

# FUND OVERVIEW & BACKGROUND

Hello! I'm Eric Mueller. I was born and raised on a farm, still have a family farm and I've worked in the Ag industry my entire career.

I'm devoted not only to my wife and four children, but to farmers, farm production and helping family farms maintain their legacy.

My career in the Ag industry, while very good to me, provided me with much insight into what was happening to family farms - simply because of a lack of flexibility with a "hard" asset like farmland - coupled with multiple heirs of differing wants and needs.

Indeed, I saw this issue tear families apart time and time again along with producers losing acres to farm. **I felt called to create a solution to preserve family farm legacies and help farmers benefit financially from their farmland.**

That's how the Legacy Farmland Fund came to be.

- 1.)** I wanted to create flexible options **to help farmland owners fund their own retirement**, enjoy the fruits of their labor, and provide for their heirs - who may want different things out of the farm.
- 2.)** I wanted farm owners to have the ability to stay connected to their land - their home - once they "sold" the farm.
- 3.)** I wanted **a flexible, simple and sound option for farmers and farmland owners to have when considering their succession plan.**



Legacy Farmland Fund is a farmland contribution fund. Farmland owners contribute their farm into the Fund via a 721 Exchange in return for Fund Units. This process legally defers capital gains taxes because the farm is not being sold; it's being exchanged for its value in shares, or as we call them - Fund Units. A number of things can be accomplished with Fund Units in hand.



### Retain Units

When retaining Units, owners earn revenue on the performance of all the farms that have been contributed into the Fund. Units share the value of many farms, of many different crop types, in all regions of the country.



### Sell Units

Unit owners may decide to sell Units and receive cash instead. Units can be sold anytime after the initial holding period.



### Gift Units

Some units may be retained by the farm owner and the rest divided amongst heirs. Heirs can decide what they want to do with their Units. A “hard” asset is now able to be equitably distributed.

## Benefits of the Legacy Farmland Fund

I feel one of the most important benefits of farm contribution is the continued tie to the family farm. A farm owner may have a child that is currently farming the farm. **They can continue to do so!** Even after contribution, farm owners get to choose the tenant of the farm, or allow the current tenant to stay after the farm.

Additionally, if a farm owner doesn't want the farm to be sold - to anyone or any entity - after it's been contributed, we can accommodate that as well. **Our entire mission is to keep farmland in production and preserve family legacies.** A Contributor may also wish to be able to **repurchase the farm**, in case a future generation wants it back - to farm it, or for any other reason. We can accommodate that as well by ensuring first right of repurchase.

## Why Choose Legacy?

We all know the decision to divest a farm is a difficult one. For example, traditionally when a farm is sold, the owner may immediately realize **capital gains taxes** resulting in much hard work, value and legacy unable to be passed on to heirs.

If a farm owner passes without having a succession plan in place, the farmland asset may be subject to court proceedings and IRS interpretation of tax base. The asset will be fully exposed to the tax code and its many changes.

If there are multiple heirs, some who may be actively working the farm and some who want their share now, a farm owner may feel torn about how to divide this asset amongst children. This can lead to undesired family feuds.

But, when a farm is contributed to the Fund, we carefully manage the farm with professional farm managers and tenants (if one is not already designated). We use best in class lease structures and maintain strong partnerships with our producers. Successful management means we can offer liquidity to investors, increased net revenue, investment quality and diversity.

I'm proud to offer this solution to farm owners and I'm excited to get the word out about this new and innovative solution.

**WAYS TO LEARN MORE**

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# SUCCESSION PLANNING

## PRESERVING FAMILY FARM LEGACIES

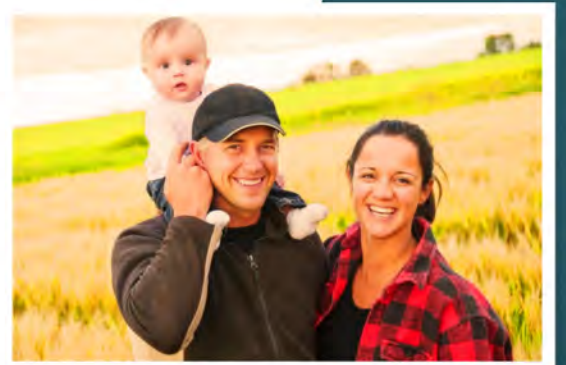
Sower's Legacy Farmland Fund is a first-of-its-kind solution to one of the largest threats to American farmers - succession.

With the majority of farmers at or nearing retirement age, our country faces a crisis of transitioning farms to the next generation.

Unfortunately, new farmers find it difficult to break into the industry due to large acquisition costs, the cost of capital, and market volatility. We need an innovative solution - one that allows farm owners to receive financial gain from their valuable asset, for farms to stay in production and for legacies to be preserved.

## LEGACY FARMLAND FUND HAS DEVELOPED THE SOLUTION.

**Legacy Farmland Fund**  
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# FARM CONTRIBUTION FUND

## How It Works

By contributing their property, farm owners receive shares back that represent their farm and many others.



Shares can be retained, divided amongst heirs, gifted or sold.



721 Exchange defers capital gains.



## MAKE THE MOST OF YOUR FARM

When a farm is contributed to the Fund it is transformed from a “hard” asset into transferable Fund Units. The tax advantages are significant; it’s a way for landowners to monetize their farmland asset while deferring capital gains taxes.

Once the farm has been contributed, the Contributor will own a diversified pool of farmland assets across the U.S. that generate passive income. The Units themselves provide flexibility allowing landowners to retain, gift, bequest or sell.

## WHY LEGACY?

Farmland has increased in value over the last 20 years, and with population growth and urban sprawl demands, the expectation for continued growth is high.

The Legacy Team employs professional farm managers and utilizes best in class tenants and lease structures as well as tenant management and oversight. We maintain strong partnerships with our producers.

Successful management means we can offer liquidity to investors, increased net revenue, investment quality and diversity.

## 721 Exchange

IRS code section 721 Title 26 states no gain or loss shall be recognized to a partner when contributed property to the partnership is in exchange for an interest (Units).

## Fund Components

Our fund is national and made up of 100% American Row Crop Farmland, creating geographical and crop diversity, further stabilizing your farmland investment.

## Contact Us Today

Legacy is committed to preserving local producer relationships and therefore offers restrictions on sale of the land and optional lease back and repurchase rights.



## ADVANTAGE: LEGACY

**IS YOUR SUCCESSION  
PLAN IN PLACE?**

**WORRIED ABOUT  
COMPLICATED TAX AND  
HEIR SITUATIONS?**

**WANT YOUR LAND TO  
REMAIN IN CROP  
PRODUCTION?**

**The Legacy Farmland Contribution Fund is a new solution for landowners needing to profitably divest their farmland while still caring for their legacy.**

### **Advantages of Contributing a Farm vs. Selling It**

#### **Legacy Farmland Fund *Advantages***

1. You're contributing your farm via a legal structure called a 721 Exchange. This process legally defers capital gains taxes because you're not selling your farm; you're exchanging it for its value in shares, or as we call them - Fund Units.
2. For example, you receive 4,000 Fund Units for your farm. Spouses may keep 1,000 Units for themselves. Three children may be gifted 1,000 Units each.
3. While Units are held, they gain income from distributions of all the farms in the Fund from all over the country, of many different crop types.
4. You've now established a clear and concise path to farm succession and wealth transfer where each heir can decide what to do with their Units - sell a portion for cashout, donate to a favorite charity or retain some in the Fund.

#### **Traditional Route *Opportunities***

1. If you sell your farm, you will immediately be hit with capital gains taxes resulting in much of your hard work and legacy unable to be passed on to heirs.
2. If you pass without having a succession plan in place, your farmland asset will likely be subject to court proceedings and IRS interpretation of tax base. Your asset will be fully exposed to the tax code and its many changes.
3. Your farm is an illiquid asset. If you have multiple heirs - some actively working the farm and some wanting their share now - you may feel torn about how to divide this asset amongst your children. This can lead to undesired family feuds.



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