, other than chemicals the FDA has (i) determined are generally recognized as safe for use or (ii) exempted from approval and tolerance requirements or prescribed allowable tolerance (in which case any actual use must be within the prescribed tolerance).

9.1.12 All Fruit and the Authorized Site fully complies with the tolerances and limits prescribed by the Environmental Protection Agency, the US Department of Agriculture, the State of New York and any other governmental authorities having jurisdiction over said fruit for pesticides, herbicides, insecticides, fungicides, plant growth regulators, and other chemicals and substances.

9.1.13 Franchisee will maintain and furnish to EPI, at EPI's request, complete and accurate records of all pesticides, herbicides, insecticides, fungicides, plant growth regulators, and other chemicals and substances applied to the Fruit (or the Authorized Site on which the Fruit is grown) for not less than four (4) years after the Fruit is harvested, including, without limitation, the type, date of application, and dosage.

9.1.14 All Fruit and all of Franchisee's growing practices and operations with respect to said Fruit will comply with the growing practices required by the GFSI-recognized food safety management scheme Franchisee is certified for, including, without limitation, adherence to the generally recognized industry best practices used to reduce the risk of contamination and to comply with the United States Department of Agriculture's Agricultural Marketing Service's

GAPs and GHPs audit verification programs. As appropriate with respect to Grower's geographical location and growing needs, Grower agrees to employ good agricultural and handling practices in all respects, to properly prepare, irrigate, cultivate, fertilize and spray the land on which Franchise Fruit are grown, and to produce Franchise Fruit under the Apple Supply Rider that are suitable for sale by EPI to its customers.

9.1.15 Franchisee will ensure that EPI (and its representatives) have access to all production records, GFSI audits and reports, and other certifications in the possession or control of the Franchisee or its service providers in relation to the Fruit, including information regarding marketability of the Fruit held by packers or industry organizations; Franchisee will provide to EPI such certificates of compliance or letters of guaranty regarding marketability of the Fruit as EPI may reasonably request (including, without limitation, organic certifications).

9.1.16 Franchisee will ensure that EPI (and its representatives) have access to inspect the Fruit at any time, both prior to and after title to any Fruit passes to EPI.

9.1.17 All Fruit and the Authorized Site that is designated by Franchisee as being organic and/or kosher (i) complies with all federal, state, and local laws applicable to fruit labeled as being organic and (ii) is certified organic by the NOFA-NY, or any other USDA accredited certifying agency in compliance with the National Organic Program.

9.1.18 In addition to the representations and warranties contained in this Section 9.1, all other representations and warranties provided by law, including but not limited to any warranties provided by the Uniform Commercial Code, are specifically incorporated herein.

9.2 ***Representations, Warranties and Covenants of EPI.*** EPI represents and warrants as follows:

9.2.1 EPI is a corporation duly organized, existing and in good standing under the laws of the State of Delaware. EPI is duly authorized to do business in Washington and New York and has the authority to enter into this Agreement and to carry out its terms.

9.2.2 EPI is the owner or licensee of the Budwood, Trees and Fruit (until the relevant Trees and/or Budwood are paid for in accordance with Section 2.2.3(a)), and of the Varieties, Trademarks, or PVRs.

9.2.3 There are no constraints, restrictions, or limitations preventing EPI from entering into this Agreement or from providing the services contemplated hereunder and the execution, delivery, and performance of this Agreement by EPI requires no action, consent, approval, waiver or other action by any third party, other than the owner of the Varieties.

9.2.4 Subject to the rights of owner of the Varieties, neither execution or delivery of this Agreement nor compliance with its terms and provisions by EPI will breach any statute or regulation or will conflict with or result in a breach of any agreement or instrument to which EPI is a party or by which EPI is bound or constitute a default thereunder, or result in any lien, charge,

encumbrance or restriction on the Budwood, Trees, Fruit, Varieties, Trademarks, or PVRs or given any third party any interest or right with respect thereto.

9.2.5 EPI shall promptly pay when due all taxes levied or assessed, and all accounts and other indebtedness of every kind incurred by EPI in the conduct of EPI's business.

9.3 ***Survival of Warranties; Continuing Nature.*** The representations and warranties of the Parties to this Agreement shall survive the execution of this Agreement for the full duration of the Agreement and shall continue in force following any termination of this Agreement with respect to any and all Fruit or other activities undertaken during the duration of this Agreement. Each time Franchisee orders New Trees or Budwood or requests authorization for new Commercial Blocks or the right to overgraft existing Trees, Franchisee makes all of its representations and warranties as though fully stated at the time of such order or request.

10. ***RENEWAL OF FRANCHISE AGREEMENT.*** EPI shall use its best efforts to treat all growers under the NYSP fairly and equally. However, the Parties agree that as the NYSP grows and matures, and if there are changes to franchisee or EPI's corporate structure, financing, or business, amendments and updates to the disclosure document and franchise agreement shall be required to be taken into consideration. As a result, Franchisee agrees to execute a then-current form of the franchise agreement and schedules, including the Apple Supply Rider, at the request of EPI, which agreements may contain terms and conditions materially different than the terms of this Agreement.

11. ***INSURANCE.***

11.1 ***Franchisee's Duties.*** In addition to the indemnity obligations by Franchisee in this Agreement, Franchisee at its sole expense, shall maintain at all times during the term of this Agreement, and for twelve (12) months following any termination of this Agreement, what it considers to be appropriate insurance policies, in the context of its business.

11.1.1 ***Required Insurance Terms.*** Each of Franchisee's insurance policies maintained pursuant to this Agreement shall be primary to any of EPI's insurance, deductibles, or self-insured retentions. Each such policy shall contain a waiver of subrogation against EPI, and its agents, employees and customers.

11.1.2 ***Insurance reporting.*** Franchisee shall, no later than ten (10) days following execution of this Agreement, and annually thereafter, provide EPI evidence and proof of Franchisee's insurance coverage. To do so, Franchisee shall furnish EPI with a Certificate of Insurance showing the coverage that it holds.

12. ***INDEPENDENT CONTRACTOR AND INDEMNIFICATION.***

12.1 ***Independent Contractor.*** It is understood and agreed by the Parties hereto that this Agreement does not create a fiduciary relationship between the Parties, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either Party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other

for any purpose whatsoever. Franchisee shall have the right to profit from its efforts, commensurate with its status as owner of its business, and correspondingly to bear the risk of loss or failure that is characteristic of this status notwithstanding any affiliation with EPI created by this Agreement.

12.2 Limitation of Authority and Liability. It is understood and agreed that:

12.2.1 Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on EPI's behalf, or to incur any debt or other obligation in EPI's name, and that EPI shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchise or any claim or judgment arising therefrom against Franchisee.

12.2.2 EPI has no contractual obligation to defend Franchisee or to prosecute any legal action against others with respect to any infringement, unfair competition or other claim in any way related to Franchisee's use of the Trademarks.

12.2.3 To the extent allowed by law and otherwise subject to the following proviso, EPI's total aggregate liability in respect of any claim made under or in relation to this Agreement that relates to or arises out of EPI taking title to the Conforming Fruit will not exceed fifty percent (50%) of the aggregate of (a) the EPI Charge deducted by EPI from Purchaser Net Payments; and (b) any planting fees paid by the Franchisee, in each case, during the twelve (12) months prior to the event giving rise to the liability PROVIDED THAT such cap on liability will not apply to EPI's obligation to pay the Purchaser Net Payment due to a Grower for Conforming Fruit. In no event will EPI be liable for any consequential, indirect, exemplary, special or incidental damages including, without limitation, any lost profits, arising from or relating to this Agreement.

12.3 Indemnifications and Obligations Relating to Product Recall. In addition to the indemnification obligations provided for elsewhere in this Agreement:

12.3.1 Franchisee will defend, indemnify and hold EPI, its Affiliates, shareholders, officers, directors, agents, representatives, and customers (the **"Indemnified Parties"**), harmless from and against any and all losses, claims, fines, damages, and liabilities arising directly or indirectly from, as a result of, or in connection with: (i) Franchisee's operation of the Franchise, (ii) Franchisee's breach of any representation or warranty provided in this Agreement, (iii) any Fruit furnished by Franchisee to any direct or indirect customer, (iv) any lawsuit or claim of any type arising from or in connection with acts or omissions of the Franchisee under or in relation to this Agreement, or (v) any misrepresentation or misbranding of the Fruit by Franchisee. Further, Franchisee releases and holds the Indemnified Parties harmless from any losses, claims, fines, damages, and liabilities in connection with Franchisee's business to the extent arising directly or indirectly from, as a result of, or in connection with any act or omission performed by EPI in good faith.

12.3.2 In addition to the foregoing, the Parties expressly acknowledge that EPI has no liability for (or ownership interest in) any Nonconforming Fruit, and Franchisee will defend, indemnify and hold Indemnified Parties harmless from and against any and all losses, claims, fines,

damages, and liabilities arising directly or indirectly from, as a result of, or in connection with any third-party disputes in connection with Nonconforming Fruit.

12.3.3 In addition to the foregoing, Franchisee will defend, indemnify and hold the Indemnified Parties harmless from and against any and all losses, claims, fines, damages, and liabilities arising directly or indirectly from, as a result of, or in connection with EPI's entrance upon real property leased by Franchisee and as to which Franchisee shall have granted EPI a license to enter pursuant to Section 7.2(b).

12.3.4 Franchisee's obligation to defend, indemnify, and hold harmless provided in this Section 12.3 shall include, without limitation, the obligation to indemnify, defend and hold harmless from and against any claims, damages, losses and liability for bodily injury, sickness, disease or death, destruction or damage to property, and any loss, including without limitation consequential, punitive, and incidental damages, lost profit, injury to reputation, attorney's fees and other litigation expenses, and exemplary damages for which Indemnified Parties may be vicariously liable. Franchisee's obligation also includes without limitation the costs of investigating and settlement of any indemnified claim, and the court costs and attorneys' fees incurred in connection therewith.

12.3.5 ***Recall of Fruit.*** If Fruit is subject of a recall or withdrawal, whether initiated by Franchisee, EPI, any direct or indirect buyer of Fruit, or a government entity (including the issuance of safety notices), Franchisee shall be responsible for all matters and costs associated with the recall or withdrawal, including without limitation consumer notification and contact; all expenses and losses incurred by EPI in connection with such recall or withdrawal (and where applicable, any products with which Fruit has been packaged, consolidated or commingled), including refunds to customers, lost profits, transportation costs and all other costs associated therewith; and initial contact and reporting of the recall or withdrawal to any government agency having jurisdiction over the affected Fruit. If a government agency initiates any inquiry or investigation relating to Fruit or other fruits grown or handled by Franchisee, Franchisee shall notify EPI immediately thereof and take reasonable steps to resolve the matter without exposing EPI to any liability or risk.

13. **MISCELLANEOUS.**

13.1 ***Interpretation.*** References in this Agreement to Schedules are, unless otherwise specified, references to Schedules to this Agreement. Section headings in this Agreement are for convenience only and shall be ignored in construing this Agreement.

13.2 ***Authority and Execution.*** The persons executing this Agreement have the authority to execute this Agreement and bind the respective Parties on whose behalf they shall sign.

13.3 ***Choice of Law, Jurisdiction and Venue.*** This Agreement shall be interpreted and construed under the laws of the State of New York without reference to its conflicts of laws doctrine. The Parties agree that jurisdiction and venue for any dispute arising out of or under this Agreement shall be proper in the state or federal courts of King County, State of Washington. The

Parties agree that all litigation with respect to or arising pursuant to the terms of this Agreement shall be maintained only in the foregoing courts in the State of Washington.

13.4 If Franchisee is obliged to make any payment under this Agreement and does not make payment on the due date, EPI may charge interest ("**Default Interest**") on the sum due ("**Overdue Amount**") at a rate which is equal to the most recent prime rate as published in the Wall Street Journal plus four percent (4%). Default Interest shall be payable on the last day of each month and if not paid when due shall be added to the Overdue Amount and shall itself bear interest.

13.5 **Attorney's Fees and Costs.** The prevailing Party in any action to enforce, interpret or recover damages for breach of this Agreement shall be entitled to the award of reasonable attorneys' fees and costs at all levels of proceedings.

13.6 **Assignment.** EPI shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity and such transfer shall inure to the benefit of the successors and assigns of EPI. Franchisee understands and acknowledges that the rights and obligations of the Franchisee under this Agreement are personal to Franchisee, and that EPI has granted the license and Franchise hereunder in reliance upon Franchisee's and its managers' particular skills and capacities. Accordingly, Franchisee must notify EPI in writing, and request EPI's express written consent not less than thirty (30) Calendar Days prior to the closing date or the effective date, of Franchisee's intent and/or plan to sell, assign, transfer, license, gift, convey, mortgage or otherwise alienate or encumber any rights or obligations hereunder, or merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure or control of the Franchise. It shall be EPI's sole discretion whether to withhold its consent of such intent and/or plan, except that Franchisee retains the right, upon notice to and approval by EPI, which approval shall not be unreasonably withheld, to restructure its operations for estate planning purposes. Any purported assignment or transfer, by operation of law or otherwise, without the prior notice to and written consent of EPI, shall be null and void and shall constitute a material breach of this Agreement. If EPI consents in writing to an assignment or transfer by Franchisee of its rights and obligations herein, such consent shall be conditioned, among other things, upon payment by Franchisee and/or the proposed assignee, of all fees and costs, including reasonable attorneys' fees, incurred by EPI as a result of Franchisee's assignment or transfer.

13.7 **Privity.** EPI's obligations and undertakings contained in this Agreement are for the benefit of the owner of the Variety and, to the extent allowed by law, are enforceable by the Variety owner.

13.8 **Notices.** All notices, demands, requests, and other communications required or permitted hereunder shall be in writing, and shall be deemed delivered (a) upon hand delivery, (b) when transmitted via facsimile evidenced by a transmission report free of errors or when transmitted via email free of errors at the email address set out below, which such faxed or emailed notice shall be deemed to have been given and received on the next business day after the date of sending, or (c) ten (10) Business Days after being sent via first class post, registered or certified (if available) to the addressee at the address set forth below or at such other address as such Party may have specified by notice delivered in accordance herewith:

If to EPI:

ENZAFRUIT Products Inc.
Attn: Chris Willett
1 Fifth Street, Suite 260
Wenatchee, Washington 98801
Email: Chris.Willett@[tandg.global](mailto:Chris.Willett@tandg.global)

AND TO

ENZAFRUIT Products Inc.
Attention: Head of Innovation and Technical
Central Park Business Centre, Building 1, Level 1
660 Great South Rd, Ellerslie, Auckland
(PO Box 56, Shortland Street, 1140 New Zealand)
Email: legal@tandg.global

With a copy to EPI legal counsel:

Ada Ko, Esq.
Ada Ko Law PLLC
1 Fifth Street, Suite 260
Wenatchee, Washington 98801
Email: Ada@AdaKoLaw.com

If to Franchisee:

Email Address: _____

With a copy to:

Email Address: _____

13.9 ***Proof of Service.*** In proving service of any notice pursuant to this Agreement or otherwise, it shall be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted or that the facsimile or email was sent to the correct number or email address as the case may be.

13.10 **Severability.** If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

13.11 **Entire Agreement; Counterparts.** Headings are for convenience and have no substantive effect. This Agreement and the schedules and exhibits referenced herein are the entire agreement between the Parties, and supersede all prior agreements, representations, negotiations and statements and may not be modified except in writing signed by the Parties. However, the Parties agree that any lien rights granted to EPI under any prior executed Franchise Agreement regarding the Varieties, including but not limited to security agreements, right-of-way easements, UCC financing statements and fixture filings or similar instruments evidencing EPI's on-going right, title and interest in and to the Trees, Varieties, PVRs, Trademarks, and Budwood, shall remain in full force and effect under this Agreement. This agreement may be executed in two or more counterparts and by facsimile or email transmission, each of which will be deemed an original and all of which together will constitute the same agreement, whether or not all Parties execute each counterpart.

13.12 **Duty of Good Faith.** The Parties shall deal and act in good faith in respect of any dealings or matters under or in connection with this Agreement.

13.13 **Modification.** Any amendment or modification of this Agreement is invalid unless in writing signed by the Parties, provided, however, that EPI may periodically amend Schedules One through Four and the Apple Supply Rider attached to this Agreement after consultation with Franchisee in order to add or delete Varieties subject to the terms of this Agreement and/or update fees so long as any increase to fees does not affect Trees already purchased. Further, the Parties to this Agreement understand that the Authorized Site as defined in this Agreement is likely to expand or change and, therefore, the Parties hereby accept and acknowledge that Franchisee must provide EPI with written descriptions of any expansions or changes to the Authorized Site or to the Commercial Blocks within a timely manner as set forth in Section 2.2.5 of this Agreement. Further, in connection with such expansion or change, Franchisee must provide an easement and license as described under Section 7.1 and 7.2 of this Agreement.

WHEREBY, the Parties hereto have executed the foregoing Agreement as of the date first written above.

ENZA FRUIT PRODUCTS INC., a
Delaware corporation

a _____

By _____

Its _____

By _____

Its _____

SPOUSE'S POWER OF ATTORNEY AND CONSENT

_____ is a business owned in whole or in part, directly or indirectly, by my spouse, _____, or me or both of us. I hereby appoint my spouse my attorney-in-fact with full power to enter into this Franchise Agreement with ENZAFRUIT Products Inc., and become a franchisee under the ENZAFRUIT Products Inc. New York State Program on behalf of our marital community (but in no event to encumber or bind any assets I may now have or hereafter acquire as separate assets), and to grant a security interest or interests in community assets as contemplated by this Franchise Agreement, in each case without further consent from me other than as my signature may be required by law to grant an interest in or transfer of such assets as collateral.

By my signature below, I hereby ratify all actions authorized above, previously taken by my spouse.

This power of attorney and consent shall not affect or be evidence of the community or separate property nature of property.

This power of attorney shall not be affected by any disability or incapacity to which I may become subject in the future but shall be exercisable notwithstanding such disability or incapacity.

STATE OF NEW YORK)
) ss
COUNTY OF _____)

On this day personally appeared before me _____ to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this ____ day of _____, 20__.

(NOTARY SEAL)

(notary signature)

_____ (written name)

Notary Public in and for the State of New
York, residing at _____

My commission expires _____

Schedule One

VARIETIES INTRODUCED INTO THE NYSP

Denomination	Plant Patent Grant No.	Plant Patent Grant Date	Plant Patent Owner	Country
Scilate (ENVY®)	20477	November 10, 2009	Plant and Food Research **	US

**On December 1, 2008, HortResearch merged with Crop and Food Research to form The New Zealand Institute for Plant and Food Research Limited (“Plant and Food Research”).

Schedule Two
TRADEMARKS

Date	Mark	Number	Class	Goods
January 24, 1995 (Grant Date)		1,875,395 (Grant Number)	29* 31** 32***	(see below)
March 24, 2009 (Grant Date)	ENVY® logo 	3,594,000 (Grant Number)	29 * 31 ** 32 ***	(see below)
September 1, 2009 (Grant Date)	ENVY®	3,674,977 (Grant Number)	31	Fresh Apples

*For: preserved, processed, dried and cooked fruits; apple seed oil; jellies; jams; fruit preserves; fruit sauces, namely, apple sauce and cranberry sauce; and fruit puree, in class 29 (U.S. CL. 46).

**For: fresh fruits; living fruit trees; and living tree bud wood; seed products, namely, fruit seeds, in class 31 (U.S. CLS. 1 and 46).

***For: fruit drinks and fruit juices; syrups and other preparations for making beverages, namely, fruit drinks; non-alcoholic drinks, namely punch, in class 32 (U.S. CLS. 45, 46 and 48).

Schedule Three
Royalty Structure

Phase Two Variety	Amount and type of Royalty*
• Scilate (ENVY®)	Production-based royalty of 3.5% of Net Invoiced Value less Marketing Fund Deduction.

*Royalties are paid in exchange for the benefit of the use of Trademarks and Proprietary Information in accordance with the terms of this Agreement.

Schedule Four

2026 Fees

1. **2026 Tree Purchase Fee as provided by Supplier** (which fees Supplier may change from year to year according to Section 2.2.8(a)).

Trees ordered in 2026 and delivered in another year will be charged at Supplier prices in effect during the year of delivery.

The Tree Purchase Fee shall be payable by Franchisee to Supplier in two installments, (unless otherwise agreed to by Supplier): (i) \$2.00 per New Tree ordered, and (ii) the balance is due upon delivery of each New Tree.

Sleeping Eye Trees	US\$4.76-\$5.11 per Tree inclusive of all taxes
Geneva Rootstocks 11	New Tree purchase fees for all Varieties shall be: 7/16" Trees US\$9.30 per Tree inclusive of all taxes 1/2" Trees US\$9.78 per Tree inclusive of all taxes 5/8" Trees US\$10.27 per Tree inclusive of all taxes 3/4" Trees US\$10.76 per Tree inclusive of all taxes
Geneva Rootstocks 41	New Tree purchase fees for all Varieties shall be: 7/16" Trees US\$10.60 per Tree inclusive of all taxes 1/2" Trees US\$11.08 per Tree inclusive of all taxes 5/8" Trees US\$11.57 per Tree inclusive of all taxes 3/4" Trees US\$12.06 per Tree inclusive of all taxes

2. **2026 Budwood Purchase Fee as provided by Supplier** (which fees Supplier may change from year to year according to Section 2.2.8(b)).

Note that the Budwood Purchase Fee will be charged at Supplier prices in effect during the year of delivery.

The 2026 Budwood Purchase Fee for all Varieties is: \$3.50 per whip or \$0.875 per grafting stick (usually about 4 grafting sticks per whip) for grafting or \$0.35 cents per bud for budding.

3. **2026 Franchise Planting Fee and Terms per Variety According to Section 2.2.8(c)**

Except as set forth in Section 6, any franchise planting fee is payable and nonrefundable as set forth in Section 2.2.8(c) regardless of whether Franchisee planted the New Trees or used the Budwood ordered.

Scilate

Planting Fee: For 2026, the franchise planting fee for Scilate shall be US\$20,000 per acre or part thereof, however, such fee may increase or decrease by an amount up to seventy-five percent (75%) per acre or part thereof at EPI's sole discretion.

Payment of Planting Fee: The franchise planting fee is fully due upon delivery to Franchisee of an invoice for such franchise planting fee and payable as follows:

- 30% of the franchise planting fee is due upon delivery to Franchisee of an invoice for the franchise planting fee ("**Initial Invoice**"); and
- The balance shall be paid in three installments:
 - o 33% shall be paid 36 months from the date of Initial Invoice;
 - o 33% shall be paid 48 months from the date of Initial Invoice; and
 - o The balance shall be paid 60 months from the date of Initial Invoice.

Note, the franchise planting fee for Scilate is the price in effect on the date of execution of this Agreement or the order date of Trees/Budwood, whichever is earlier (and not in the year of delivery date of the Trees/Budwood).

No Right to Additional Trees or Grafted Trees: Except as set forth in the Agreement, Franchisee is not entitled to grow, and EPI is not required to offer to Franchisee the right to grow additional New Trees or create additional Grafted Trees.

4. **2026 Destruction Fee According to Section 6**

The 2026 destruction fee for all Varieties shall be US\$2,500 per acre or part thereof.

Schedule Five
Mortgages and Encumbrances*

* According to Section 9.1(b)

Schedule Six
Authorized Sites - Full Legal Descriptions

Schedule Seven
Apple Supply Rider

See attached

APPLE SUPPLY RIDER

This Apple Supply Rider (the “**Rider**”) is a part of that certain Franchise Agreement (the “**Franchise Agreement**”) between ENZAFRUIT Products Inc., a Delaware corporation (“**Purchaser**”), having an address at 1 Fifth Street, Suite 260, Wenatchee, Washington 98801, and

Name of Grower: _____ (“**Grower**”)

Address _____

City, State, Zip _____

Phone (_____) _____

Email _____

(collectively, Purchaser and Grower are referred to as the “**Parties**”).

Subject to the terms of this Rider, Purchaser and Grower hereby acknowledge the processing and handling company set forth below (or in an accompanying attachment if Grower utilizes more than one Packing House) is the “**Packing House**” for purposes set forth in this Rider.

Name of Packing House: _____

Address _____

City, State, Zip _____

Phone (_____) _____

Email _____

In consideration of the mutual promises contained in the Rider, the Parties agree as follows:

1. Purpose and Term of this Rider.

- a. This Rider is a part of and supplements the Franchise Agreement. In the case of a conflict between the provisions of this Rider and the body of the Franchise Agreement, the provisions of the Franchise Agreement shall control. Capitalized terms used in this Rider but not defined shall have the meanings given in Section 1.2 of the Franchise Agreement. References to the Franchise Agreement shall be references to the body of the Franchise Agreement unless otherwise specified.
- b. Grower grows or intends to grow apples from trees of the varieties licensed by Purchaser to Grower pursuant to the terms of the Franchise Agreement (the “**Franchise Fruit**”) on the land described in the Franchise Agreement (the “**Acreage**”). In accordance with the terms of this Rider, Grower agrees to sell the Franchise Fruit meeting the Purchase Specifications (defined below) (such Franchise Fruit that meets the Purchase Specifications, the “**Conforming Fruit**”) to Purchaser. This Rider shall cover the Conforming Fruit commencing with the crop year 2026 and continuing thereafter by automatic renewal for each successive crop year so long

as the Franchise Agreement remains in effect. Upon termination of the Franchise Agreement, all obligations of the parties under this Rider shall end except for obligations that expressly survive termination of this Rider and/or the Franchise Agreement. For avoidance of doubt, a crop year as defined herein shall apply to any Conforming Fruit grown within such crop year.

2. **Specific Grower Obligations.** For avoidance of doubt, the Parties agree that Grower's obligations hereunder include, but are not limited to, the following specific obligations:

- a. Grower will, and will cause Grower's Packing House to, comply with the Purchaser's specifications in accordance with the requirements on Exhibits A and C (the "**Purchase Specifications**").
- b. Grower will comply with Purchaser's directions with respect to the handling, storage and sale of any Franchise Fruit that is not Conforming Fruit (all such Franchise Fruit that is not Conforming Fruit, the "**Nonconforming Fruit**").

3. **Payment for Fruit.** Purchaser agrees to pay Grower for the Conforming Fruit purchased hereunder upon the payment terms set forth on Exhibit B (the "**Payment Terms**"). All amounts payable to Grower under this Rider will be subject to all claims and defenses of Purchaser, whether arising under this Rider or any other transaction between the Parties. Purchaser has the right to set off and deduct against any such amounts all undisputed present and future indebtedness of Grower to Purchaser and such amounts shall be treated as "Costs" for purposes of Exhibit B.

4. **Quality and Payment Obligations.**

- a. **Quality.** Purchaser or its agent will determine in its sole discretion whether the Franchise Fruit is Conforming Fruit.
- b. **Nonconforming Fruit.** Prior to delivery of the Franchise Fruit to the Packing House, Grower may elect to dispose of any Franchise Fruit that Grower (in its reasonable opinion) believes may not meet the Purchase Specifications. Such Nonconforming Fruit shall be disposed of or sold subject to Purchaser's consent and rights under Section 2.2.7 of the Franchise Agreement.
- c. **Purchaser Payment Obligation.** All Nonconforming Fruit, including waste or culls, will belong to and be the responsibility of Grower without any obligation for payment from Purchaser.

5. **Packing of Crop; Storage.** Grower will harvest and deliver that portion of the Franchise Fruit that Grower anticipates meeting the Purchase Specifications to the Packing House. Grower will contract for the processing, handling, storing and packing of the Franchise Fruit directly with the Packing House, provided (a) the contract is on terms reasonably acceptable to Purchaser (including (x) confirmation of Packing House as payment agent in accordance with the Payment Terms, and (y) compliance with the terms of this Rider), and (b) the Packing House has been approved in writing by Purchaser. Grower acknowledges receipt of a list of Purchaser-approved processing and handling companies. Grower will cause the Packing House to comply with the Purchase Specifications. All hauling expenses for such Franchise Fruit will be at Grower's

expense or as otherwise set forth in Grower's agreement with the Packing House (regardless of whether such Franchise Fruit qualifies as Conforming Fruit); further, activities undertaken by Grower and the Packing House prior to Transfer of Title (defined below) will not be a cost or expense of Purchaser. Activities undertaken in respect of the Conforming Fruit after Transfer of Title will be for the account of Purchaser (provided that such expenses may be deducted as "Costs" as defined in Exhibit B hereto). Grower authorizes Purchaser to communicate directly with the Packing House in respect to any of the Franchise Fruit (regardless of whether such Franchise Fruit qualifies as Conforming Fruit), details of the Transfer of Title, compliance with Purchase Specifications, and payment arrangements, to ensure that the Packing House is aware of the commitments made between Purchaser and Grower pursuant to this Rider.

6. Transfer of Title and Risk of Loss. Title to Conforming Fruit sold under this Rider will pass to Purchaser after the Packing House has packed and prepared for shipping (in the manner required by the identified customer) such Conforming Fruit for sale to an identified customer of Purchaser and immediately prior to actual shipment to such customer as set out in the following sentence. Transfer of title of the Conforming Fruit from Grower to Purchaser shall be evidenced by (i) a notation on the final bill of lading prepared by the Packing House for applicable Conforming Fruit and shall be deemed to occur at the time such final bill of lading is generated, or (ii) as otherwise agreed in writing between Purchaser and Packing House, with written notice to Grower (the time of such transfer of title "**Transfer of Title**"). Grower will execute any additional documents reasonably required to acknowledge such transfer to Purchaser. At Transfer of Title, Purchaser shall be deemed to have taken such Conforming Fruit into Purchaser's Inventory of apples ("**Purchaser's Inventory**") and Grower acknowledges and agrees that Purchaser is a bona fide purchaser acting in good faith with respect to the Conforming Fruit. Notwithstanding transfer of the Conforming Fruit into Purchaser's Inventory, if Conforming Fruit is rejected by a customer or a customer deducts any amounts related to the quality of the Conforming Fruit or its failure to meet the customer's specifications, such deductions or costs of repacking, transportation, and resale (including any consequent shrinkage in volume) shall be treated as "Costs" pursuant to Exhibit B.

7. Exclusivity of Rider. The purchase and sale terms set forth in this Rider constitute an exclusive contract. Grower cannot sell or deliver or dispose of Franchise Fruit except to Purchaser, unless expressly provided for in this Rider or otherwise in the Franchise Agreement.

8. Compliance with Laws. In addition to Grower's compliance with law obligations set forth in the Franchise Agreement, Grower will be solely responsible for ensuring sanitary conditions of transport for the Franchise Fruit to the Packing House and until such time as any Conforming Fruit is accepted into Purchaser's Inventory. Should Grower breach this provision, Purchaser, at its option, in addition to any other remedies available under the Rider and Franchise Agreement, may refuse to accept delivery of any Franchise Fruit.

9. Records. Grower will, or will cause the Packing House to, maintain accurate, current records related to this Rider and the Franchise Fruit as required in this Rider and the Franchise Agreement, for the periods required by the Franchise Agreement.

10. Time and Time Periods. Time is of the essence of this Rider and each and every provision hereof. All references to specific times in this Rider shall be to the time in the State of Washington.

Any time period to be computed pursuant to this Rider shall be computed by number of days, excluding the first and including the last day of such period. For the purpose of such calculations, and notwithstanding any other term of this Rider, if the actual last day falls on a non-Business Day, then the last day shall be extended until the next Business Day thereafter. Time for performance on a given Business Day shall end as of 5:00 PM local time. As used herein, “**Business Day(s)**” has the meaning set forth in the Franchise Agreement.

11. Modification. This Rider, including those provisions incorporated by reference and as may be updated on Purchaser’s website in accordance with the terms in Section 1 of each of Exhibits A and B), is a schedule to the Franchise Agreement. Except as expressly set forth herein, this Rider may not otherwise be altered or modified except as set forth in the Franchise Agreement.

12. Notices. All notices required or permitted to be given under this Rider will be given as provided in the Franchise Agreement. Notwithstanding any other provision of this Rider or the Franchise Agreement, any notices delivered by a Party pursuant to the Perishable Agricultural Commodities Act (“**PACA**”) will be delivered within the times required by PACA regulations. If given by Grower, PACA notices shall be given to both Purchaser and the Packing House.

13. Interest. If a Party is obliged to make any payment under this Rider and does not make payment on the due date, the unpaid-Party may charge interest (“**Default Interest**”) on the sum due (“**Overdue Amount**”) at a rate which is equal to the most recent prime rate as published in the *Wall Street Journal* plus four percent (4%). Default Interest shall be payable on the last day of each month and if not paid when due shall be added to the Overdue Amount and shall itself bear interest.

14. Grower Acknowledgments and Agreements Regarding Packing House. Grower acknowledges that Purchaser has contracted with the Packing House to perform certain administrative functions with respect to the Conforming Fruit on behalf of Purchaser. Grower shall at all times be responsible for managing its separate contractual relationship with Packing House. Purchaser shall have no liability or obligation related to any dispute between Grower and its Packing House related to the Packing House’s provision of any services to or advances made to Grower under their separate agreement. Without limiting the foregoing:

- a. Grower may elect to obtain an advance for Conforming Fruit that enters Purchaser’s Inventory, provided that Grower separately contracts with the Packing House for such advance. Such arrangements shall be between Grower and the Packing House only, and Purchaser has no obligation to make any advance payment to Grower. Grower will indemnify, defend and hold Purchaser harmless from any claims by Packing House in connection with any such advance.
- b. Packing House has agreed to provide an accounting to Grower with respect to Conforming Fruit transferred to Purchaser hereunder. Grower acknowledges and agrees that such accounting shall satisfy any Purchaser obligation to account to Grower with respect to the Conforming Fruit, and that Grower shall look only to the Packing House for such accounting.

- c. Pursuant to the terms of this Rider and the exhibits and schedules hereto, Grower has appointed Packing House as payment agent for Grower to receive payments due from Purchaser hereunder. Grower acknowledges that Purchaser's payment obligations under this Rider are satisfied by the Packing House holding the proceeds of sold Conforming Fruit after deducting those certain charges outlined in Exhibit B hereto. Grower acknowledges and agrees that Purchaser shall have no liability or obligation related to any dispute between Grower and Packing House with respect to payments that Packing House is obligated to deliver to Grower or for any amounts due to Packing House for its services to Grower.
- d. Grower acknowledges that Packing House may pool the Franchise Fruit with fruit of the same variety delivered by other growers. Notwithstanding such pooling arrangements, the Payment Terms and calculations of the Purchaser Net Payment (as defined on Exhibit B) shall be calculated on a "per box" basis. Pooling costs and expenses shall be determined pursuant to separate contractual arrangements between Grower and Packing House.

The terms and conditions of this Rider are hereby confirmed.

"GROWER"

By _____
Print Name _____

Title _____
Date Signed _____

"PURCHASER"

ENZAFRUIT PRODUCTS INC.

By _____
Print Name _____

Title _____
Date Signed _____

EXHIBIT A
PURCHASE SPECIFICATIONS

The following are the “**Purchase Specifications**” as defined in the Rider:

Grower will comply and, where appropriate, will cause the Packing House to comply, with the cultivation, harvest, handling and packing requirements (as set out below) contained in the Franchise Agreement and as otherwise delivered to Grower contemporaneously herewith, and Grower acknowledges receipt thereof (the “**Grower Requirements**”).

Packing Requirements

- 1) Grower will cause the Packing House to store, handle, pack, package and deliver for shipping all Conforming Fruit until Transfer of Title; Purchaser may elect to have a separate contractual arrangement with the Packing House with respect to services provided to Purchaser from and after Transfer of Title. The Conforming Fruit is to be packaged for delivery in the quantities and varieties according to requirements contained in the Franchise Agreement and as otherwise delivered to Grower contemporaneously herewith (the “**Packing Requirements**”), which are incorporated herein by reference, and the Parties consent to the incorporation.
- 2) Grower acknowledges that, following packing of Conforming Fruit by the Packing House, packed in a manner ready for delivery to Purchaser and in compliance with the Packing Requirements, Purchaser may arrange for Packing House to deliver to Purchaser a packaging and quality control report (a “**Produce Report**”), to include the items listed below. Grower hereby authorizes Packing House to deliver, and Purchaser to receive, each Produce Report.
 - a. Pictures of the Conforming Fruit;
 - b. The quantity of the Conforming Fruit;
 - c. The variety, grade, and size of all of the Conforming Fruit;
 - d. A description of the package/packing type;
 - e. UPC or GTIN barcode;
 - f. Pack/harvest date;
 - g. Lot number;
 - h. The original location of the pre-harvested Conforming Fruit (e.g., the Block ID number associated with the Conforming Fruit); and
 - i. such other items as reasonably requested by Purchaser.

The Grower Requirements and the Packing Requirements are incorporated herein by reference, and the Parties consent to the incorporation. Future updates to the Grower Requirements and the Packing Requirements may be sent to Grower in accordance with the notice provisions set forth in this Rider or the Franchise Agreement; further, upon notice to Grower, Purchaser may elect to update the Grower Requirements and the Packing Requirements via a website owned or controlled by or on behalf of Purchaser (“**Website**”). Grower acknowledges that Purchaser may elect to modify the Grower Requirements and the Packing Requirements from time to time, provided that any changes in the Grower Requirements or the Packing Requirements (as applicable) that Purchaser desires to apply to a given calendar year will be posted on the Website and will be effective 30 days following notice of such change being given to the Grower. In the event of a conflict between the balance of the Rider and this Exhibit A (and, through reference, the Grower Requirements or the Packing Requirements), the balance of the Rider shall control.

EXHIBIT B
PAYMENT TERMS

Calculation of Purchaser Net Payment

Purchaser will pay Grower for Conforming Fruit supplied by Grower to Purchaser pursuant to this Rider and accepted by Purchaser into Purchaser's Inventory. Payment due and owing to Grower for Conforming Fruit is a Purchaser Net Payment, as further defined below.

Purchaser Net Payment means an amount equal to: Net Invoiced Value - (EPI Charge + Royalties + Costs + Other Deductions).

Net Invoiced Value has the meaning set forth in Section 1.2 of the Franchise Agreement.

EPI Charge has the meaning set forth in Section 2.2.7 of the Franchise Agreement.

Royalties has the meaning set forth in Section 2.2.8 of the Franchise Agreement.

Costs means the costs referred to in Schedule 1 to Exhibit B attached hereto, to the extent relating to the Conforming Fruit and not otherwise accounted for in the calculation of Net Invoiced Value.

Other Deductions means any other costs, deductions, repayments and any other setoffs referred to in this Rider or any other agreement between Grower and Purchaser due and owing by Grower to Purchaser. Other Deductions include the Marketing Fund Deduction described in Section 2.2.9 of the Franchise Agreement.

Payment

Purchaser will pay the Purchaser Net Payment to the Grower on the following terms:

- 1) Payment to Grower. Unless otherwise agreed in writing, Grower agrees that the Purchaser shall pay the Packing House, on behalf of the Grower, for the Grower's Conforming Fruit that the Purchaser has sold, within thirty (30) days of the Purchaser's receipt (or Packing House's receipt on behalf of Purchaser) of all collected funds, from Purchaser's customer, for such Conforming Fruit.
- 2) Payment Authorization. Grower hereby appoints Packing House as payment agent for Grower to receive payment of the Purchaser Net Payment.
- 3) Notice. Grower shall deliver notice to the above listed Packing House (or its successor) confirming this payment authorization, copying Purchaser on such notice; notice to be delivered a minimum of thirty (30) days prior to Grower's harvest of the Conforming Fruit. Should Grower fail to deliver notice of confirmation to the Packing House (with copy to

Purchaser), Grower hereby authorizes Purchaser to share this Rider with the Packing House to as evidence of Grower's authorization per this provision.

- 4) Joint Check; Resolution of Claims. Purchaser (or Packing House on behalf of Purchaser) is authorized, but not required to (a) pay the Purchaser Net Payment(s) by joint check with any person asserting a lien or security interest against Conforming Fruit or its proceeds, or (b) withhold payment pending resolution of any such claims.

Marketing Discretion.

Any Conforming Fruit sold by Grower to Purchaser pursuant to this Rider may be sold by Purchaser or its agent in the market that Purchaser determines and to any customers that Purchaser chooses, in either event, in Purchaser's sole discretion. Grower acknowledges and agrees that this Rider is a price after sale transaction and therefore no price or Purchaser Net Payment is known until Purchaser sells the Conforming Fruit in Purchaser's inventory to the end customer and receives payment and can determine associated Costs and Other Deductions for the same.

Schedule 1 to Exhibit B

Costs

“Costs” as used in the calculation of Purchaser Net Payment includes those normally incurred in the supply chain for selling fresh produce (to the extent not already accounted for in the calculation of Net Invoiced Value) and shall include, but not be limited to:

- taxes, except taxes on the operations of Purchaser’s business
- industry charges
- logistic charges incurred by the Purchaser or its agent associated with moving the Conforming Fruit within the supply chain to the ultimate customer
- credit invoices processed for returned or rejected Conforming Fruit to the extent not included in Net Invoiced Value
- contamination, recall costs and quality claims relating to the Conforming Fruit
- other costs of handling the Fruit charged to Purchaser if not otherwise set forth herein

For avoidance of doubt, “Costs” shall include all such costs, including costs incurred or discovered after (i) Transfer of Title of Conforming Fruit, and/or (ii) after Conforming Fruit is sold to Purchaser’s customer (e.g., costs incurred as a result of quality issues discovered after shipment and delivery, including without limitation costs of repacking, transportation and resale, including any shrinkage resulting from the foregoing). Costs incurred or discovered after the relevant period for a Purchaser Net Payment are includable as Costs for any future Purchaser Net Payment.

Exhibit B

Trademarks

Date	Mark	Number	Class	Goods
January 24, 1995 (Grant Date)		1,875,395 (Grant Number)	29* 31** 32***	(see below)
March 24, 2009 (Grant Date)	ENVY® logo 	3,594,000 (Grant Number)	29* 31** 32***	(see below)
September 1, 2009 (Grant Date)	ENVY®	3,674,977 (Grant Number)	31	Fresh Apples

*For: preserved, processed, dried and cooked fruits; apple seed oil; jellies; jams; fruit preserves; fruit sauces, namely, apple sauce and cranberry sauce; and fruit puree, in class 29 (U.S. CL. 46).

**For: fresh fruits; living fruit trees; and living tree bud wood; seed products, namely, fruit seeds, in class 31 (U.S. CLS. 1 and 46).

***For: fruit drinks and fruit juices; syrups and other preparations for making beverages, namely, fruit drinks; non-alcoholic drinks, namely punch, in class 32 (U.S. CLS. 45, 46 and 48).

Exhibit C

Agent for Service of Process

In Washington: ENZAFRUIT Products Inc.
Chris Willett, VP Operations, Supply Chain and Quality
1 Fifth Street, Suite 260
Wenatchee, WA 98801
Tel: (509) 888-3197

In New York: Cogency Global, Inc.
122 East 42nd Street,
18th Floor
New York, NY 10168
Tel: (866) 621-3524

Exhibit D

Regulations Pertaining to the Apple Growing Industry

The New York Department of Agriculture has established specific grades and classifications for Fruit based upon its authority under N.Y. Comp. Codes R. & Regs. tit. 1, § 185. Further, under N.Y. Comp. Codes R. & Regs. tit. 1, § 185.11, the Department of Agriculture applies standards to the conditions for export.

Pursuant to N.Y. Comp. Codes R. & Regs. tit. 1, § 201.10, as amended from time to time, the New York Apple Commission is authorized to levy an assessment upon all fresh apples grown annually in New York State. Under N.Y. Comp. Codes R. & Regs. tit. 1, § 201.10, during each marketing season and not later than July 1st, the commissioner shall estimate a budget necessary for the administration and enforcement of this order and for carrying on duly authorized programs and activities including advertising, promotion and publicity, marketing and product research and informational services as hereinbefore provided. The commissioner shall announce rates of assessment to provide adequate funds to defray expenditures in the budget. The rate of assessment shall not exceed: eight cents per hundred pounds of apples delivered to juice or cider processing plants for processing into juice or cider or products thereof; eight cents per hundred pounds of apples purchased or accepted for all other processing; and sixteen cents per bushel or bushel weight equivalent of apples sold for fresh market use; provided, however, the maximum assessment for fresh apples sold for direct market sale shall be eight cents per bushel.

N.Y. Comp. Codes R. & Regs. tit. 1, § 201.11 states that all growers, processors, grower sales cooperatives, grower sales agents, and storage operators shall make remittance and accounting of the proper assessment to the commissioner or his designated fiscal agent not later than the 15th of each of the months of November, February, May and August. Such quarterly remittance and accounting shall be inclusive of all sales of apples and/ or removal of apples from storage through the end of the month just preceding the months designated.

You and your advisors should carefully review all statutes and rules applicable to the apple growing industry.

Exhibit E

Financial Statements



The Board of Directors and Shareholders of
ENZAFRUIT Products Inc.

We agree to the use in the Franchise Disclosure Document with an issuance date of March 31, 2026, and filed with the New York State Department of Law on March 31, 2026, of our reports, dated March 31, 2026; relating to the financial statements of ENZAFRUIT Products Inc. (the Company) as of and for the years ended December 31, 2025 and 2024; and March 24, 2025, relating to the financial statements of the Company as of and for the years ended December 31, 2024 and 2023.

Baker Tilly US, LLP

Bellingham, Washington
March 31, 2026

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Report of Independent Auditors and
Financial Statements

ENZAFRUIT Products Inc.

December 31, 2025 and 2024



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Report of Independent Auditors

The Directors and Shareholder
ENZA FRUIT Products Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ENZA FRUIT Products Inc., which comprise the balance sheets as of December 31, 2025, and 2024, and the related statements of income and changes in retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ENZA FRUIT Products Inc. as of December 31, 2025, and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ENZA FRUIT Products Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ENZA FRUIT Products Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ENZAFRUIT Products Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ENZAFRUIT Products Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Bellingham, Washington
March 31, 2026

Financial Statements

ENZA FRUIT Products Inc.
Balance Sheets
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,921,458	\$ 703,879
Accounts receivable and related-party receivables	8,558,275	8,419,740
Grower receivables, current	2,005,023	1,037,126
Prepaid assets	53,272	62,564
Income tax receivable	103,267	143,279
Other receivable	-	361,078
Total current assets	12,641,295	10,727,666
OPERATING LEASE RIGHT-OF-USE ASSET	41,130	84,262
CAPITAL ASSETS, net	206,771	254,537
LONG-TERM GROWER RECEIVABLES, net of imputed interest	4,963,558	4,077,167
DEFERRED TAX ASSET	364,365	399,741
Total assets	<u>\$ 18,217,119</u>	<u>\$ 15,543,373</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,515,036	\$ 3,093,779
Due to related party	2,519,514	3,464,906
Due to grower marketing fund	2,210,363	325,521
Current portion of operating lease liability	47,686	44,304
Current portion of long-term debt	50,240	52,046
Total current liabilities	8,342,839	6,980,556
LONG-TERM LIABILITIES		
Operating lease liability, net of current portion	-	47,686
Long-term debt, net of current portion	102,326	153,657
Long-term payable to related party, net of imputed interest	5,680,222	3,820,958
Total long-term liabilities	5,782,548	4,022,301
Total liabilities	14,125,387	11,002,857
SHAREHOLDER'S EQUITY		
Common stock – \$1 par value, 100,000 shares authorized, issued, and outstanding	100,000	100,000
Additional paid-in capital	2,260,196	2,260,196
Retained earnings	1,731,536	2,180,320
Total shareholder's equity	4,091,732	4,540,516
Total liabilities and shareholder's equity	<u>\$ 18,217,119</u>	<u>\$ 15,543,373</u>

See accompanying notes.

ENZA FRUIT Products Inc.
Statements of Income and Changes in Retained Earnings
Years Ended December 31, 2025 and 2024

	2025	2024
REVENUES		
Franchise revenues, net	\$ 6,326,846	\$ 7,092,705
Grower marketing fund revenues	5,981,885	6,232,635
Total revenues	12,308,731	13,325,340
OPERATING EXPENSES		
Selling, general, and administrative expenses	5,983,173	6,424,096
Grower marketing fund expenses	5,981,885	6,232,635
Total operating expenses	11,965,058	12,656,731
INCOME FROM OPERATIONS	343,673	668,609
OTHER INCOME (EXPENSE)		
Interest income from long-term receivables	314,630	202,618
Interest expense	(284,535)	(108,534)
Exchange rate loss	(6,804)	(2,114)
Total other income, net	23,291	91,970
INCOME BEFORE INCOME TAX	366,964	760,579
INCOME TAX PROVISION		
Current expense	30,372	91,751
Deferred expense	35,376	157,033
Total income tax provision	65,748	248,784
NET INCOME	301,216	511,795
RETAINED EARNINGS		
Beginning of year	2,180,320	1,668,525
Dividends paid on common stock	(750,000)	-
End of year	\$ 1,731,536	\$ 2,180,320

See accompanying notes.

ENZA FRUIT Products Inc.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income	\$ 301,216	\$ 511,795
Adjustments to reconcile net income to net cash flows used in operating activities		
Depreciation	47,766	51,254
Noncash reduction of operating lease right-of-use asset	43,132	38,671
Deferred income tax expense	35,376	157,033
Changes in operating assets and liabilities		
Accounts receivable and related-party receivables	(138,535)	3,337
Other receivable	361,078	29,922
Prepaid expenses	9,292	(12,481)
Long-term grower receivables	(1,854,288)	(547,164)
Accounts payable	421,257	124,022
Operating lease liability	(44,304)	(35,872)
Due to grower marketing fund	1,884,842	214,456
Due to related parties, net	913,872	(736,945)
Income tax payable and receivable	40,012	16,401
Net cash flows from (used in) operating activities	2,020,716	(185,571)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of capital assets	-	(10,161)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments on long-term debt	(53,137)	(39,971)
Dividends paid on common stock	(750,000)	-
Net cash flows used in financing activities	(803,137)	(39,971)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,217,579	(235,703)
CASH AND CASH EQUIVALENTS, beginning of year	703,879	939,582
CASH AND CASH EQUIVALENTS, end of year	\$ 1,921,458	\$ 703,879
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 284,535	\$ 108,534
NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of vehicles with debt financing	\$ -	\$ 114,914

See accompanying notes.

ENZA FRUIT Products Inc.

Notes to Financial Statements

Note 1 – Description of Business

ENZA FRUIT Products Inc. (the Company) is a wholly owned subsidiary of ENZA FRUIT New Zealand International Limited (ENZIL). The ultimate parent company of ENZIL in New Zealand is T&G Global Limited (T&G Global). T&G Global is a New Zealand based global and domestic produce marketer and distributor. T&G Global holds plant variety rights (PVRs) for a number of apple varieties, which are licensed to independent growers around the world as part of T&G Global's Global Variety Development Program (GVDP). The two most valuable apple PVRs for T&G Global are for Scifresh (grown and sold under the JAZZ brand) and Scilate (grown and sold under the Envy brand). These varieties have been licensed to T&G Global from The New Zealand Institute for Plant and Food Research Limited (PFR), a New Zealand government-owned Crown Research Institute. T&G Global has licensed the PVRs to ENZIL. However, in 2021, T&G Global established a new wholly owned subsidiary, Venturefruit Global Limited (VGL), to consolidate its existing produce related intellectual property assets and to facilitate the expansion and investment in breeding and commercialization of plant varieties. In line with this strategy, the existing intellectual property assets (which include the ENZA, Envy, JAZZ, and Pacific Rose Brands and associated trademarks, as well as the associated PVRs of those varieties) were sold to VGL from ENZIL.

The Company was established in 1998 to administer the GVDP in the U.S. In 2011, the Company was assigned the PVRs from PFR to grow Scilate and Scifresh apples in the U.S., via an assignment notification from ENZIL (then the licensee). These rights were assigned on the basis that ENZIL could require the Company to reassign the rights back to ENZIL upon request. Upon the sale of intellectual property assets from ENZIL to VGL, the rights regarding this assignment were novated from ENZIL to VGL. VGL maintained the right to reassign the rights back from the Company upon request.

In administering the GVDP in the U.S., the Company engages third-party U.S. growers and enters into a franchise agreement with them, granting them the right to use the PVRs to grow the GVDP apples.

The Company is also responsible for the distribution of the U.S.-grown GVDP apples in the U.S. market. To support this, the Company has a license from VGL to use the JAZZ and Envy brands and trademarks. The Company contracts with various third-party and related-party sales agents to sell the GVDP apples to retail, wholesale, and food service customers in the United States.

The Company contracts with Delica North America Inc. (Delica NAM), a related party and wholly owned subsidiary of T&G Global, to export the U.S.-grown GVDP apples to other T&G Global entities or customers in offshore markets. These offshore markets are primarily Asia with limited exports to Central & South America. For Delica NAM to export the U.S. grown GVDP apples, the Company has sub-licensed the GVDP brands to Delica NAM. There are also agreements between Delica NAM and the Company, and Delica NAM and the third-party and related-party sales agents, to facilitate the export agency arrangement.

Note 2 – Summary of Significant Accounting Policies

Accounting basis and presentation – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

ENZA FRUIT Products Inc.

Notes to Financial Statements

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the statement of cash flows, cash and cash equivalents include cash in banks and all highly liquid investments with original maturities of 90 days or less.

Capital assets – Capital assets are stated at cost less accumulated depreciation. Improvements that increase the useful life of property and replacements of major components of property are capitalized, while maintenance, repairs, and minor replacements are expensed as incurred.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are determined by major depreciable property and equipment categories. Depreciation expense was \$47,788 and \$51,254 for the years ended December 31, 2025 and 2024, respectively. Accumulated depreciation was \$221,382 and \$173,616 at December 31, 2025 and 2024, respectively.

Valuation of long-lived assets – The carrying value of a long-lived asset is evaluated and considered impaired when the estimated, undiscounted cash flows expected to be generated by the asset are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Estimates of fair value are based on the best information available, including assessed valuations and estimates of future cash flows. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the costs to dispose. No impairment loss was recognized during the years ended December 31, 2025 and 2024.

Income tax – Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at applicable enacted tax rates. A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of its deferred tax assets will not be realized.

The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and adjusting the amount of the allowance, if necessary. The Company recognizes the tax expenses or benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position.

Revenue from contracts with customers – The Company's revenue, which is comprised of franchise revenue and advertising and marketing fund revenue, is accounted for in accordance with ASC 606, *Revenue from Contracts with Customers*, net of applicable taxes. Revenue is recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

ENZA FRUIT Products Inc.

Notes to Financial Statements

The Company's primary performance obligation in the administration of the GVDP is to arrange for sublicensing of franchise rights to third-party growers in the U.S., which provides the right to use intellectual property to grow Sciros, Scifresh, and Scilate apple varieties. All other services the Company provides, including marketing, designation of selling agents and packing houses, optional grower training, and program management activities are highly interrelated with the franchise right and not distinct within the context of the contract, and therefore do not represent a separate performance obligation.

The Company earns a royalty on pipfruit (i.e., apple) sales, which is determined to be a sales-based royalty since the franchise right is the predominate item to which the royalty relates. The royalty is calculated as a percentage of the Net Invoiced Value per variety less the Marketing Fund Deduction and is recognized when the subsequent sale of pipfruit occurs. VGL has the license for the brands and trademarks related to the apple varieties and has sub-licensed these intellectual property assets to the Company. VGL also had the master license related to the PVRs and has assigned this master license to the Company but can require the Company to reassign the master license at its discretion, subject to the approval of Plant and Food Research. Therefore, under ASC 606, the Company is an agent with respect to the franchise right, and therefore recognizes royalties on pipfruit sales net of a variable royalty paid to VGL which is based on the Company's profitability, and net of a royalty paid to Plant and Food Research as consideration for the PVRs master license.

Contributions made by growers to the advertising and marketing fund are calculated at a set rate per tray carton equivalent of pipfruit sold. Grower marketing fund contributions must be spent on advertising, marketing, and related activities, and promote the overall ENZA brand rather than an individual grower. The Company recognizes grower marketing fund contributions at the time the underlying sales of pipfruit occur. See Note 9 for information regarding the Grower Marketing Fund.

At the time of planting, the Company assesses a franchise planting fee on behalf of VGL, which is calculated on a per-acre basis for all plant varieties and is recognized over the average life of pipfruit trees. The Company is an agent with respect to the franchise right and therefore recognizes the planting fee, net of the amount paid to VGL. The Company records a receivable from growers as part of this transaction as the planting fees are due in tranches of three, four, and five years from the date of planting, in accordance with the underlying payment terms. The delay in payment from the growers represents a significant financing component, and therefore the revenue recorded by the Company has been adjusted for the imputed interest related to the financing component.

The Company also has certain contracts with various sales agents to sell, as principal, the pipfruit purchased by the Company from the grower. Under an ASC 606 analysis, the Company is an agent in this transaction, as the Company does not hold sufficient inventory risk on the pipfruit purchased as it is transferred to the customer. The Company notes that this approach does not reflect the legal relationship, under the relevant Company contracts, where the Company takes legal title of the pipfruit prior to shipment to end customers, as arranged by the Company's sales agents.

Accounts receivable, long-term grower receivables, and allowance for credit losses – The Company has accounts receivables due from apple packing sheds for the sales-based royalties, grower marketing fund contributions, and for a royalty due to Plant and Food Research.

ENZA FRUIT Products Inc.
Notes to Financial Statements

The Company collects long-term grower receivables on behalf of VGL, a related party, for franchise planting fees that by their terms are due in the next three to five years after planting. Long-term grower receivables are as follows at December 31:

	2025	2024
Grower receivables	\$ 7,606,986	\$ 5,711,036
Imputed interest	<u>(638,405)</u>	<u>(596,743)</u>
Grower receivables, net of imputed interest	<u>\$ 6,968,581</u>	<u>\$ 5,114,293</u>
Grower receivables, current portion	<u>\$ 2,005,023</u>	<u>\$ 1,037,126</u>
Long-term grower receivables, net of imputed interest	<u>\$ 4,963,558</u>	<u>\$ 4,077,167</u>

During the years ended December 31, 2025 and 2024, the Company recorded long-term receivables, at inception, net of imputed interest of \$328,059 and \$279,311, respectively. The Company utilized a discount rate of 3.7% and 4.4% to discount long-term receivables during 2025 and 2024, respectively. The Company recorded interest income on the long-term grower receivables of \$314,630 and \$202,618 during the years ended December 31, 2025 and 2024, respectively.

The Company estimates an allowance for credit losses on accounts receivable and long-term grower receivables using the current expected loss model under the guidance of Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses* (Topic 326). Management makes ongoing estimates related to the collectability of accounts receivable resulting from the inability of its customer to make required payments. In addition to judgments about the creditworthiness of the customer, the Company considers historical levels of credit losses, as well as macroeconomic and industry trends to determine the amount of the allowance. As of December 31, 2025 and 2024, the Company did not deem an allowance necessary. Accounts receivable over ninety days outstanding were \$148,720 and \$133,415 at December 31, 2025 and 2024, respectively.

ENZA FRUIT Products Inc.
Notes to Financial Statements

Leases – The Company determines if an arrangement is a lease, or contains a lease, at the inception of the arrangement, and reassesses that conclusion if the arrangement is modified. When the Company determines an arrangement is a lease, or contains a lease, a determination is made as to whether the lease is an operating lease or a finance lease. Operating and finance leases result in the Company recording a right-of-use (ROU) asset and lease liability on its balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are initially recognized, based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses the implicit interest rate in the lease, if readily determinable, or, when the implicit interest rate is not readily determinable, the Company's estimated incremental borrowing rate is derived from information available at the lease commencement date to determine the present value of the lease payments. Rent expense from operating leases is recognized on a straight-line basis over the term of the leases. For finance leases, interest expense is recognized, using the effective interest-rate method over the term of the leases, and ROU assets are depreciated on a straight-line basis over the shorter of the lease term or assets estimated useful life. The Company also elected to not separate lease components from non-lease components for classes of underlying assets, and elected to not recognize ROU assets and lease liabilities that arise from short-term (12 months or less) leases for any class of underlying asset.

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before the date financial statements are available to be issued. Subsequent events that provide additional evidence about conditions that existed at the balance sheet date are considered in the preparation of the financial statements presented herein. Subsequent events that occur after the balance sheet date that do not provide evidence about the conditions that existed as of the balance sheet date are considered for disclosure based upon their significance in relation to the financial statements taken as a whole.

The Company has evaluated subsequent events through March 31, 2026, which is the date the financial statements were available to be issued.

Note 3 – Revenue Recognition

Revenue consisted of the following for the years ended December 31:

	2025	2024
Franchise revenues, net	\$ 6,326,846	\$ 7,092,705
Grower marketing fund revenues	5,981,885	6,232,635
Total revenues, net	<u>\$ 12,308,731</u>	<u>\$ 13,325,340</u>

The Company has recorded an imputed interest adjustment on long-term receivables of \$328,059 and \$279,311 for the years ended December 31, 2025 and 2024, respectively, as a reduction of net revenues.

ENZA FRUIT Products Inc.
Notes to Financial Statements

The Company has a commission agreement with the marketing agent, a related party due to common ownership, that requires the Company required to pay a percentage commission to the marketing agent based upon the net invoice price at the time of sale of pip apple varieties in North America. The Company has recorded \$896,012 and \$821,717 for the years ended December 31, 2025 and 2024, respectively, as a reduction of revenue.

The beginning and ending balances of receivables from contracts with customers are as follows:

	January 1, 2024	December 31,	
		2024	2025
Grower marketing fund contributions receivable	\$ 1,745,215	\$ 2,104,460	\$ 2,271,460
Due to grower marketing fund	\$ 111,065	\$ 325,521	\$ 2,210,363
Long-term grower receivables, net	\$ 3,551,674	\$ 4,077,167	\$ 4,963,558
Accounts receivable	\$ 6,415,222	\$ 6,055,977	\$ 6,003,126

Note 4 – Capital Assets

The following are summaries of changes in capital assets for the years ended December 31, 2025 and 2024:

	Balance January 1, 2025	Additions	Disposals	Balance December 31, 2025
Furniture and fixtures	\$ 68,688	\$ -	\$ -	\$ 68,688
Vehicles	341,887	-	-	341,887
Leasehold improvements	17,578	-	-	17,578
Less accumulated depreciation	(173,616)	(47,766)	-	(221,382)
Total capital assets, net	\$ 254,537	\$ (47,766)	\$ -	\$ 206,771

	Balance January 1, 2024	Additions	Disposals	Balance December 31, 2024
Furniture and fixtures	\$ 62,713	\$ 5,975	\$ -	\$ 68,688
Vehicles	226,973	114,914	-	341,887
Leasehold improvements	13,392	4,186	-	17,578
Less accumulated depreciation	(122,362)	(51,254)	-	(173,616)
Total capital assets, net	\$ 180,716	\$ 73,821	\$ -	\$ 254,537

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 5 – Related-Party Transactions

Under a services agreement, the Company paid Turners & Growers New Zealand Limited (T&G NZ) a management fee for governance, risk management, finance, information technology related services, and software license costs, which totaled \$176,127 and \$179,769 during the years ended December 31, 2025 and 2024, respectively. The Company has related-party accounts receivable of \$0 and \$45,927 due from T&G NZ at December 31, 2025 and 2024, respectively. The Company has related-party accounts payable of \$35,141 and \$0 due from T&G NZ at December 31, 2025 and 2024, respectively.

The Company pays the Oppenheimer Group (Oppenheimer) management fees for non-Delica sales. These fees are calculated as 2.5% of all non-Delica sales and the total management fees charged were \$898,012 and \$821,717 during the years ended December 31, 2025 and 2024, respectively. Starting with the 2019-2020 crop season, the Company entered into a rebate incentive program with Oppenheimer, which is reimbursed at a rate of 1% of the management fee. The rebate incentive program expired as of January 1, 2024. The Company received a rebate of \$0 and \$3,384 during the years ended December 31, 2025 and 2024, respectively. The Company also pays Oppenheimer advertising and promotional fees, which totaled \$971,255 and \$855,230 during the years ended December 31, 2025 and 2024, respectively. The Company has accounts payable of \$83,174 and \$252,817 for advertising and promotional costs and \$74,433 and \$192,358 for management fees due to Oppenheimer at December 31, 2025 and 2024, respectively, included in accounts payable on the balance sheet. The Company also has payable of \$0 and \$47,324 due to Oppenheimer included in accounts payable on the balance sheet for miscellaneous charges at December 31, 2025 and 2024, respectively. Effective January 1, 2025, common ownership was reduced to below 15% and as such, is no longer considered a related party.

During the years ended December 31, 2025 and 2024, the Company expensed and paid commissions to Delica NAM, a related party through common ownership. The Company incurred commissions of \$2,788,038 and \$2,881,744 during the years ended December 31, 2025 and 2024, respectively. The Company incurred employee expenses and promotional expenses of \$183,922 and \$79,263, respectively, during the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Company has a payable due to Delica NAM of \$1,662,116 and \$1,527,862, respectively, which is included in due to related party on the balance sheet.

The Company pays VGL a royalty for the use of intellectual property in relation to U.S.-grown fruit. The Company recorded \$5,435,000 and \$5,670,001 during the years ended December 31, 2025 and 2024, respectively, as a reduction of revenues in the statement of income and changes in retained earnings. The Company has a payable to VGL for the royalty of \$0 and \$1,111,500 at December 31, 2025 and 2024, respectively, which is included in due to related party on the balance sheet. Right-to-grow payments and planting fees charged to U.S. growers are collected by the Company and remitted to VGL. The Company recorded \$2,760,443, net of imputed interest of \$328,400, and \$1,792,062, net of imputed interest of \$662,997, during the years ended December 31, 2025 and 2024, respectively, as a reduction of revenues in the statement of income and changes in retained earnings. The Company has a long-term payable of \$5,680,222, net of imputed interest of \$629,966, and \$3,820,958, net of imputed interest of \$567,263, due to VGL for planting fees as of December 31, 2025 and 2024, respectively. The Company has a miscellaneous receivable from VGL of \$1,176 and \$8,241 at December 31, 2025 and 2024, respectively.

ENZAFRUIT Products Inc.
Notes to Financial Statements

The Company has amounts payable to Venturefruit USA Inc., a related party through common ownership, of \$0 and \$55,551 at December 31, 2025 and 2024, respectively, which is included in due to related party on the balance sheet.

The Company has amounts due to Delica (Shanghai) Fruit Trading Company Ltd, a related party through common ownership, totaling \$0 and \$81,061 at December 31, 2025 and 2024, respectively, which is included in due to related party on the balance sheet.

The Company has amounts receivable from ENZIL of \$282,512 and \$200,000 at December 31, 2025 and 2024, respectively, which is included in related party receivables on the balance sheet.

The Company has amounts payable to T&G Global, the ultimate parent company, of \$809,623 at December 31, 2025 and 2024, which is included in due to related party on the balance sheet.

The Company has amounts payable to T&G Vietnam Company Limited, a related party through common ownership, of \$0 and \$92,880 at December 31, 2025 and 2024, respectively, which is included in due to related party on the balance sheet.

The Company has amounts payable to T&G South East Asia Ltd., a related party through common ownership, of \$12,635 and \$0 at December 31, 2025 and 2024, respectively, which is included in due to related party on the balance sheet.

Note 6 – Income Taxes

The Company files income tax returns in the U.S. federal jurisdiction. The Company does not have any material uncertain tax positions. As of December 31, 2025 and 2024, there is no accrued interest or penalties recorded in the financial statements.

The differences between the tax basis of assets and liabilities and their financial statement amounts are reflected as deferred income tax assets, net, using enacted tax rates. For December 31, 2025 and 2024, the deferred income tax assets were valued using an effective tax rate of 21%.

Deferred tax assets and liabilities consist of the following at December 31:

	2025	2024
Effective tax rate	21%	21%
Net operating loss carryforward	\$ -	\$ 9,536
Equipment depreciation differences	(21,376)	(21,800)
Unrealized foreign exchange gain	(508)	-
Other accrued liabilities	7,379	-
Accrued related-party interest expense	134,065	125,316
Accrued related-party expenses	244,805	288,689
	<u>\$ 364,365</u>	<u>\$ 399,741</u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

A valuation allowance is required for deferred tax assets if it is more likely than not that the assets will not be recoverable in future years. Management believes the deferred tax assets are fully recoverable in future years. Consequently, no valuation allowance is recorded on its deferred tax assets.

The reconciliation of income tax computed at the U.S. federal statutory tax rate to income tax expense is as follows:

	2025	2024
Provision for income tax at the statutory rate of 21%	\$ 68,015	\$ 159,722
Increase (decrease) in tax resulting from		
State taxes	1,096	2,528
Adjustments and other	(9,651)	76,081
Meals and entertainment limitation	6,288	10,453
	<u>\$ 65,748</u>	<u>\$ 248,784</u>

Note 7 – Operating Leases

The Company leases certain office property in Wenatchee, Washington. The lease agreement matures December 31, 2026, with no option to extend the lease. Monthly rent payments increase throughout the life of the lease ranging from \$3,230 to \$4,138. The remaining lease term of the operating lease is one and two years as of December 31, 2025 and 2024, respectively. The discount rate used in the calculation of the lease liability at inception was 4.57%.

The following is a schedule, by years, of maturities of the operating lease liability as of December 31:

Year Ending December 31,	Amount
2026	\$ 48,766
Less imputed interest	(1,080)
Present value of operating lease liabilities	<u>\$ 47,686</u>
Current portion of operating lease liabilities	<u>\$ 47,686</u>

The following is a schedule of operating lease expense for the years ended December 31:

	2025	2024
Cash paid for operating lease liabilities	\$ 46,675	\$ 41,057
Noncash operating lease liability expense	2,819	2,799
Total operating lease expense	<u>\$ 49,494</u>	<u>\$ 43,856</u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 8 – Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2025</u>	<u>2024</u>
Note payable to a bank, due in monthly installments of \$995, including interest at 5.9%, maturing October 2030, secured by the vehicle acquired.	\$ 50,397	\$ 58,935
Note payable to a bank, due in monthly installments of \$1,184, including interest at 7.74%, maturing July 2029, secured by the vehicle acquired.	42,604	53,900
Note payable to a bank, due in monthly installments of \$1,369, including interest at 8.49%, maturing August 2028, secured by the vehicle acquired.	38,083	48,665
Note payable to a bank, due in monthly installments of \$980, including interest at 5.25%, maturing September 2027, secured by the vehicle acquired.	17,460	28,604
Note payable to a bank, due in monthly installments of \$472, including interest at 5.14%, maturing June 2026, secured by the vehicle acquired.	2,329	8,158
Note payable to a bank, due in monthly installments of \$430, including interest at 5.14%, maturing June 2026, secured by the vehicle acquired.	<u>1,693</u>	<u>7,441</u>
	152,566	205,703
Less current portion	<u>(50,240)</u>	<u>(52,046)</u>
	<u><u>\$ 102,326</u></u>	<u><u>\$ 153,657</u></u>

Maturities of long-term debt are expected to be as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 50,240
2027	43,660
2028	33,104
2029	16,957
2030	<u>8,605</u>
	<u><u>\$ 152,566</u></u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 9 – Grower Marketing Fund

The Company has established a grower marketing fund (GMF) for the creation and development of advertising, marketing, and public relations programs, and materials to enhance and protect the ENZA brand and pipfruit varieties. On behalf of the GMF, the Company collects from growers a contribution which is calculated as a set rate per tray carton equivalent of apples sold. This rate is determined by the Company prior to the start of each growing season with input from the various growers but is ultimately the decision of the Company. The use of amounts received by the GMF is restricted to advertising, public relations, and administrative expenses to increase sales and further enhance the public reputation of the ENZA brand. The Company may use funds from the GMF to pay reasonable administrative expenses it incurs related to administering the fund, including salaries of employees of the Company who administer the fund. If the GMF is terminated, the Company must distribute all unspent contributions to each franchisee in proportion to their respective contributions during the preceding twelve-month period.

The following is a summary of revenue and expenses associated with the GMF during each of the years ended December 31:

	2025	2024
Grower marketing fund revenues	<u>\$ 5,981,885</u>	<u>\$ 6,232,635</u>
Grower marketing fund expenses	<u>\$ 5,981,885</u>	<u>\$ 6,232,635</u>

Note 10 – Pension Plan

The Company established a Simple IRA Plan (the Plan) in 2011 covering its employees. Under the Simple IRA Plan, the Company provides matching contributions equal to 100% of the individual contributions to the Plan not to exceed 3% of the employee's compensation. The total contribution by the Company was \$22,236 and \$11,916 during the years ended December 31, 2025 and 2024, respectively.

Note 11 – Concentrations of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of grower receivables. Seven and eight growers accounted for approximately 82% and 87% of grower franchise planting fee revenue for the years ended December 31, 2025 and 2024, respectively. One grower accounted for approximately 10% and 13% of grower receivables at December 31, 2025 and 2024, respectively.

The Company maintains cash balances primarily in one financial institution that participates in the Federal Deposit Insurance Corporation (FDIC) insurance program. The Company's cash balances may be in excess of the FDIC insurance limits from time to time.

The produce business is subject to seasonal growing fluctuations, with a peak demand in the spring and summer months. Significant changes in weather patterns may materially affect the Company's financial results.

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MOSSADAMS

Report of Independent Auditors

The Directors and Shareholder
ENZAFRUIT Products Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ENZAFRUIT Products Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and changes in retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ENZAFRUIT Products Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ENZAFRUIT Products Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ENZAFRUIT Products Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ENZAFRUIT Products Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ENZAFRUIT Products Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Bellingham, Washington
March 24, 2025

Financial Statements

ENZAFRUIT Products Inc.
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 703,879	\$ 939,582
Accounts receivable and related-party receivables	8,419,740	8,423,077
Grower receivable, current	1,037,128	1,015,455
Prepaid assets	62,564	50,083
Income tax receivable	143,279	159,680
Other receivable	361,078	391,000
Total current assets	10,727,668	10,978,877
OPERATING LEASE RIGHT-OF-USE ASSET	84,262	122,933
CAPITAL ASSETS, net	254,537	180,716
LONG-TERM GROWER RECEIVABLES, net of imputed interest	4,077,167	3,551,674
DEFERRED TAX ASSET	399,741	556,774
Total assets	<u>\$ 15,543,373</u>	<u>\$ 15,390,974</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,093,779	\$ 2,989,757
Due to related party	3,464,906	8,022,809
Due to grower marketing fund	325,521	111,085
Current portion of operating lease liability	44,304	35,872
Current portion of long-term debt	52,046	30,854
Total current liabilities	6,980,556	11,170,357
LONG-TERM LIABILITIES		
Operating lease liability, net of current portion	47,686	91,990
Long-term debt, net of current portion	153,657	99,906
Long-term payable to related party, net of imputed interest	3,820,958	-
Total long-term liabilities	4,022,301	191,896
Total liabilities	11,002,857	11,362,253
SHAREHOLDER'S EQUITY		
Common stock – \$1 par value, 100,000 shares authorized, issued, and outstanding	100,000	100,000
Additional paid-in capital	2,260,196	2,260,196
Retained earnings	2,180,320	1,668,525
Total shareholder's equity	4,540,516	4,028,721
Total liabilities and shareholder's equity	<u>\$ 15,543,373</u>	<u>\$ 15,390,974</u>

See accompanying notes.

ENZAFRUIT Products Inc.
Statements of Income and Changes in Retained Earnings
Years Ended December 31, 2024 and 2023

	2024	2023
REVENUES		
Franchise revenues, net	\$ 7,092,705	\$ 4,794,018
Grower marketing fund revenues	6,232,635	6,650,684
Total revenues	<u>13,325,340</u>	<u>11,444,702</u>
OPERATING EXPENSES		
Selling, general, and administrative expenses	6,424,096	4,987,322
Grower marketing fund expenses	6,232,635	6,650,684
Total operating expenses	<u>12,656,731</u>	<u>11,638,006</u>
INCOME (LOSS) FROM OPERATIONS	<u>668,609</u>	<u>(193,304)</u>
OTHER INCOME (EXPENSE)		
Interest income from long-term receivables	202,618	196,078
Interest expense	(108,534)	(6,423)
Exchange rate gain (loss)	<u>(2,114)</u>	<u>207</u>
Total other income	<u>91,970</u>	<u>189,862</u>
INCOME (LOSS) BEFORE INCOME TAX	<u>760,579</u>	<u>(3,442)</u>
INCOME TAX PROVISION		
Current expense (benefit)	91,751	(10,928)
Deferred expense	<u>157,033</u>	<u>4,388</u>
Total income tax provision (benefit)	<u>248,784</u>	<u>(6,540)</u>
NET INCOME	511,795	3,098
RETAINED EARNINGS		
Beginning of year	<u>1,668,525</u>	<u>1,665,427</u>
End of year	<u>\$ 2,180,320</u>	<u>\$ 1,668,525</u>

See accompanying notes.

ENZA FRUIT Products Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net income	\$ 511,795	\$ 3,098
Adjustments to reconcile net income to net cash flows used in operating activities		
Depreciation	51,254	45,687
Noncash reduction of operating lease right-of-use asset	38,671	48,481
Deferred income tax expense	157,033	4,388
Gain on sale of capital assets	-	(25,000)
Changes in operating assets and liabilities		
Accounts receivable and related-party receivables	3,337	(1,336,326)
Other receivable	29,922	(391,000)
Prepaid expenses	(12,481)	(48,533)
Long-term grower receivables	(547,164)	(789,068)
Accounts payable	124,022	747,980
Operating lease liability	(35,872)	(44,843)
Due to grower marketing fund	214,456	(699,792)
Due to related parties, net	(736,945)	2,162,261
Income tax payable and receivable	16,401	65,146
Net cash flows used in operating activities	(185,571)	(257,521)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Refund of deposit on tree planting contract	-	600,000
Purchases of capital assets	(10,161)	(20,537)
Proceeds from sale of capital assets	-	25,000
Net cash flows from (used in) investing activities	(10,161)	604,463
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments on long-term debt	(39,971)	(22,223)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(235,703)	324,719
CASH AND CASH EQUIVALENTS, beginning of year	939,582	614,863
CASH AND CASH EQUIVALENTS, end of year	\$ 703,879	\$ 939,582
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash refunded during the year for income taxes	\$ -	\$ 74,619
Cash paid during the year for interest	\$ 108,534	\$ 6,423
NONCASH INVESTING AND FINANCING ACTIVITIES		
Operating lease - right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 135,549
Purchase of vehicles with debt financing	\$ 114,914	\$ 116,963

See accompanying notes.

ENZA FRUIT Products Inc.

Notes to Financial Statements

Note 1 – Description of Business

ENZA FRUIT Products Inc. (the Company) is a wholly owned subsidiary of ENZA FRUIT New Zealand International Limited (ENZIL). The ultimate parent company of ENZIL in New Zealand is T&G Global Limited (T&G Global). T&G Global is a New Zealand based global and domestic produce marketer and distributor. T&G Global holds plant variety rights (PVRs) for a number of apple varieties, which are licensed to independent growers around the world as part of T&G Global's Global Variety Development Program (GVDP). The two most valuable apple PVRs for T&G Global are for Scifresh (grown and sold under the JAZZ brand) and Scilate (grown and sold under the Envy brand). These varieties have been licensed to T&G Global from The New Zealand Institute for Plant and Food Research Limited (PFR), a New Zealand government-owned Crown Research Institute. T&G Global has licensed the PVRs to ENZIL. However, in 2021, T&G Global established a new wholly owned subsidiary, Venturefruit Global Limited (VGL), to consolidate its existing produce related intellectual property assets and to facilitate the expansion and investment in breeding and commercialization of plant varieties. In line with this strategy, the existing intellectual property assets (which includes the ENZA, Envy, JAZZ, and Pacific Rose Brands and associated trademarks, as well as the associated PVRs of those varieties) were sold to VGL from ENZIL.

The Company was established in 1998 to administer the GVDP in the U.S. In 2011, the Company was assigned the PVRs from PFR to grow Scilate and Scifresh apples in the U.S., via an assignment notification from ENZIL (then the licensee). These rights were assigned on the basis that ENZIL could require the Company to reassign the rights back to ENZIL upon request. Upon the sale of intellectual property assets from ENZIL to VGL, the rights regarding this assignment were novated from ENZIL to VGL. VGL maintained the right to reassign the rights back from EPI upon request.

In administering the GVDP in the U.S., the Company engages third-party U.S. growers and enters into a franchise agreement with them, granting them the right to use the PVRs to grow the GVDP apples.

The Company is also responsible for the distribution of the U.S. grown GVDP apples in the U.S. market. To support this, the Company has a license from VGL to use the JAZZ and Envy brands and trademarks. The Company contracts with various third-party and related-party sales agents to sell the GVDP apples to retail, wholesale, and food service customers in the United States.

The Company contracts with Delica North America Inc. (Delica NAM), a related party and wholly owned subsidiary of T&G Global, to export the U.S. grown GVDP apples to other T&G Global entities or customers in offshore markets. These offshore markets are primarily Asia with limited exports to Central & South America. For Delica NAM to export the U.S. grown GVDP apples, the Company has sub-licensed the GVDP brands to Delica NAM. There are also agreements between Delica NAM and the Company, and Delica NAM and the third-party and related-party sales agents, to facilitate the export agency arrangement.

Note 2 – Summary of Significant Accounting Policies

Accounting basis and presentation – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

ENZA FRUIT Products Inc. Notes to Financial Statements

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the statement of cash flows, cash and cash equivalents include cash in banks and all highly liquid investments with original maturities of 90 days or less.

Capital assets – Capital assets are stated at cost less accumulated depreciation. Improvements that increase the useful life of property and replacements of major components of property are capitalized, while maintenance, repairs, and minor replacements are expensed as incurred.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are determined by major depreciable property and equipment categories. Depreciation expense was \$51,254 and \$45,687 for the years ended December 31, 2024 and 2023, respectively. Accumulated depreciation was \$173,617 and \$122,362 at December 31, 2024 and 2023, respectively.

Valuation of long-lived assets – The carrying value of a long-lived asset is evaluated and considered impaired when the estimated, undiscounted cash flows expected to be generated by the asset are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Estimates of fair value are based on the best information available, including assessed valuations and estimates of future cash flows. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the costs to dispose. No impairment loss was recognized during the years ended December 31, 2024 and 2023.

Income tax – Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at applicable enacted tax rates. A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of its deferred tax assets will not be realized.

The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and adjusting the amount of the allowance, if necessary. The Company recognizes the tax expenses or benefits from uncertain tax position only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position.

Revenue from contracts with customers – The Company's revenue, which is comprised of franchise revenue and advertising and marketing fund revenue, is accounted for in accordance with ASC 606, *Revenue from Contracts with Customers*, net of applicable taxes. Revenue is recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

ENZA FRUIT Products Inc.

Notes to Financial Statements

The Company's primary performance obligation in the administration of the GVDP is to arrange for sublicensing of franchise rights to third-party growers in the U.S., which provides the right to use intellectual property to grow Sciro, Scifresh, and Scilate apple varieties. All other services the Company provides, including marketing, designation of selling agents and packing houses, optional grower training, and program management activities are highly interrelated with the franchise right and not distinct within the context of the contract, and therefore do not represent a separate performance obligation.

The Company earns a royalty on pipfruit sales, which is determined to be a sales-based royalty since the franchise right is the predominate item to which the royalty relates. The royalty is calculated as a percentage of the Net Invoiced Value per variety less the Marketing Fund Deduction and is recognized when the subsequent sale of pipfruit occurs. VGL has the license for the brands and trademarks related to the apple varieties and has sub-licensed these intellectual property assets to the Company. VGL also had the master license related to the PVRs and has assigned this master license to the Company but can require EPI to reassign the master license at its discretion, but subject to the approval of Plant and Food Research. Therefore, under ASC 606, the Company is an agent with respect to the franchise right, and therefore recognizes royalties on pipfruit sales net of a variable royalty paid to VGL which is based on the Company's profitability, and net of a royalty paid to Plant and Food Research as consideration for the PVRs master license.

Contributions made by growers to the advertising and marketing fund are calculated at a set rate per tray carton equivalent of pipfruit sold. Grower marketing fund contributions must be spent on advertising, marketing, and related activities, and promote the overall ENZA brand rather than an individual grower. The Company recognizes grower marketing fund contributions at the time the underlying sales of pipfruit occur. See Note 9 for information regarding the Grower Marketing Fund.

At the time of planting, the Company collects a franchise planting fee on behalf of VGL, which is calculated on a per-acre basis for all plant varieties and is recognized over the average life of pipfruit trees. The Company is an agent with respect to the franchise right and therefore recognizes the planting fee net of the amount paid to VGL. The Company records a receivable from growers as part of this transaction as the planting fees are due in tranches three, four, and five years from the date of planting, in accordance with the underlying payment terms. The delay in payment from the growers represents a significant financing component, and therefore the revenue recorded by the Company has been adjusted for the imputed interest related to the financing component.

The Company also has certain contracts with various sales agents to sell, as principal, the pipfruit purchased by the Company from the grower. Under an ASC 606 analysis, the Company is an agent in this transaction, as the Company does not hold sufficient inventory risk on the pipfruit purchased as it is transferred to the customer. The Company notes that this approach does not reflect the legal relationship, under the relevant Company contracts, where the Company takes legal title to the apples prior to shipment to end customers, as arranged by the Company's sales agents.

Accounts receivable, long-term grower receivables, and allowance for credit losses – The Company has accounts receivables due from apple packing sheds for the sales-based royalties, grower marketing fund contributions, and for a royalty due to Plant and Food Research.

ENZA FRUIT Products Inc.
Notes to Financial Statements

The Company collects long-term grower receivables on behalf of Venturefruit Global Limited, a related party, from growers for franchise planting fees that by their terms are due in the next three to five years after planting. Long-term grower receivables are as follows at December 31:

	2024	2023
Grower receivables	\$ 5,711,036	\$ 4,899,229
Imputed interest	(598,743)	(332,100)
Grower receivables, net of imputed interest	<u>\$ 5,114,293</u>	<u>\$ 4,567,129</u>
Grower receivables, current portion	<u>\$ 1,037,126</u>	<u>\$ 1,015,455</u>
Long-term grower receivables, net of imputed interest	<u>\$ 4,077,167</u>	<u>\$ 3,551,674</u>

The Company recorded long-term receivables at inception net of imputed interest of \$279,311 and \$383,883 during the years ended December 31, 2024 and 2023, respectively. The Company utilized a discount rate of 4.4% and 5.1% to discount long-term receivables during 2024 and 2023, respectively. The Company recorded interest income on the long-term grower receivables of \$202,618 and \$196,078 during the years ended December 31, 2024 and 2023, respectively.

The Company estimates the allowance for credit losses on accounts receivable and long-term grower receivables using the current expected loss model under the guidance of Topic 326. Management makes ongoing estimates related to the collectability of accounts receivable resulting from the inability of its customer to make required payments. In addition to judgments about the creditworthiness of the customer, the Company considers historical levels of credit losses, as well as macroeconomic and industry trends to determine the amount of the allowance. As of December 31, 2024 and 2023, the Company did not deem an allowance necessary. Accounts receivable over ninety days outstanding were \$133,415 and \$106,460 at December 31, 2024 and 2023, respectively.

Leases – The Company determines if an arrangement is a lease, or contains a lease, at the inception of the arrangement, and reassesses that conclusion if the arrangement is modified. When the Company determines the arrangement is a lease, or contains a lease, at lease inception, a determination is made as to whether the lease is an operating lease or a finance lease. Operating and finance leases result in the Company recording a right-of-use (ROU) asset and lease liability on its balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are initially recognized, based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses the implicit interest rate in the lease, if readily determinable, or, when the implicit interest rate is not readily determinable, the Company's estimated incremental borrowing rate is derived from information available at the lease commencement date to determine the present value of the lease payments. Rent expense from operating leases is recognized on a straight-line basis over the term of the leases. For finance leases, interest expense is recognized, using the effective interest-rate method over the term of the leases, and ROU assets are depreciated on a straight-line basis over the term of the leases. The Company also elected to not separate lease components from nonlease components for classes of underlying assets, and elected to not recognize ROU assets and lease liabilities that arise from short-term (12 months or less) leases for any class of underlying asset.

ENZA FRUIT Products Inc.
Notes to Financial Statements

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before the date financial statements are available to be issued. Subsequent events that provide additional evidence about conditions that existed at the balance sheet date are considered in the preparation of the financial statements presented herein. Subsequent events that occur after the balance sheet date that do not provide evidence about the conditions that existed as of the balance sheet date are considered for disclosure based upon their significance in relation to the financial statements taken as a whole.

The Company has evaluated subsequent events through March 24, 2025, which is the date the financial statements were available to be issued.

Note 3 – Revenue Recognition

Revenue consisted of the following for the years ended December 31:

	2024	2023
Franchise revenues, net	\$ 7,092,705	\$ 4,794,018
Grower marketing fund revenues	6,232,635	6,650,684
Total revenues, net	<u>\$ 13,325,340</u>	<u>\$ 11,444,702</u>

The Company has recorded an imputed interest adjustment on long-term receivables of \$279,311 and \$383,883 for the years ended December 31, 2024 and 2023, respectively, as a reduction of net revenues.

The Company, under a commission agreement with the marketing agent, a related party due to common ownership, is required to pay a percentage commission to the marketing agent based upon the net invoice price at the time of sale of pip apple varieties in North America. The Company has recorded \$821,717 and \$1,062,157 for the years ended December 31, 2024 and 2023, respectively, as a reduction of revenue.

The beginning and ending balances of receivables from contracts with customers are as follows:

	January 1, 2023	December 31, 2023	2024
Grower marketing fund contributions receivable	<u>\$ 1,468,690</u>	<u>\$ 1,745,215</u>	<u>\$ 2,104,460</u>
Due to grower marketing fund	<u>\$ 810,857</u>	<u>\$ 111,065</u>	<u>\$ 325,521</u>
Long-term grower receivables, net	<u>\$ 2,610,748</u>	<u>\$ 3,551,674</u>	<u>\$ 4,077,167</u>
Accounts receivable	<u>\$ 6,442,674</u>	<u>\$ 8,018,409</u>	<u>\$ 8,160,437</u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 4 – Capital Assets

The following are summaries of changes in capital assets for the years ended December 31, 2024 and 2023:

	Balance January 1, 2024	Additions	Disposals	Balance December 31, 2024
Furniture and fixtures	\$ 62,713	\$ 5,975	\$ -	\$ 68,688
Vehicles	226,973	114,914	-	341,887
Leasehold improvements	13,392	4,186	-	17,578
Less accumulated depreciation	<u>(122,362)</u>	<u>(51,254)</u>	<u>-</u>	<u>(173,616)</u>
Total capital assets, net	<u>\$ 180,716</u>	<u>\$ 73,821</u>	<u>\$ -</u>	<u>\$ 254,537</u>

	Balance January 1, 2023	Additions	Disposals	Balance December 31, 2023
Furniture and fixtures	\$ 62,713	\$ -	\$ -	\$ 62,713
Vehicles	102,865	124,108	-	226,973
Leasehold improvements	-	13,392	-	13,392
Less accumulated depreciation	<u>(76,675)</u>	<u>(45,687)</u>	<u>-</u>	<u>(122,362)</u>
Total capital assets, net	<u>\$ 88,903</u>	<u>\$ 91,813</u>	<u>\$ -</u>	<u>\$ 180,716</u>

Note 5 – Related-Party Transactions

Under a services agreement, the Company paid Turners & Growers New Zealand Limited (T&G NZ) a management fee for governance, risk management, finance, information technology related services, and software license costs, which totaled \$179,769 and \$193,763 during the years ended December 31, 2024 and 2023, respectively. The Company has related-party accounts receivable of \$51,061 and \$38,019 due from T&G NZ at December 31, 2024 and 2023, respectively.

The Company pays the Oppenheimer Group (Oppenheimer) management fees for non-Delica sales. These fees are calculated as 2.5% of all non-Delica sales and the total management fees charged were \$821,717 and \$1,062,157 during the years ended December 31, 2024 and 2023, respectively. Starting with the 2019-2020 crop season, the Company entered into a rebate incentive program with Oppenheimer, which is reimbursed at a rate of 1% of the management fee. The rebate incentive program expired as of January 1, 2024. The Company received a rebate of \$3,384 and \$492,751 during the years ended December 31, 2024 and 2023, respectively. The Company also pays Oppenheimer advertising and promotional fees, which totaled \$855,230 and \$1,047,596 during the years ended December 31, 2024 and 2023, respectively. The Company has accounts payable of \$252,817 and \$12,067 for advertising and promotional costs and \$192,358 and \$98,190 for management fees due to Oppenheimer at December 31, 2024 and 2023, respectively, included in accounts payable on the balance sheet. The Company also has payable of \$47,324 and \$0 due to Oppenheimer included in accounts payable on the balance sheet for miscellaneous charges at December 31, 2024 and 2023, respectively.

ENZA FRUIT Products Inc.
Notes to Financial Statements

During the years ended December 31, 2024 and 2023, the Company expensed and paid commissions to Delica NAM, a related party through common ownership. The Company incurred commissions of \$2,881,744 and \$2,474,893 during the years ended December 31, 2024 and 2023, respectively. The Company incurred employee expenses and promotional expenses of \$79,263 and \$649,523, respectively, during the years ended December 31, 2024 and 2023. As of December 31, 2024 and 2023, the Company has a payable due to Delica North America Inc. of \$1,527,862 and \$855,899, respectively, which is included in due to related party on the balance sheet.

The Company pays VGL a royalty for the use of intellectual property in relation to U.S.-grown fruit. The Company recorded \$5,670,001 and \$5,826,102 during the years ended December 31, 2024 and 2023, respectively, as a reduction of revenues in the statement of income and changes in retained earnings. The Company has a payable to VGL for the royalty of \$1,111,500 and \$2,036,416 at December 31, 2024 and 2023, respectively, which is included in due to related party on the balance sheet. Right-to-grow payments and planting fees charged by the Company to U.S. growers are remitted by the Company to VGL. The Company recorded \$1,792,062, net of imputed interest of \$662,997, and \$2,975,800 during the years ended December 31, 2024 and 2023, respectively, as a reduction of revenues in the statement of income and changes in retained earnings. The Company has a long-term payable of \$3,820,958, net of imputed interest of \$567,263, and \$0 due to VGL for planting fees as of December 31, 2024 and 2023, respectively. The Company has a miscellaneous receivable due from VGL of \$8,241 and \$0 at December 31, 2024 and 2023, respectively.

The Company has amounts payable to Venturefruit USA Inc., a related party through common ownership, of \$0 and \$55,551 at December 31, 2024 and 2023, respectively, which is included in due to related party on the balance sheet.

The Company has amounts due to Delica (Shanghai) Fruit Trading Company Ltd, a related party through common ownership, totaling \$0 and \$85,930 at December 31, 2024 and 2023, respectively, which is included in due to related party on the balance sheet.

The Company has amounts receivable from ENZIL of \$200,000 and \$99,347 at December 31, 2024 and 2023, respectively, which is included in related party receivables on the balance sheet.

The Company has amounts payable to Delica Limited, a related party through common ownership, of \$0 and \$500,000 at December 31, 2024 and 2023, respectively, which is included in due to related party on the balance sheet.

The Company has amounts payable to T&G Global, a related party through common ownership, of \$809,623 and \$0 at December 31, 2024 and 2023, respectively, which is included in due to related party on the balance sheet.

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 6 – Income Taxes

The Company files income tax returns in the U.S. federal jurisdiction. The Company does not have any material uncertain tax positions. As of December 31, 2024 and 2023, there is no accrued interest or penalties recorded in the financial statements.

The differences between the tax basis of assets and liabilities and their financial statement amounts are reflected as deferred income tax assets, net, using enacted tax rates. For December 31, 2024 and 2023, the deferred income tax assets were valued using an effective tax rate of 21%.

Deferred tax assets and liabilities consist of the following at December 31:

	2024	2023
Effective tax rate	21%	21%
Net operating loss carryforward	\$ 9,536	\$ 46,284
Equipment depreciation differences	(21,800)	(16,317)
Unrealized foreign exchange gain	-	(508)
Other accrued liabilities	-	22,012
Accrued related-party interest expense	125,316	69,741
Accrued related-party expenses	286,689	435,562
	<u>\$ 399,741</u>	<u>\$ 556,774</u>

A valuation allowance is required for deferred tax assets if it is more likely than not that the assets will not be recoverable in future years. Management believes the deferred tax assets are fully recoverable in future years. Consequently, no valuation allowance is recorded on its deferred tax assets.

The Company has federal net operating loss carryforwards of approximately \$45,409, which have no expiration period.

The reconciliation of income tax computed at the U.S. federal statutory tax rate to income tax expense is as follows:

	2024	2023
Provision (benefit) for income tax at the statutory rate of 21%	\$ 159,722	\$ 13,322
Increase (decrease) in tax resulting from		
State taxes	2,528	3,300
Adjustments and other	76,081	(30,926)
Meals and entertainment limitation	10,453	7,764
	<u>\$ 248,784</u>	<u>\$ (6,540)</u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 7 – Operating Leases

The Company leases certain office property in Wenatchee, Washington. The lease agreement matures December 31, 2026, with no option to extend the lease. Monthly rent payments increase throughout the life of the lease ranging from \$3,230 to \$4,138.

The remaining lease term of the operating lease is two and three years as of December 31, 2024 and 2023, respectively. The discount rate used in the calculation of the lease liability at inception was 4.57%.

The following is a schedule, by years, of maturities of the operating lease liability as of December 31:

Year Ending December 31,	Amount
2025	\$ 46,675
2026	<u>48,766</u>
Total undiscounted cash flows	95,441
Less imputed interest	<u>(3,451)</u>
Present value of operating lease liabilities	<u>\$ 91,990</u>
Current portion of operating lease liabilities	<u>\$ 44,304</u>

The following is a schedule of operating lease expense for the years ended December 31:

	2024	2023
Cash paid for operating lease liabilities	\$ 41,057	\$ 34,630
Noncash operating lease liability expense	<u>2,799</u>	<u>3,638</u>
Total operating lease expense	<u>\$ 43,856</u>	<u>\$ 38,268</u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 8 – Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Note payable to a bank, due in monthly installments of \$995, including interest at 5.9%, maturing October 2030, secured by the vehicle acquired.	\$ 58,935	\$ -
Note payable to a bank, due in monthly installments of \$1,184, including interest at 7.74%, maturing July 2029, secured by the vehicle acquired.	53,900	-
Note payable to a bank, due in monthly installments of \$1,369, including interest at 8.49%, maturing August 2028, secured by the vehicle acquired.	48,665	62,880
Note payable to a bank, due in monthly installments of \$960, including interest at 5.25%, maturing September 2027, secured by the vehicle acquired.	28,604	41,364
Note payable to a bank, due in monthly installments of \$472, including interest at 5.14%, maturing June 2026, secured by the vehicle acquired.	8,158	13,254
	<u>7,441</u>	<u>13,262</u>
	205,703	130,760
Less current portion	<u>(52,046)</u>	<u>(30,854)</u>
	<u><u>\$ 153,657</u></u>	<u><u>\$ 99,906</u></u>

Maturities of long-term debt are expected to be as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 52,046
2026	50,133
2027	44,713
2028	33,165
2029	15,776
Thereafter	<u>9,870</u>
	<u><u>\$ 205,703</u></u>

ENZA FRUIT Products Inc.
Notes to Financial Statements

Note 9 – Grower Marketing Fund

The Company has established a grower marketing fund (GMF) for the creation and development of advertising, marketing, and public relations programs, and materials to enhance and protect the ENZA brand and pipfruit varieties. On behalf of the GMF, the Company collects from growers a contribution which is calculated as a set rate per tray carton equivalent of apples sold. This rate is determined by the Company prior to the start of each growing season with input from the various growers but is ultimately the decision of the Company. The use of amounts received by the GMF is restricted to advertising, public relations, and administrative expenses to increase sales and further enhance the public reputation of the ENZA brand. The Company may use funds from the GMF to pay reasonable administrative expenses it incurs related to administering the fund, including salaries of employees of the Company who administer the fund. If the GMF is terminated, the Company must distribute all unspent contributions to each franchisee in proportion to their respective contributions during the preceding twelve-month period.

The following is a summary of revenue and expenses associated with the GMF during each of the years ended December 31:

	2024	2023
Grower marketing fund revenues	<u>\$ 6,232,635</u>	<u>\$ 6,650,684</u>
Grower marketing fund expenses	<u>\$ 6,232,635</u>	<u>\$ 6,650,684</u>

Note 10 – Pension Plan

The Company established a Simple IRA Plan (the Plan) in 2011 covering its employees. Under the Simple IRA Plan, the Company provides matching contributions equal to 100% of the individual contributions to the Plan not to exceed 3% of the employee's compensation. The total contribution by the Company was \$11,916 and \$15,751 during the years ended December 31, 2024 and 2023, respectively.

Note 11 – Concentrations of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of grower receivables. Eight growers accounted for approximately 87% and 83% of grower franchise planting fee revenue for the years ended December 31, 2024 and 2023, respectively. One grower accounted for approximately 13% and 16% of grower receivables at December 31, 2024 and 2023, respectively.

The Company maintains cash balances primarily in one financial institution that participates in the Federal Deposit Insurance Corporation (FDIC) insurance program. The Company's cash balances may be in excess of the FDIC insurance limits from time to time.

The produce business is subject to seasonal growing fluctuations, with a peak demand in the spring and summer months. Significant changes in weather patterns may materially affect the Company's financial results.

Exhibit F

State Franchise Administrators

New York: Investor Protection Bureau Office of the New York State Attorney General
28 Liberty Street 15th Floor
New York NY 10005
212-416-8222

Exhibit G

List of all Current Franchisees in Washington State and New York State

The following is a list of all current franchisees and their respective addresses and phone numbers:

All That Jazz, L.L.C.
PO Box 2433
Wenatchee, WA 98807
Tel: 509-662-9602

Arthur J. den Hoed, Inc.
62002 N. Missimer Road
Grandview, WA 98930
Tel: 509-786-0715

Assink Acres, Inc.
10804 Gilbert Rd.
Yakima, WA 98903
Tel: 509-966-2600

BnD Vineyards, LLC
31 Allan Road
Naches, WA 98937
Tel: 509-653-2625

Borton & Sons. Inc.
2550 Borton Road
Yakima, Washington 98903
Tel: 509-966-3905

Braveheart Ranch, LLC
10804 GILBERT RD
Yakima, WA 98903-9201
Tel: 509- 945-2711

C&G Orchards, LLC
PO Box 9
Brewster, WA 98812.
Tel: 509-689-3424

C & S Ranch, LLC
25985 HIGHWAY 97
BREWSTER, WA, 98812
Tel: 509-689-3424

Columbia Farms I, LLC
301 East Main St.
Turlock, CA 95380
Tel: 509-888-4375

Columbia Farms III, LLC
301 East Main St.
Turlock, CA 95380
Tel: 509-888-4375

Columbia Orchard Management, Inc.
2575 Euclid Ave.
Wenatchee, WA 98801
Tel: 509-662-7153

Desert Sage Orchards LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

Doornink Fruit Ranch, Inc.
333 East Parker Heights Road
Wapato, WA 98951
Tel: 509-952-9033

Double M Orchards, LLC
12029 ADAMS RD N
PO Box 950
Quincy, WA 98848
Tel: 509-393-1468

Double S Orchards, LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

E Street Farm, LLC
PO Box 9066
Yakima, Washington 98909
Telephone: (509) 945-2711

Elk Orchards, L.L.C.
PO Box 2433
Wenatchee, WA 98807
Tel: 509-662-9602

John Hancock Life Insurance Co of NY
138 Regis Street, Suite A
Turlock, CA 95382
Tel: 209-669-0742

Flat Top Ranch LLC
2521 Fishhook Park Road
Prescott, WA 99348
Tel: 509-547-9682

G3 Orchards, LLC
4261 Cottonwood Dr
Pasco WA 99301
Tel: 509-547-2727 ext. 158

GEA LLC
10804 GILBERT RD
YAKIMA, WA, 98903-9201
Tel: 509- 945-2711

Gilbert Chukar, LLC
PO Box 9066
Yakima, WA 98909
Tel: 509-945-2711

Gilbert Fruit, LLC
PO Box 9066
Yakima, WA 98909
Tel: 509-966-2600

Grannie Annie Orchards, Inc.
PO Box 9066
Yakima, WA 98909
Tel: 509-966-2600

Green Acre Farms, Inc.
451 North Island Road
PO Box 340
Harrah, WA 98933
Tel: 509-848-3220

Griffin Ridge Farms, LLC
63801 North Griffin Road
Grandview, WA 98930
Tel: 509-882-2077

H. Gamble Ranch, LLC
25985 HIGHWAY 97
BREWSTER, WA, 98812
Tel: 509-689-3424

Harvey L. Jones Farms, Inc.
2020 Thacker Road
Granger, WA 98932
Tel: 509-829-6024

Highway 28 Orchard, LLC
3135 WAREHOUSE RD
WENATCHEE, WA, 98801
Tel: 509-662-3602 x1556

Bud Hollingbery, a sole proprietor
4861 Lateral One Road
Wapato, WA 98951
Tel: 509-877-2642

J D Orchards (James Divis dba)
P.O. Box 367
Brewster, WA 98812
Tel: 509-689-3302

K&R Ranch, LLC
25985 HIGHWAY 97
BREWSTER, WA, 98812
Tel: 509-689-3424

KRC Ranch, LLC
25985 HIGHWAY 97
BREWSTER, WA, 98812
Tel: 509-689-3424

Legacy, LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-662-2136

McDougall & Sons, Inc.
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

McDougall White Trail LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

Mediterranean Ave. Orchards, LLC
PO Box 1308
Yakima, WA 98907
Tel: 509-494-4794

Mesa Rock Ranch LLC
490 Vista Ridge Road
Wapato, WA 98951
Tel: 509-877-4773

MKB Ranch, LLC
25985 HIGHWAY 97
BREWSTER, WA, 98812
Tel: 509-689-3424

Nicolas Anderson
8826 Road C. SE
Othello, WA 99344
Tel: 509-750-5595

NKC PAC Northwest, LLC
12821 E New Market St. STE 300
Carmel, IN, 46032-7258
Tel: 317-678-0700

Northwest Orchard Partners #1 LLC
7630 79TH AVE SE
Mercer Island, WA, 98040-5523

Northwest Orchard Partners #2 LLC
7630 79TH AVE SE
Mercer Island, WA, 98040-5523

Oasis Farms Inc.
73201 W Evans Road
Prosser, WA 99350
Tel: 509-973-3035

Olsen Brothers Ranches, Inc.
46002 N. District Line Road
Prosser, WA 99350
Tel: 509-973-2203

Orondo Orchards, Inc.
P.O. Box 1706
Wenatchee, WA 98807
Tel: 509-662-4753

PAI Goldwater Orchards, LLC
7108 N. Fresno Street, Ste 400
Fresno, CA 93720
Tel: (559) 437-3254

Pair A'Dice Orchards, LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

Palmer Lake Land Company, Inc.
1925 Loomis-Oroville Road
Loomis, WA 98827
Tel: 509-223-4904

QCY LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-662-2136

QUATRO PLUMAS, LLC
PO Box 9066
Yakima, Washington 98909
Tel: (509) 945-2711

Rawn Properties, LLC
2151 Cheyne Rd.
Zillah, WA 98953

Reading RR, LLC
PO Box 1308
Yakima, WA 98907
Tel: 509-457-8164

Robison Family Farms, LLC
22701 Willmorth Drive
Chelan, WA 98816
Tel: 509-679-2876

Robison Orchard, Inc.
Rt. 1 Box 146
21115 S. Lakeshore Road
Chelan, WA 98816
Tel: 509-687-9353

Roy Farms, Inc.
401 Walters Road
Moxee, WA 98936
Tel: 509-452-3409

Roza Partners, LLC
64302 West Coats Rd
Prosser, WA 99350
Tel: 509-945-5009

Rudolph Orchards, Inc.
9555 Nibbelink Road
Peshastin, WA 98847
Tel: 509-548-5750

Sagemoor Vineyards, LLC
31 Allan Road
Naches, WA 98937
Tel: 509-653-2625

Schlect Orchards RAF, LLC
8304 Wide Hollow Road
Yakima, WA 98908
Tel: 509-945-4103

SG Orchards, LLC
3135 Warehouse RD
Wenatchee, WA 98801-9193

Skyvue Orchards, LLC
2550 Borton Road
Yakima, Washington 98903
Tel: 509-966-3905

Smith & Nelson, Inc.
302 South Western Avenue
PO Box 565
Tonasket, WA 98855
Tel: 509-486-2104

Southridge Farms, LLC
PO Box 9066
Yakima, WA 98909
Tel: 509-945-2711

SSA Family LLC
P.O. Box 1158
Mattawa, WA 99349
Tel: 509-932-4665

ST Orchards, LLC
3135 Warehouse RD
Wenatchee, WA 98801-9193

ST Prop, LLC
3135 Warehouse RD
Wenatchee, WA 98801-9193

Sund-Gil LLC
101 Wagon Trail Drive, PO Box 1308
Yakima, WA 98907
Tel: 509-945-0294

Sundquist Fruit & Cold Storage, Inc.
PO Box 1308
Yakima, WA 98907
Tel: 509-457-8164

Sweet Note Orchard LLC
305 Olds Station Road
Wenatchee, WA 98801
Tel: 509-665-4051

T3 Orchards LLC
PO Box 4080
Yakima, WA 98904
Tel: (509)966-4830

WASATCH FARMS, LLC
301 East Main Street
Turlock, CA 95380
Tel: 209-669-3329

Wescott & Associates, LLC
2710 Euclid Ct.
Wenatchee, WA 98801
Tel: 509-663-2625

Wyckoff Farms, Incorporated
16062 Evans Road
PO Box 249
Grandview, WA 98930
Tel: 509-882-3434

Yakima Valley Orchards, LLC
31 Allan Road
Naches, WA 98937
Tel: 509-653-2625

Zirkle Fruit Company
PO Box 190
Selah, WA 98942
Tel: 509-697-6101

CRIST BROS. ORCHARDS, INC.
65 Crist Lane
Walden, NY 12586
Tel: (845) 778 - 7424

FISH CREEK ORCHARDS LLC
12703 STILLWATER RD
WATERPORT, NY 14571

Orchard Dal Fruit Company, LLC
1287 Oak Orchard River Rd
Waterport, NY 14571
Tel: 585-721-7723

Porpiglia Family Farms LLC
507 Lattintown Rd
Marlboro, NY 12542

Sandy Knoll Farms, Inc.
2196 SWETT RD
LYNDONVILLE, NY 14098

Wafler Farms, Inc.
10748 Slaght Road
Wolcott, NY 14590
Tel: 877-397-0874

Zingler Farms, Inc.
1479 Kendall Rd.
Kendall, NY 14476

Exhibit G - continued

**List of all Terminated Franchisees in
Washington State and New York State
During 2025**

The following is a list of all franchisees and their respective addresses and phone numbers who had an outlet/Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the **2025** fiscal year or who have not communicated with the franchisor within 10 weeks of the disclosure document issuance date:

None

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following state, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
New York	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23. RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If EPI offers you a Franchise, EPI must provide this disclosure document to you by the earliest of:

- (1) Fourteen calendar days before signing of a binding agreement; or
- (2) Fourteen calendar days before any payment to EPI.

You must also receive a Franchise Agreement containing all material terms at least five business days before you sign any Franchise Agreement.

If EPI does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State of New York, Investor Protection Bureau Office of the New York State Attorney General, 28 Liberty Street 15th Floor, New York NY 10005.

See Exhibit C for EPI's agent for service of process in New York.

EPI's Franchise Salesmen authorized to Sell EPI Franchise are any one of the following:	The Salesmen and Franchisor's principal business address and telephone number:
Shane Kingston Douglas Bygrave Chris Willett	ENZAFRUIT Products Inc., 1 Fifth Street, Suite 260 Wenatchee, Washington 98801 Telephone: (509) 888-3197

Issuance Date: March 31, 2026

I received a disclosure document dated effective as of March 31, 2026, that included the following Exhibits:

- A. Franchise Agreement
- B. Trademarks
- C. Agent for Service of Process
- D. Regulations pertaining to the apple growing industry
- E. Financial Statements
- F. State Franchise Administrators
- G. List of Current Franchisees in Washington and New York States

Franchisee Name: _____

By _____ (Signature of Prospective Franchisee)

_____ (Print name and title)

Date _____ (Do not leave blank)

Prospective franchisee – Please retain the duplicate copy of this signed Receipt and return the original to: ENZAFRUIT Products Inc., 1 Fifth Street, Suite 206, Wenatchee, Washington 98801

ITEM 23. RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If EPI offers you a Franchise, EPI must provide this disclosure document to you by the earliest of:

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- (2) Fourteen calendar days before any payment to EPI.

You must also receive a Franchise Agreement containing all material terms at least five business days before you sign any Franchise Agreement.

If EPI does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the and the State of New York, Investor Protection Bureau Office of the New York State Attorney General, 28 Liberty Street 15th Floor, New York NY 10005.

See Exhibit C for EPI's agent for service of process in New York.

EPI's Franchise Salesmen authorized to Sell EPI Franchise are any one of the following: Shane Kingston Douglas Bygrave Chris Willett	The Salesmen and Franchisor's principal business address and telephone number: ENZAFRUIT Products Inc., 1 Fifth Street, Suite 260 Wenatchee, Washington 98801 Telephone: (509) 888-3197
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Issuance Date: March 31, 2026.

I received a disclosure document dated effective as of March 31, 2026, that included the following Exhibits:

- A. Franchise Agreement
- B. Trademarks
- C. Agent for Service of Process
- D. Regulations pertaining to the apple growing industry
- E. Financial Statements
- F. State Franchise Administrators
- G. List of Current Franchisees in Washington and New York States

Franchisee Name: _____

By _____ (Signature of Prospective Franchisee)

_____ (Print name and title)

Date _____ (Do not leave blank)

Prospective franchisee – Please retain the duplicate copy of this signed Receipt and return the original to: ENZAFRUIT Products Inc., 1 Fifth Street, Suite 206, Wenatchee, Washington 98801