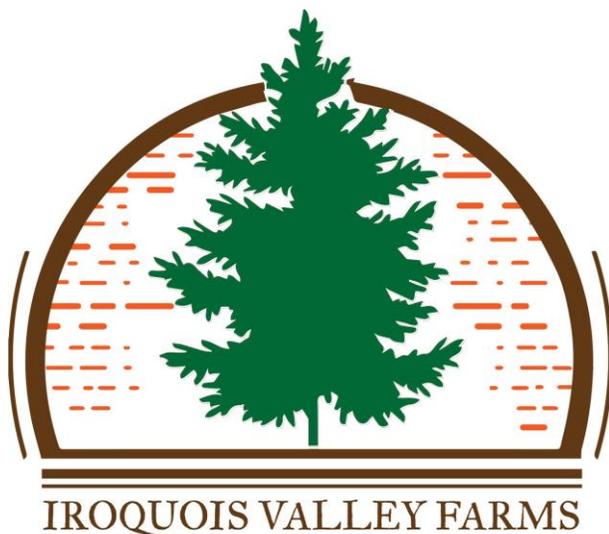


IROQUOIS VALLEY FARMLAND REIT, PBC

PRIVATE PLACEMENT MEMORANDUM

Offering of Equity Shares
Offering Date: March 31, 2017



COMPANY MAILING ADDRESS

P.O. Box 5850
Evanston, IL 60204
www.iroquoisvalleyfarms.com
info@iroquoisvalleyfarms.com

OFFERING CONTACT INFORMATION

Kevin Egolf
Chief Financial Officer
kegolf@iroquoisvalleyfarms.com
860-918-3563

CORPORATE OFFICE

708 Church Street, Suite 227
Evanston, IL 60204

TOTAL OFFERING AMOUNT: \$15,006,000

Number of Shares: 24,400

Price per Share: \$615

Minimum Subscription: \$30,750 / 50 Shares

Maximum Subscription: \$1,845,000 / 3,000 Shares

This Private Placement Memorandum is dated as of March 31, 2017.

INVESTMENT IN SMALL BUSINESSES INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE THE RISK FACTORS SECTION FOR RISKS THAT MANAGEMENT BELIEVES PRESENT THE MOST SUBSTANTIAL RISKS TO AN INVESTOR IN THIS OFFERING.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THESE AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE U.S. SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR SELLING LITERATURE. THESE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM REGISTRATION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION

TABLE OF CONTENTS

Introduction	3
Investment Highlights	4
Risk Factors	17
Description of Securities	32
Business and Farmland	35
Offering Price Factors	45
Operating Structure	48
Use of Proceeds	49
Capitalization	52
Plan of Distribution	53
Distribution, Transfers and Redemptions	54
Officers and Key Personnel of the Company	55
Members of Iroquois Valley REIT’s Board of Directors.....	59
Principal Interest Holders	63
Management Relationships, Transactions and Remuneration.....	64
Litigation	65
Federal Tax Aspects	66
Miscellaneous Factors.....	77
Historical Financial Statements.....	78
Financial Projections	81
Investor Suitability Standards	83
Appendix	85



Introduction

Iroquois Valley Farmland REIT, PBC, a Delaware public benefit corporation (“**Iroquois Valley REIT**”), and its subsidiaries (i) Iroquois Valley Farms, LLC, an Illinois limited liability company (“**Iroquois Valley LLC**”), and (ii) Iroquois Valley Farmland TRS, Inc., a Delaware corporation (“**Iroquois Valley TRS**” and collectively with Iroquois Valley REIT and Iroquois Valley TRS, referred to herein as “**Iroquois Valley Farms**” and/or the “**Company**”) are, collectively, one of the first private enterprises in North America that connects investors and farmers with organic farmland.

Readers should be advised that prior to 2017, the operations of Iroquois Valley Farms (as a collective whole) were conducted solely through Iroquois Valley LLC. Iroquois Valley LLC has over a 10 year operating history functioning as a single entity. In an effort to maintain investor tax-efficiencies, simplify tax reporting and provide opportunities to effectively raise growth capital, effective December 31, 2016, Iroquois Valley LLC implemented a conversion from a single limited liability company to a three-entity operating structure (which includes Iroquois Valley REIT and Iroquois Valley TRS) to operate moving forward as a real estate investment trust (“**REIT**”) pursuant to provisions of the Internal Revenue Code of 1986, as amended (“**Code**”). Pursuant to this conversion process, the members of Iroquois Valley LLC contributed 99% of their membership interests to Iroquois Valley REIT and 1% of their membership interests to Iroquois Valley TRS, the result of which Iroquois Valley REIT now owns (i) 100% of Iroquois Valley TRS and (ii) 99% of Iroquois Valley LLC (with Iroquois Valley TRS owning the remaining 1% of Iroquois Valley LLC). Please refer to “Operating Structure” of this Memorandum for a depiction of the current corporate legal structure.

It should be noted that by incorporating the three-entity structure described above, Iroquois Valley Farms (as a whole) works together with common management personnel to maximize the impact on and growth of organic farmland. Therefore, throughout this Memorandum, references to “Iroquois Valley Farms” and “Company” are intended to encompass the activities and operations of all three entities, collectively, despite the fact that Iroquois Valley REIT and Iroquois Valley TRS were recently formed in 2016. In certain instances the terms “Iroquois Valley Farms” and the “Company” may relate activities and operations solely of Iroquois Valley LLC, when such historical operations and activities are consistent with the collective operation of all three entities as currently structured. Where the context so requires within this Memorandum that a reference apply solely and specifically to one of the three entities (instead of the collective whole), this Memorandum identifies that particular entity directly.

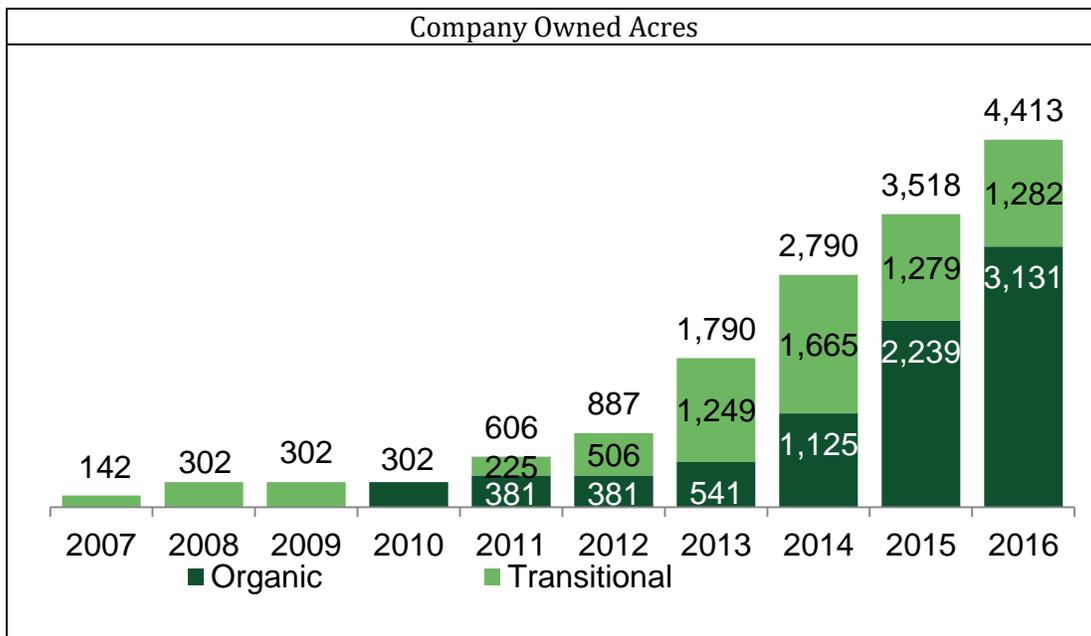


Investment Highlights

Iroquois Valley Farms is a restorative farmland finance company providing land access to organic family farmers, with a focus on the next generation. The Company uses private investment capital to facilitate farmers' expansion plans through leasing or mortgage financing. The entities that collectively comprise the Company are committed to social responsibility and the public health. In that regard, Iroquois Valley REIT was established as a Public Benefit Corporation, whose public benefit is enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures. Additionally, Iroquois Valley LLC is a Certified B Corporation that was awarded Best for Community in 2014 and Best for the World in 2016.

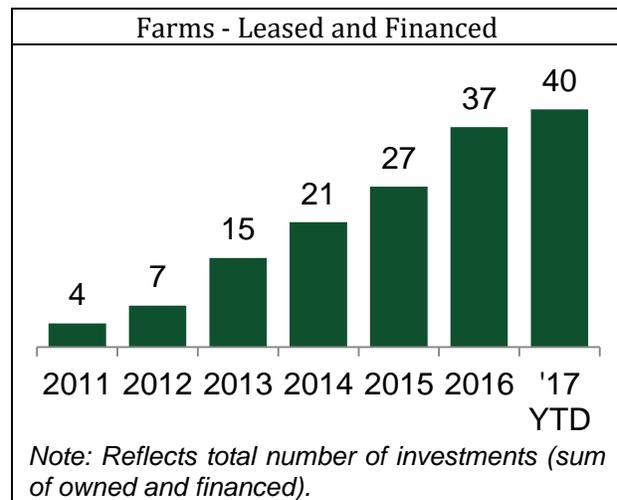
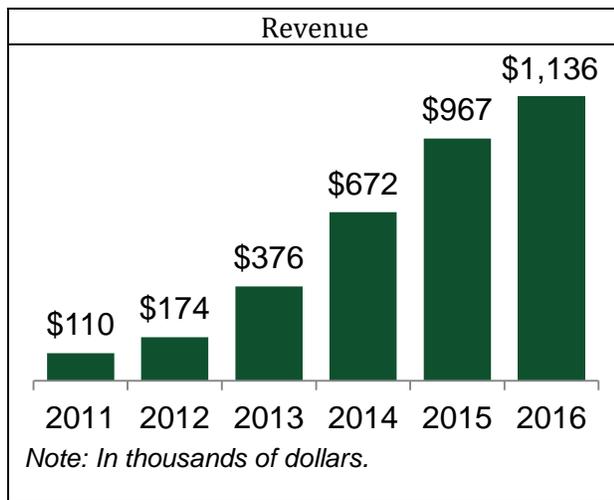
Ten Season Track Record

Starting in 2007 (through Iroquois Valley LLC) and establishing itself as a leader in socially responsible investing before "SRI" and "Impact Investing" were common vernacular, the Company has a long track record of successfully acquiring organic and transitional farmland. In 2016, the Company expanded its scope to include first mortgage financing. Mortgage financing also allows the Company to address the needs of farmers whose existing financing terms are based on conventional, rather than organic models. Additionally, mortgage financing allows the Company to impact farmland in states affected by corporate farm ownership restrictions. Since inception, the Company has purchased approximately 4,500 acres of farmland representing over \$25 million in transaction value (inclusive of land subsequently sold its tenant farmers). Over 3,100 acres of its farmland is USDA Certified Organic ("**Organic**") and the remainder is in transition to Organic. On the mortgage side of the business, Iroquois Valley Farms has eight mortgages covering six states and representing an aggregate loan value of over \$6 million. These mortgages cover over 1,700 acres as the date of the offering.



Indefinite Scalability, Growing a National Presence

The Company, with a 10-year track record, has demonstrated an ability to grow its business through mid-sized farm acquisitions and mortgages. Iroquois Valley Farms started with one farm in 2007 and now owns or mortgages farmland in 11 states. Over the years, the Company has proven its ability to raise increasing amounts of capital and deploy the proceeds towards economic farm acquisitions and financings. The Company never purchases a farm without a farmer tenant lined up with a financially viable—for the Company and the farmer—lease pre-arranged. On mortgage financing, the Company takes a conservative approach to lending: reviewing both the cash flow of the operation and loan-to-value ratio of the underlying assets. The re-financings enhance the overall business cash flow for the borrower. This frees up critical capital for future growth.



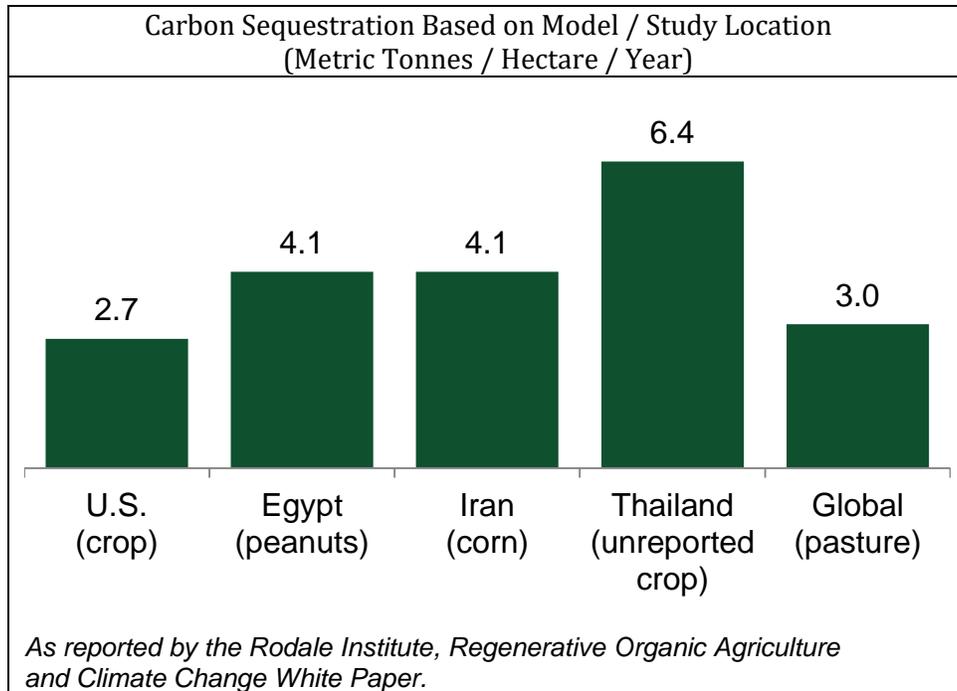
Iroquois Valley Farms maintains a pipeline of investment opportunities with, currently, nearly \$20 million in pipeline farmland investment opportunities (including \$5 million already under contract or committed, and another \$4 million in active evaluation). The pipeline contains several new geographies and operation types, reflecting the Company's commitment to expanding investment diversification. See 'Use of Proceeds' for more details on the pipeline.

Social and Environmental Impacts

Regenerative Agriculture as a Climate Change Solution

Regenerative organic agricultural practices have the capacity to sequester carbon and reverse climate change, as proved by the Rodale Institute. While industrialized, conventional agriculture is a known contributor to climate change, this sector also has the ability to rectify the climate damage it has caused. Iroquois Valley Farms' tenants and borrowers use climate smart practices like cover cropping, crop rotation, and raise dairy and livestock on pasture. As a result, organic agriculture as an investment represents a model of restoration finance addressing climate change solutions.





Biodiversity and Pollinator Protection

Among the Company’s environmental impacts are protection of pollinators and preservation of clean waters. Bees, among them the recently classified endangered bumble bee, are responsible for 1 out of every 3 bites we eat—organic agriculture prohibits the use of pesticides, which have contributed to the endangerment of this vital pollinator. By insisting on organic practices, Iroquois Valley Farms has ensured that its farmland investments have not taken part in polluting water through pesticide and herbicide runoff. Iroquois Valley Farms’ environmental impacts are not limited to doing no harm; in fact, many of the Company’s farmers actively put land into conservation by using buffer zones, perennial pasture and creating pollinator habitats. Additionally, other lands operated by the Company’s tenant and borrower farmers are protected as wetlands or riparian filter strips. In effect, Iroquois Valley Farms’ commitment to organic practices protects the environment in the areas of soil health, pollinator preservation, and water contamination.

Organic Food and Public Health

Iroquois Valley Farms’ core philosophy is simple: enabling the growth of healthy food is good business. Furthermore, enabling the regeneration of soils and growth of nutritious food is good for public health. The nutrient cycle (the process by which plants take in nutrients from the soil, thereby creating nutritious food) demonstrates that human health relies on soil health. Essentially, healthy food grows from healthy, nutrient-rich, living soils while depleted soils produce nutrient-deficient foods. Advocating for the important connection between soil health and human health is Iroquois Valley Farms’ co-founder and Board Chair, Dr. Stephen Rivard. In his medical practice, he sees food-related illnesses growing increasingly more common. As a company focused on soil regeneration and healthy food production, Iroquois Valley Farms can be considered a preventative health care company.



Next Generation Investing: Millennials Creating Change

Millennials are driving change in both investing and farming. According to the Organic Trade Association, millennials (specifically millennial parents) represent the largest group of organic consumers in the United States. Millennials are not just organic consumers; they are also entering organic farming leading agricultural change. The opportunity for impact is significant: millennials are the largest generation so far, with current census counts placing millennials as a population of 75 million. As a company dedicated to cultivating a more diverse and healthy agricultural system, Iroquois Valley works predominantly with the next-generation millennial farmers. Over 70% of Iroquois Valley Farms' tenants are of the millennial generation. Right now, by contrast, Iroquois Valley Farms' investor base is largely made up by baby boomers, who are effectively reinvesting in restoration agriculture lead by millennials. A strategic goal of the Company is to enable the millennial generation to invest directly in healthy, organic food production by developing a non-accredited investor offering in late 2017. The Company considers its work to enable both millennial farmers and millennial investors to impact agriculture integral to social and environmental justice

Erosion of the Monoculture

Iroquois Valley Farms started business in Iroquois County, IL surrounded by a conventional corn and soy monoculture. The co-Founders, with a vision of creating a better agricultural system, established relationships with farmers focused on diversified organic production in Iroquois County and other neighboring counties. From the first few farms, the Company expanded with a continued focus on “eroding the monoculture.” The sheer scale and size of conventional agriculture is enormous—less than 1% of the agricultural land in the U.S. is certified organic, which requires crop production rotation in order to maintain certification. The magnitude that prescription chemical agriculture has created makes transitioning to diversified organic production both a challenge and an opportunity for investors and farmers alike. The change is being accelerated by an informed and responsible coalition of investors, bankers and financial advisors, new communities are being energized and anchored through healthy food production. This systemic change has the opportunity to continue for decades if not generations. The Company is committed to providing farmers land access to accelerate the erosion of the monoculture.

Land Access Solutions

The National Young Farmers Coalition cites access to land and access to capital as some of the greatest barriers for young organic farmers attempting to establish their operation. Iroquois Valley Farms, by providing long-term leases with a path to ownership as well as mortgage financing, directly addresses problems facing the next generation of farmers. The Company's farmers are 72% millennial by tenancy; by contrast, baby boomers are the nation's largest farming population. According to the USDA, 10% of land (91.5 million acres) is expected to change hands in the next five years alone. Iroquois Valley Farms' focus on land access for the next generation responds to this reality by enabling young farmers to establish and grow their organic operations. By providing long term leases and mortgage financing, as opposed to typical land lease arrangements of 1-3 years, Iroquois Valley Farms empowers farmers to transition to organic (a three year process). Because organic farmers invest significantly in the land they transition and farm, it is imperative that they have the land security to do so.

Moreover, the demand for organic food in the U.S. is far outpacing organic production on U.S. farmland. U.S. certified organic farmland continues to be estimated (by the USDA) at 1% of total agricultural acreage. Iroquois Valley Farms' investment in growing organic acreage within the U.S. by working with organic farmers impacts public access to healthy food produced using ecologically sound methods. Essentially, Iroquois Valley Farms' diversified portfolio of farms in



11 states impacts the communities in which our farmers operate; this geographically diverse presence therefore contributes to building a more organic and sustainable food system.

Recognition of Impacts

In order to further demonstrate the Company's commitment to impact, Iroquois Valley LLC obtained B Corporation Certification in 2012. This certification is managed by the independent non-profit B Labs and awarded for meeting rigorous standards of social and environmental performance, accountability, and transparency. Iroquois Valley LLC scored so well in the B Labs assessment that it was further recognized as "B Corps Best for Community" in 2014 and "B Corps Best for the World" in 2016. Additionally, Iroquois Valley Farms has been distinguished as an ImpactAssets 50 company for five consecutive years in a row (2012, 2013, 2014, 2015 and 2016). Lastly, Iroquois Valley REIT elected to be a Public Benefit Corporation, a corporate form with acknowledged goals of achieving social and environmental benefits. This status of Iroquois Valley REIT further solidifies Iroquois Valley Farms' commitment to the triple-bottom-line.



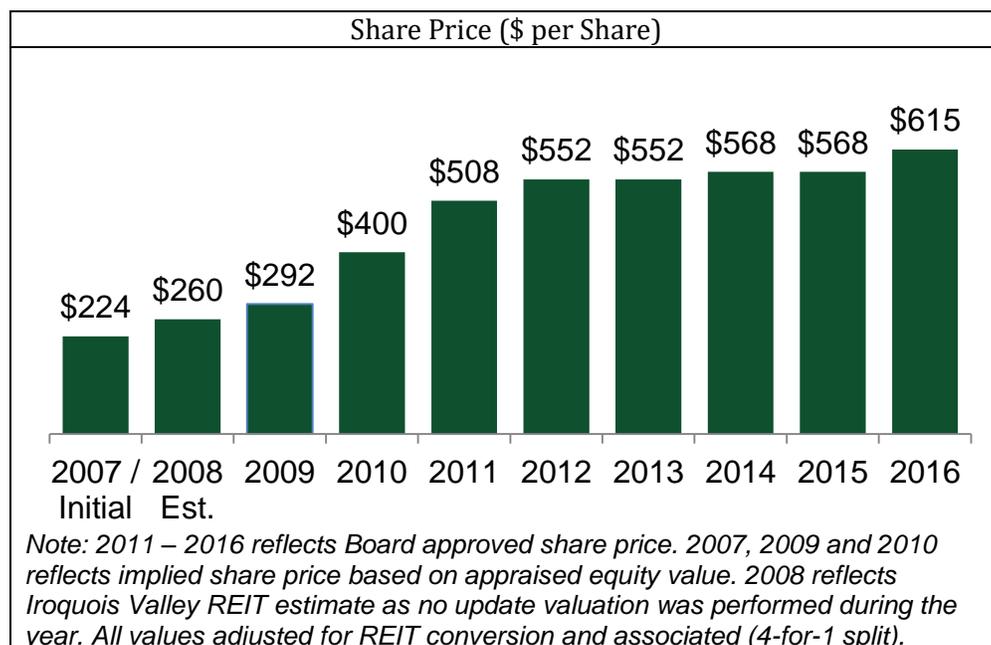
Strong Investment Performance – Growth and Income Orientation

The Company has consistently grown its investment portfolio since inception. Original investors in 2007 purchased equity in Iroquois Valley Farms at the equivalent of \$224 per share. As of the end of 2016 that same investment was priced at \$615 per share, representing a 2.7x multiple of capital invested and 12% internal rate of return over the nine-year period. The Company believes there are significant opportunities, both within current regions and in new regions, to further implement the existing business plan that has generated this performance. However, Iroquois Valley Farms can provide no assurances that the Shares purchased in the Offering will receive similar returns or that the Company as a collective whole will continue to increase its revenue and acres.

Historically most of the total returns of the portfolio have been realized as capital appreciation tied to farmland prices. Going forward, the Company expects returns to reflect a greater balance of growth and income. While cash returns on leased transitional organic farmland are long in coming, the new mortgage financing component has a higher and more immediate positive cash flow impact. The Company believes over the medium-to-long term, a stabilized payout of 2-3%



(on a dividend yield basis) is achievable. Iroquois Valley Farms' oldest organic farms are returning over 5% on capital invested, excluding land appreciation.



Efficient Operating Structure

Effective December 31, 2016, the equity investors in Iroquois Valley LLC implemented a conversion from a limited liability company to a real estate investment trust. Under this conversion the members of Iroquois Valley LLC contributed 99% of their membership interests to Iroquois Valley REIT and 1% of their membership interests to Iroquois Valley TRS.

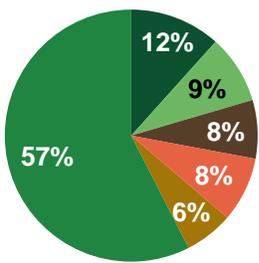
This new structure maintains equity investor tax-efficiencies yet simplifies tax reporting for both the investors and the Company. Management believes this structure is optimized for the long-term growth potential and plans of the business. Management further believes the financial reporting associated with real estate investment trusts is better aligned with how the Company operates creating a more transparent and practical financial reporting process. See “Operating Structure” for more details on the REIT conversion.

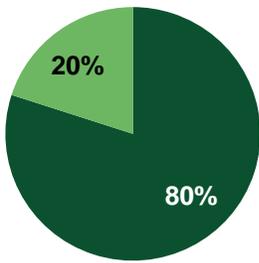
Active Risk Management Strategies

As a farmland financing company, Iroquois Valley Farms takes an operational approach to risk management. Most specifically, the Company seeks asset diversification across farmers, product mix, geography, and investment products. The Company reviews opportunities with new farmers in new geographies as well as supporting existing farmer-tenants with second and third parcel purchases to help diversify and expand their businesses. The company moves to purchase when it has a ready, willing and able farm tenant. Acquisitions are timed by the specific needs of the farmers. The Company does not speculate on land and has no vacancies.



The Company intends to continue to offer mortgage financing as part of its overall organic farmland risk management strategy. Most of the mortgages have been to more established organic farm families that would like to grow their operations but have been unable due to inflexible conventional financing terms. This is a national problem and a significant opportunity for the Company due to loan loss problems for conventional agriculture lenders. The management likes to say, the banks that helped create the monoculture, are not necessarily the ones to finance the changeover to a more diverse and healthy replacement. Iroquois Valley Farms is seeing more banks exit agricultural lending and cancelling their operating lines of credit. Over the next generation, the Company expects a massive recapitalization of agriculture to take place. Iroquois Valley Farms will be targeting experienced farm families with a solid history of operations. This is an extraordinary opportunity to use mortgage products to upgrade the overall credit risk on the Company's portfolio while strategically enhancing income from operations. As information, the leasing portfolio is more oriented to young farmers that have not yet built significant equity in their business. Therefore, within a family unit, Iroquois Valley Farms are more likely to do a refinance mortgage for the parents and a farm lease for the children.

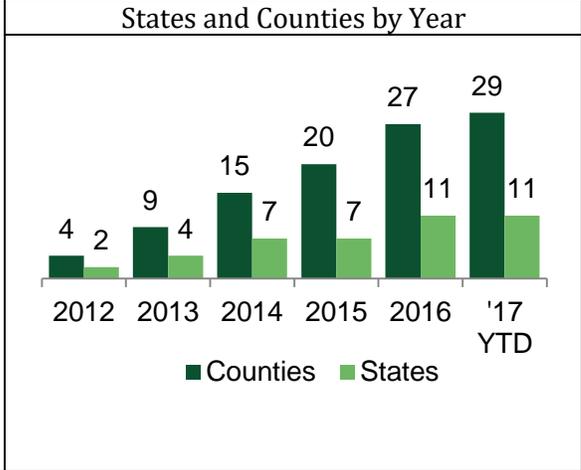
<p>Multi-Generation Farm Tenants</p> <p>The Company primarily leases and provides mortgages to seasoned family farms looking to expand their existing sustainable farming businesses. Most of the Company's farm families have multiple generations of experience and are third or fourth generation farmers. Building on such experience mitigates risk since these farmers have deep family support if needed. The Company also leverages the collective knowledge of its farmers by facilitating the sharing of information and experience between its farmers.</p>	<p>Asset Value by Farmer</p>  <p>The top five farmers represent 40% of the Company's assets. The other 60% cover 22 farm families.</p>
---	---

<p>Expanding Mortgage Business</p> <p>The Company is actively seeking a diverse set of farm operations to expand the agricultural products grown, raised and sold by farming tenants. The Company's existing farmers are also finding new market opportunities as demand for organic products grows. Mortgage financing allows the Company to support the expanding businesses of organic farmers differently than leasing farmland can. For example, livestock farmers with fixed infrastructure frequently view ownership more favorably than row crops farmers since they are usually living on the financed parcel.</p>	<p>Investment Asset Mix</p>  <p>80% owned farmland vs. 20% financed farmland</p>
--	--

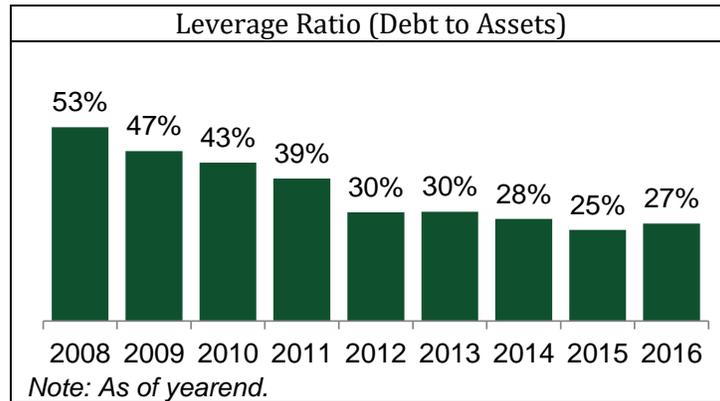


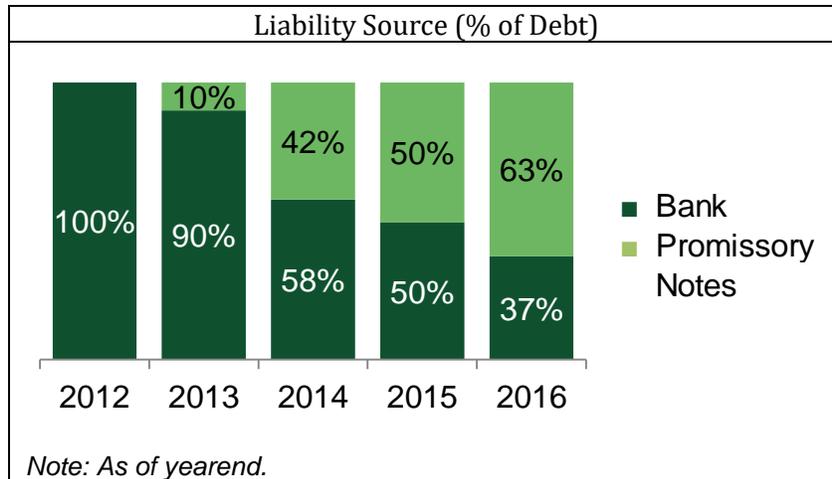
Increasing Geographic Presence

At the end of 2012, Iroquois Valley Farms owned seven farms in two states (four counties). The Company now has 40 farm investments in eleven states across 29 counties. Given the historical roots in Iroquois County, Illinois and the strong relationships the Company has with its early farm tenants, exposure to Illinois will likely remain slightly concentrated for the short-term, but the Company plans to further diversify by location. 2016 alone saw expansion into four new states: Iowa, Minnesota, Montana, and Vermont. Pipeline transactions for 2017 include Virginia, Ohio and Maryland.



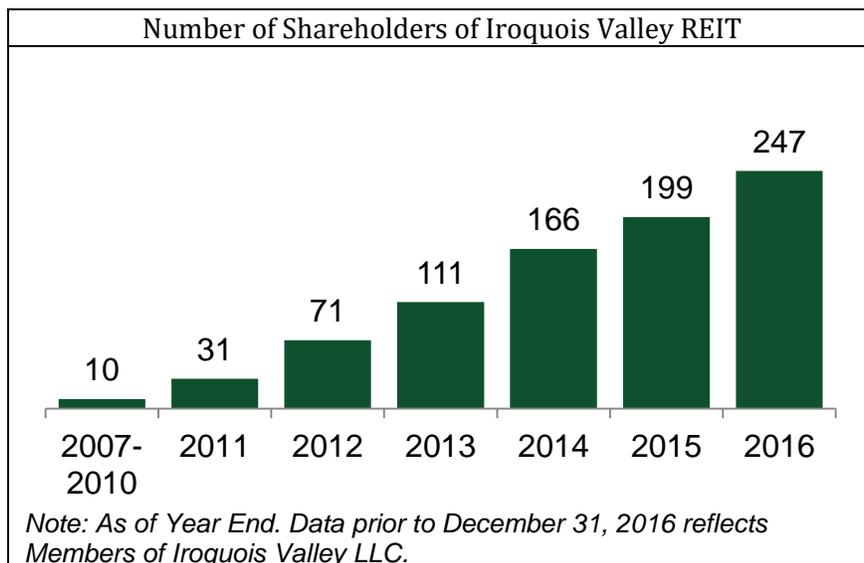
In addition to the investment diversification, the Company actively manages and assesses the capital structure to enhance investment returns and regularly reviews opportunities to diversify risky concentrations. The Company has reduced leverage over the last several years, but still uses modest debt financing to increase the investable capital. In 2008, Iroquois Valley Farms was leveraged at 53%, but as of the end of 2016 Iroquois Valley Farms was conservatively leveraged at 27%. The Company has also diversified its lender sources through Iroquois Valley Farms' issuance of "Young Farmer Land Access Notes" and the newly launched "Soil Restoration Notes." The Young Farmer Land Access Notes and Soil Restoration Notes, which have nearly 80 issuances, as of the Offering Date, are subordinated to the Company's mortgage loans from 1st Farm Credit Services, a member of the Farm Credit System and our mission aligned lender, RSF Social Finance. These notes provide important liability diversification. The Soil Restoration Notes are being concurrently offered by Iroquois Valley LLC.

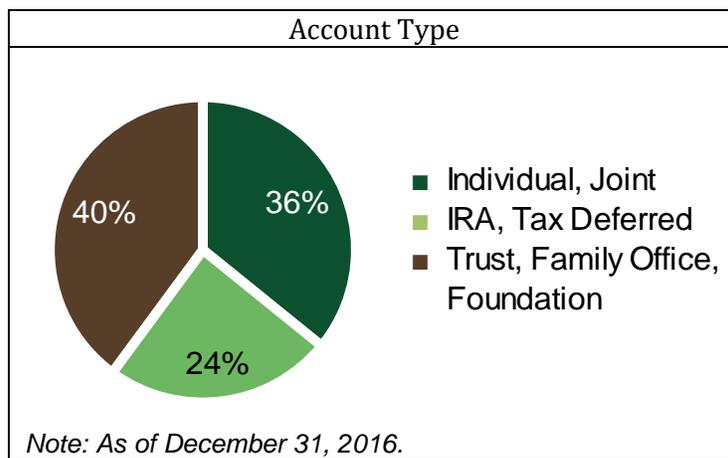
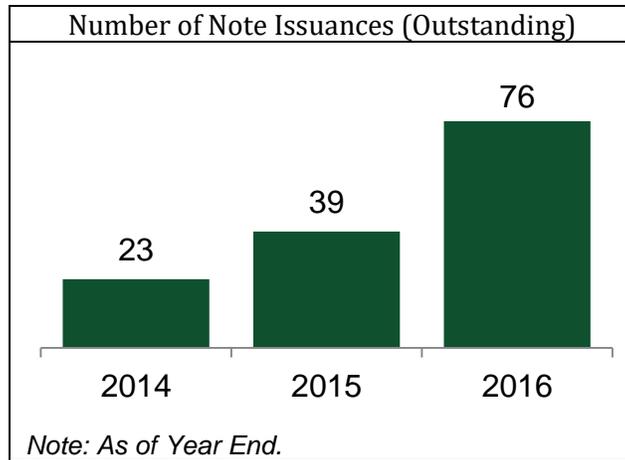




Diversified Capital Base and Innovative Security Mix

Iroquois Valley Farms is owned by over 240 equity investors. After only three years of fixed income offerings—Iroquois Valley Farms has nearly 80 Young Farmer Land Access Notes and Soil Restoration Note issuances in place. Since 2007, investors have demonstrated a long-term commitment to the farm and farmer through their patient investment capital. Individuals comprise approximately 40% of investor equity capital, 24% is in the form of qualified retirement accounts (rollover IRA funds primarily provided the Company’s initial capital) and the remaining 36% is from family trusts, foundations and family offices. Such entities often have a multi-generational focus, which matches that of the Company. This long-term focus aligns the economic interests of both farmer and investor by combining patient capital with the multi-year organic certification and soil regeneration processes.





Experienced Management Team and Board of Directors

The Company treats the production of healthy foods on living soils as an ongoing business, not as a fund or specialized trading operation and, as such, is able to utilize the extensive corporate experience of the staff. The three executive officers of Iroquois Valley LLC, the operating entity of the Company, that hold the positions of Chief Executive Officer, Chief Operating Officer, Chief Financial Officer have over 80 years of combined corporate and investment management experience (see “Management of the Company”). This experience is appropriately applied to managing risk factors and strategic planning for a growing industry that has few models to follow. The management team actively manages the business for geographic, tenant, production and overall capital diversification. The management team reports to a diverse nine member Board of Directors with business, farming, and health care expertise.

Executive Management Team			
Name	Position	Background	Experience
David E. Miller	CEO	Corporate Finance and Real Estate	40 years
Arnold Lau	COO	Trading & LLC Management	30 years
Kevin Egolf	CFO	Private Equity	12 years



THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORS OF ANY STATE NOR HAS ANY OF THE FOREGOING PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CONFIDENTIAL INFORMATION

THIS MEMORANDUM IS SUBMITTED IN CONNECTION WITH THE OFFERING OF THE SECURITIES IN IROQUOIS VALLEY REIT. THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND IS BEING SUBMITTED TO PROSPECTIVE INVESTORS WITH THE UNDERSTANDING THAT, WITHOUT EXPRESS PRIOR WRITTEN AUTHORIZATION OF IROQUOIS VALLEY REIT, SUCH PERSONS WILL NOT RELEASE THIS MEMORANDUM OR DISCUSS THE INFORMATION CONTAINED HEREIN OR MAKE REPRODUCTIONS OR USE IT FOR ANY PURPOSE OTHER THAN TO EVALUATE A POTENTIAL INVESTMENT IN IROQUOIS VALLEY REIT.

ADDITIONAL INFORMATION

IROQUOIS VALLEY REIT SHALL MAKE AVAILABLE TO EACH PROSPECTIVE INVESTOR OR IT'S REPRESENTATIVE, PRIOR TO THE SALE OF SECURITIES TO IT, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM IROQUOIS VALLEY REIT CONCERNING ANY ASPECT OF THE OFFERING.

WHILE OFFERING LITERATURE AND ADVERTISING REGARDING THE OFFERING DESCRIBED HEREIN SHALL BE EMPLOYED IN SELLING THE SECURITIES OFFERED HEREBY, PROSPECTIVE INVESTORS ARE URGED NOT TO RELY ON THESE MATERIALS. RATHER, PROSPECTIVE INVESTORS SHOULD RELY ON THE INFORMATION CONTAINED IN THIS MEMORANDUM AND IN ATTACHMENTS OR APPENDICIES TO THIS MEMORANDUM AND TO THE EXTENT AUTHORIZED IN WRITING BY IROQUOIS VALLEY REIT TO ANALYZE THE SUITABILITY OF THE SECURITIES OFFERED HEREBY FOR SUCH PROSPECTIVE INVESTOR. PROSPECTIVE INVESTORS ARE URGED TO ONLY RELY ON WRITTEN INFORMATION AND REPRESENTATIONS RECEIVED DIRECTLY FROM IROQUOIS VALLEY REIT AND ITS AUTHORIZED AGENTS, IF ANY, REGARDING THE OFFERING MADE HEREBY. ANY INFORMATION OR REPRESENTATIONS REGARDING THE OFFERING NOT PROVIDED DIRECTLY FROM IROQUOIS VALLEY REIT OR ITS AUTHORIZED AGENTS IN WRITING MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY IROQUOIS VALLEY REIT.

SPECULATIVE INVESTMENT

BECAUSE THE INVESTMENT IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK, AND HAS SIGNIFICANT TRANSFER RESTRICTIONS, IT IS SUITABLE ONLY FOR **"ACCREDITED INVESTORS"** AS DEFINED BY RULE 501(a) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (**"SECURITIES ACT"**). WHO CAN DEMONSTRATE THAT THEY (A) HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS AS WILL ENABLE THEM TO EVALUATE THE MERITS AND RISKS OF A PROPOSED INVESTMENT IN THESE SECURITIES AND (B) ARE ABLE TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES TO ANY FIRM OR INDIVIDUAL UNLESS AND



UNTIL IROQUOIS VALLEY REIT HAS COMMUNICATED IN WRITING TO SUCH INVESTOR ITS BELIEF THAT THE INVESTOR POSSESSES THESE QUALIFICATIONS AS EVIDENCED BY IROQUOIS VALLEY REIT'S ACCEPTANCE IN WRITING OF SUCH INVESTOR'S SUBSCRIPTION AGREEMENT. MOREOVER, THE SECURITIES OFFERED HEREBY ARE BEING OFFERED IN RELIANCE ON AN EXEMPTION FROM THE SECURITIES ACT'S REGISTRATION REQUIREMENTS THAT LIMITS SALES OF THE SECURITIES SOLELY TO ACCREDITED INVESTORS AS DEFINED BY THE SECURITIES ACT. ACCORDINGLY, IROQUOIS VALLEY REIT WILL ONLY ACCEPT AS HOLDERS PROSPECTIVE INVESTORS WHO ARE DEMONSTRABLY ACCREDITED INVESTORS PURSUANT TO RULE 506(c) OF THE SECURITIES ACT.

FACTORS AFFECTING INVESTMENT DECISION

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM IROQUOIS VALLEY REIT OR ANY PROFESSIONAL ASSOCIATED WITH THE OFFERING, AS LEGAL, TAX OR INVESTMENT ADVICE. EACH INVESTOR SHOULD CONSULT WITH AND RELY ON HIS, HER OR ITS OWN PERSONAL LEGAL COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO LEGAL, TAX AND ECONOMIC IMPLICATIONS OF THE INVESTMENT DESCRIBED HEREIN AND ITS SUITABILITY FOR THE INVESTOR. ALL PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN INDEPENDENT TAX, LEGAL, ACCOUNTING AND FINANCIAL ADVISORS REGARDING THE POTENTIAL FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF INVESTING IN IROQUOIS VALLEY REIT IN THE CONTEXT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS, AMONG OTHERS, THAT SHOULD BE CONSIDERED IN CONNECTION WITH A PURCHASE OF THE SECURITIES.

FOR ALL INVESTORS

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. IROQUOIS VALLEY REIT RESERVES THE RIGHT TO WITHDRAW OR MODIFY THE OFFERING AND, IN ITS SOLE DISCRETION, TO ACCEPT OR REJECT ANY SUBSCRIPTIONS UNDER THIS MEMORANDUM.

THE SECURITIES ARE NOT REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE TRANSFERRED OR SOLD EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS CONTAINED IN THE BYLAWS, AND AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE OFFERING IS BEING MADE IN RELIANCE ON THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT BY VIRTUE OF IROQUOIS VALLEY REIT'S INTENDED COMPLIANCE WITH THE PROVISIONS OF SECTION 4(a)(2) THEREOF AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER.

THE SECURITIES ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE TERMS AND CONDITIONS OF THE BYLAWS.



CERTAIN OF THE ECONOMIC AND FINANCIAL MARKET INFORMATION CONTAINED IN THIS MEMORANDUM (INCLUDING CERTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION) HAS BEEN OBTAINED FROM PUBLIC SOURCES AND / OR PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NONE OF IROQUOIS VALLEY REIT, THE BOARD, THE MANAGERS AND THEIR AFFILIATES NOR ANY OTHER PERSON ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Throughout this Memorandum, the Company makes forward-looking statements. Forward-looking statements include the words “may,” “will,” “estimate,” “continue,” “believe,” “expect,” “likely,” “should” or “anticipate” and other similar words. These forward-looking statements generally relate to the Company’s business plan and objectives for future operations and are based upon the Company’s reasonable estimates of future results or trends. Although the Company believes that its business plans and objectives reflected in or suggested by such forward-looking statements are reasonable, such plans or objectives may not be achieved. Actual results may differ substantially from projected results due, but not limited to, unforeseen developments, including developments relating to the following:

- The availability and adequacy of cash flow to meet the Company’s financial requirements, including payment dividends and satisfaction of any future indebtedness;
- Economic, demographic, business, regulatory, tax changes and other conditions affecting farmland prices;
- Future competition from other companies with a similar agriculture focus;
- The loss of business due to casualty or other external factors beyond the Company’s control, including, without limitation, lawsuits against the Company;
- Changes in the methodology for assessing organic farmland values; and
- Other factors discussed under “Risk Factors” or elsewhere in this Memorandum.

Prospective investors should read this Memorandum completely and with the understanding that actual results may be materially different from what the Company expects. The forward looking statements specified in this Memorandum have been compiled as of the date of this Memorandum and should be evaluated with consideration of any changes occurring after the date of this Memorandum.



Risk Factors

INVESTMENT IN IROQUOIS VALLEY REIT IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. IN DETERMINING WHETHER TO PURCHASE SHARES, EACH POTENTIAL INVESTOR SHOULD BE AWARE THAT THERE IS A SUBSTANTIAL RISK THAT THEY MAY LOSE SOME OR ALL OF THEIR INVESTMENT AND THAT EACH INVESTOR SHOULD BE FINANCIALLY CAPABLE OF BEARING THE RISK OF A TOTAL LOSS OF AN INVESTMENT IN IROQUOIS VALLEY REIT FOR AN INDEFINITE PERIOD OF TIME. INVESTORS SHOULD SEEK PROFESSIONAL ADVICE REGARDING AN INVESTMENT IN IROQUOIS VALLEY REIT.

AN INVESTMENT IN IROQUOIS VALLEY REIT OFFERS NO ASSURANCE OF ANY ECONOMIC OR TAX BENEFIT AND INVOLVES VARIOUS ELEMENTS OF RISK, ALL OF WHICH SHOULD BE CONSIDERED BEFORE MAKING A DECISION TO INVEST. THE RISK FACTORS DESCRIBED BELOW SHOULD NOT BE CONSIDERED AN EXHAUSTIVE LISTING OF SUCH RISK FACTORS. YOU SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION INCLUDED IN THIS MEMORANDUM, INCLUDING THE RISK FACTORS SET FORTH BELOW, BEFORE YOU DECIDE TO PURCHASE ANY SHARES IN THIS OFFERING. ANY OF THE FOLLOWING RISKS COULD MATERIALLY ADVERSELY AFFECT THE COMPANY'S BUSINESS, FINANCIAL CONDITION, OR OPERATING RESULTS.

AS A RESULT OF THESE FACTORS, AS WELL AS ALL OTHER RISKS INHERENT IN ANY INVESTMENT OR SET FORTH ELSEWHERE IN THIS MEMORANDUM, THERE CAN BE NO ASSURANCE THAT IROQUOIS VALLEY REIT WILL BE ABLE TO SUCCESSFULLY CARRY OUT ITS BUSINESS PLAN. THE COMPANY'S RETURNS, IF ANY, MAY BE UNPREDICTABLE AND, ACCORDINGLY, IROQUOIS VALLEY REIT IS NOT SUITABLE AS THE PRIMARY INVESTMENT VEHICLE FOR AN INVESTOR. AN INVESTOR SHOULD ONLY INVEST IN THE SHARES AS PART OF AN OVERALL INVESTMENT STRATEGY AND ONLY IF THE INVESTOR IS ABLE TO WITHSTAND A TOTAL LOSS OF ITS INVESTMENT IN THE SHARES. INVESTORS SHOULD NOT CONSTRUE THE PAST PERFORMANCE OF THE COMPANY AS PROVIDING ANY ASSURANCES REGARDING THE FUTURE PERFORMANCE OF IROQUOIS VALLEY FARMS.



RISKS RELATED TO FEDERAL INCOME TAXES

COMPLEX TAX MATTERS. TAX MATTERS RELATING TO THE COMPANY AND AN INVESTMENT IN THE SHARES ARE COMPLEX. IN VIEW OF THE COMPLEXITIES OF THE TAX LAWS, EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF AN INVESTMENT IN IROQUOIS VALLEY REIT.

REIT Maintenance; Income Tax Implications. Iroquois Valley REIT elected to be taxed as a REIT for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2017. To maintain qualification as a REIT, Iroquois Valley REIT must meet various requirements set forth in the Code concerning, among other things, the ownership of its outstanding stock, the nature of its assets, the sources of its income and the amount of its distributions. The REIT qualification requirements are extremely complex, and interpretations of the U.S. federal income tax laws governing qualification as a REIT are limited.

Iroquois Valley REIT believes that its current organization and method of operation will enable it to continue to qualify as a REIT. However, at any time, new laws, interpretations or court decisions may change the U.S. federal tax laws relating to, or the U.S. federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause Iroquois Valley REIT's Board of Directors to determine that it is not in its best interest to qualify as a REIT and to revoke its REIT election, which it may do without stockholder approval.

If Iroquois Valley REIT fails to qualify as a REIT for any taxable year, it will be subject to U.S. federal income tax on its taxable income at regular corporate rates. In addition, Iroquois Valley REIT generally would be disqualified from treatment as a REIT for the four (4) taxable years following the year in which it lost its REIT status. Losing its REIT status would reduce Iroquois Valley REIT's net earnings available for investment or distribution because of the additional tax liability. In addition, distributions would no longer qualify for the dividends paid deduction, and Iroquois Valley REIT would no longer be required to make distributions. If this occurs, Iroquois Valley REIT might be required to borrow funds or liquidate some investments in order to pay the applicable tax. As a result of all these factors, Iroquois Valley REIT's failure to qualify as a REIT could impair its ability to expand its business and raise capital, and would substantially reduce the Iroquois Valley REIT's ability to make distributions to its stockholders.

Distribution Requirements Imposed. To obtain the favorable tax treatment accorded to REITs, Iroquois Valley REIT normally is required each year to distribute to its stockholders at least 90% of its taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. Iroquois Valley REIT will be subject to U.S. federal income tax on its undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions Iroquois Valley REIT pays with respect to any calendar year are less than the sum of (a) 85% of its ordinary income, (b) 95% of its capital gain net income and (c) 100% of its undistributed income from prior years. These requirements could cause distribution of amounts that otherwise would be spent on acquisitions of properties and it is possible that the Company might be required to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of its stock or debt securities or sell assets in order



to distribute enough of its taxable income to maintain its qualification as a REIT and to avoid the payment of U.S. federal income and excise taxes.

Property Sales by Iroquois Valley TRS. It is possible that one or more sales of Iroquois Valley REIT's properties may be deemed a "prohibited transaction" under provisions of the Code. If Iroquois Valley REIT is deemed to have engaged in a "prohibited transaction" (i.e., it sells a property held by it primarily for sale in the ordinary course of Iroquois Valley REIT's trade or business), all income that Iroquois Valley REIT derives from such sale would be subject to a 100% tax. The Code sets forth a safe harbor for REITs that wish to sell property without risking the imposition of the 100% tax. A principal requirement of the safe harbor is that the REIT must hold the applicable property for not less than two years prior to its sale for the production of rental income. It is entirely possible that a future sale of one or more of Iroquois Valley Farms' properties will not fall within the prohibited transaction safe harbor. If Iroquois Valley Farms acquires a property that it anticipates will not fall within the safe harbor from the 100% penalty tax upon disposition, the Iroquois Valley REIT may acquire such property through Iroquois Valley TRS in order to avoid the possibility that the sale of such property will be a prohibited transaction and subject to the 100% penalty tax. If Iroquois Valley REIT or Iroquois Valley LLC already owns such a property, it may contribute the property to Iroquois Valley TRS.

Though a sale of such property by Iroquois Valley TRS likely would mitigate the risk of incurring a 100% penalty tax, Iroquois Valley TRS itself would be subject to regular corporate income tax at the U.S. federal level, and potentially at the state and local levels, on the gain recognized on the sale of the property as well as any income earned while the property is operated by the Company. Such tax would diminish the amount of proceeds from the sale of such property ultimately distributable to Iroquois Valley REIT's stockholders. Iroquois Valley REIT's ability to use Iroquois Valley TRS in the foregoing manner is subject to limitation. Among other things, the value of Iroquois Valley REIT's securities in Iroquois Valley TRS may not exceed 25% (20% for taxable years beginning after December 31, 2017) of the value of Iroquois Valley REIT's assets and dividends from Iroquois Valley TRS, when aggregated with all other non-real estate income with respect to any one year, generally may not exceed 25% of Iroquois Valley REIT's gross income with respect to such year. No assurances can be provided that Iroquois Valley REIT would be able to successfully avoid the 100% penalty tax through the use of Iroquois Valley TRS.

In addition, if Iroquois Valley REIT acquires any asset from a C corporation (i.e., a corporation generally subject to full corporate-level tax) in a merger or other transaction in which Iroquois Valley REIT acquires a basis in the asset determined by reference either to the C corporation's basis in the asset or to another asset, Iroquois Valley REIT will pay tax, at the highest U.S. federal corporate income tax rate, on any built-in gain recognized on a taxable disposition of the asset during the five (5) year period after its acquisition.

Federal and State Income Taxes. Even if Iroquois Valley REIT qualifies as a REIT, it may be subject to U.S. federal income taxes or state taxes. As discussed above, net income from a "prohibited transaction" will be subject to a 100% penalty tax and built-in gain recognized on the taxable disposition of assets acquired from C corporations in certain non-taxable transactions will be subject to tax at the highest applicable U.S. federal corporate income tax rate. To the extent Iroquois Valley REIT satisfies the distribution requirements applicable to REITs, but distribute less than 100% of its taxable income, it will be subject to U.S. federal income tax at regular corporate rates on its undistributed income. Iroquois Valley REIT may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. Iroquois Valley REIT may also decide to retain capital gains it earns from the sale or other disposition of its properties



and pay income tax directly on such income. In that event, Iroquois Valley REIT's stockholders would be treated as if they earned that income and paid the tax on it directly. However, Iroquois Valley REIT's stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability. Iroquois Valley REIT may also be subject to state and local taxes on its income or property. Any U.S. federal or state taxes Iroquois Valley REIT pays will reduce its cash available for distribution to its stockholders.

Iroquois Valley LLC's Leases. In order for Iroquois Valley REIT to qualify as a REIT, at least 75% of its gross income each year must consist of real estate-related income, including rents from real property. Income from operation of Iroquois Valley LLC's farmland (all farmland is owned by Iroquois Valley LLC) is expected to be treated as rents from real property. If such leases were recharacterized as management contracts for U.S. federal income tax purposes, or otherwise as an arrangement other than a lease, Iroquois Valley REIT could fail to qualify as a REIT.

Termination of REIT Qualification. Iroquois Valley REIT's Bylaws provide that its Board of Directors may revoke or otherwise terminate its REIT election, without the approval of its stockholders, if the Board of Directors determines that it is no longer in Iroquois Valley REIT's best interest to continue to qualify as a REIT. If Iroquois Valley REIT ceases to qualify as a REIT, it would become subject to U.S. federal income tax on its taxable income at regular corporate rates and would no longer be required to distribute most of its taxable income to its stockholders, which may have adverse consequences on the total return to its stockholders.

REIT Prohibits Other Opportunities. To maintain Iroquois Valley REIT's qualification as a REIT for U.S. federal income tax purposes, Iroquois Valley REIT must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts it distributes to its stockholders and the ownership of shares of its stock. Iroquois Valley REIT may be required to make distributions to its stockholders at disadvantageous times or when it does not have funds readily available for distribution, or it may be required to forego or liquidate otherwise attractive investments in order to comply with the REIT tests. Thus, compliance with the REIT requirements may hinder the Iroquois Valley REIT's ability to operate on the basis of maximizing profits.

Code Imposed Restrictions on Transfer. Certain provisions of the Code and the stock ownership limits in Iroquois Valley REIT's Bylaws may inhibit market activity in Iroquois Valley REIT's capital stock and restrict its business combination opportunities. In order to maintain Iroquois Valley REIT's qualification as a REIT, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of Iroquois Valley REIT's issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns Iroquois Valley REIT's capital stock under this requirement. Additionally, at least 100 persons must beneficially own Iroquois Valley REIT's capital stock during at least 335 days of a taxable year. To help insure that it meets these tests, Iroquois Valley REIT's Bylaws restrict the acquisition and ownership of shares of Iroquois Valley REIT's stock. Iroquois Valley REIT's Bylaws, with certain exceptions, authorizes Iroquois Valley REIT's Board of Directors to take such actions as are necessary and desirable to preserve Iroquois Valley REIT's qualification as a REIT. Unless exempted by the Board of Directors, Iroquois Valley REIT's Bylaws prohibit any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of Iroquois Valley REIT's capital stock. Iroquois Valley REIT's Board of Directors may not grant an exemption from these



restrictions to any proposed transferee whose ownership in excess of such ownership limit would result in Iroquois Valley REIT's failing to qualify as a REIT.

Higher Dividend Rates. The maximum U.S. federal income tax rate applicable to qualified dividend income paid to U.S. stockholders that are individuals, trusts and estates currently is 20%. Dividends paid by REITs generally are not eligible for such maximum tax rate. Although the favorable tax rates applicable to qualified dividend income do not adversely affect the taxation of REITs or dividends paid by REITs, such favorable tax rates could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including Iroquois Valley REIT's common stock.

Changes to US Income Tax Laws. Numerous changes to the U.S. federal income tax laws are proposed regularly. Moreover, legislative and regulatory changes may be more likely in the 115th Congress because the Presidency and such Congress will be controlled by the same political party and significant reform of the Code has been described publicly as a legislative priority. Additionally, the REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, certain such changes could have an adverse impact on the Company's business and financial results.

Legislative; Regulatory Action. In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the U.S. federal income tax laws applicable to investments similar to an investment in Iroquois Valley REIT's common stock. Additional changes to the tax laws are likely to continue to occur, and Iroquois Valley Farms cannot assure you that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in Iroquois Valley REIT's stock or on the market value or the resale potential of Iroquois Valley REIT's assets. You are urged to consult with your own tax advisor with respect to the impact of recent legislation on your investment in Iroquois Valley REIT's stock and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in Shares.

RISKS RELATED TO REIT OPERATIONAL STRUCTURE

Previous Reorganization. Iroquois Valley REIT was organized on September 26, 2016. Iroquois Valley REIT was organized as part of a plan of reorganization of Iroquois Valley LLC, which is now a subsidiary of Iroquois Valley REIT. Although management of Iroquois Valley REIT believes this reorganization was a tax-free transaction, there is no assurance that the IRS will not take a position adverse to Iroquois Valley Farms. In the event the reorganization is determined not to be tax-free, the parties to the reorganization (including Iroquois Valley REIT) would have to pay tax on any gain realized as a result of the reorganization, which would require Iroquois Valley LLC to make distributions to Iroquois Valley REIT to cover such taxes which may create a shortfall of cash and cause liquidation of some assets. To protect against this risk Iroquois Valley LLC received an opinion from legal counsel stating the reorganization should be tax-free.

Public Benefit Corporation. Iroquois Valley REIT was organized as a Public Benefit Corporation pursuant to the General Corporation Law of Delaware. The nature of the Iroquois Valley REIT's business and the purposes to be conducted or promoted by it shall be to engage



in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware. Iroquois Valley REIT is a public benefit corporation and is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. Iroquois Valley REIT will be managed in a manner that balances its stockholders' pecuniary interests, the best interests of those materially affected by the Iroquois Valley REIT's conduct, and the public benefit or public benefits described in its Certificate of Incorporation. The specific public benefit purpose of Iroquois Valley REIT is enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures. As a result of its status as a public benefit corporation, Iroquois Valley REIT may not maximize financial gain, and consequently, could reduce the value of Shares offered hereby.

Effect of Iroquois Valley LLC on REIT Status. Iroquois Valley REIT intends to elect to be treated as a REIT for Federal income tax purposes beginning with the taxable year ending December 31, 2017. As a 99% owner of Iroquois Valley LLC, all matters related to the operations of Iroquois Valley LLC, including taxation of its income, will flow through to Iroquois Valley REIT and will affect the ability of Iroquois Valley REIT to maintain its qualification as a REIT under the Code. The REIT qualification requirements are extremely complex and interpretations of the U.S. federal income tax laws governing qualification as a REIT are limited. Management believes the current organization and method of operation of Iroquois Valley Farms as a whole will continue to enable Iroquois Valley REIT to qualify as a REIT. However, at any time, new laws, interpretations and decisions may change the U.S. federal tax laws relating to, or the U.S. federal income tax consequences of, qualification as a REIT.

Limited Operating REIT History. Iroquois Valley REIT has a limited operating history as a REIT. There can be no assurance that the past experience of the management team of Iroquois Valley REIT will be sufficient to successfully operate Iroquois Valley REIT as a REIT. Iroquois Valley REIT is required to develop and implement controls and procedures in order to qualify and maintain the qualification of Iroquois Valley REIT as a REIT, which could place a significant strain on its management systems, infrastructure and other resources. Failure to successfully maintain Iroquois Valley REIT's qualification as a REIT could materially adversely impact its business, results of operations and financial condition.

Compliance with REIT Requirements. Complying with the REIT requirements for Iroquois Valley REIT may cause the Company to forego otherwise attractive opportunities to sell properties earlier than anticipated. To maintain the qualification of a REIT for U.S. income tax purposes, Iroquois Valley REIT must continually satisfy tests concerning, among other things, the sources of income, the nature and diversification of properties, the amounts distributed to Iroquois Valley REIT and its stockholders, and the ownership of the shares of Iroquois Valley REIT stock. Iroquois Valley REIT may be required to make distributions to its stockholders or take other actions at disadvantageous times or when it does not have funds readily available, thus requiring Iroquois Valley LLC to make a distribution to Iroquois Valley REIT. This may require liquidation of otherwise attractive investments with these REIT tests. Thus compliance with the REIT requirements may hinder the Iroquois Valley REIT's ability to repay amounts due under the Shares hereby.



RISKS RELATED TO IROQUOIS VALLEY LLC'S OPERATIONS

The day-to-day operations of Iroquois Valley REIT are operated through its subsidiary, Iroquois Valley LLC. As such, risks at Iroquois Valley LLC's level are relevant to an investment in Iroquois Valley REIT and the operations of the Company as a collective whole.

Farming Operations. Iroquois Valley Farms' operations are primarily focused on leasing and financing farmland. Farming operations carry a variety of risks that Iroquois Valley Farms cannot mitigate. There is a risk that the farmland owned or financed by the Company will not yield any crops due to inclement weather, drought, flooding, pest infestation, hail, diseases, tenant vacancy or abandonment and other natural or human caused disasters. Due to the nature of crops as a commodity, there is a risk that crop prices could fall to levels that will not sustain an ongoing operation and may result in tenant lease payment default or payment delays. Similarly, farming has historically been a marginally profitable business and, therefore, projected profits or variable rent payments may not materialize. Any of these risks may adversely affect the Iroquois Valley REIT's Shares.

Transition to Organic. Some of Iroquois Valley Farms' recent farmland investments and potential farmland investments are in a transition to organic status. Many of them have been farmed conventionally for many generations and considerable effort may be required to transition such farms in order for them to become certified organic. During the transition period, usually three (3) years, the crops can only be sold as conventional crops, thus not attaining the typical organic pricing premium. Among the factors which may affect the transition process are: conventional crop prices, weather, adequate labor, drainage complications, soil compaction, soil degradation, excessive chemical applications and other compounding factors. Any of those factors may cause delays in transitioning farmland to certified organic. Such delayed transitions may result in the lack of organic certification, lower crop yields, and other issues that may lead to lower returns for the Company as a whole.

Organic Farming Operations. In addition to the risks associated with transitioning land into certified organic, there is a possibility that organic certification requirements could change, which may result in the de-certification of the farmland owned and financed by the Company and reversion to conventional crop pricing, which is currently significantly lower than organic pricing. There is no assurance that the premium prices for organic crops will continue. Likewise, there is no way for the Company to know or predict whether any of these changes will occur. If organic certification requirements change such that Iroquois Valley Farms' farmland is no longer organic, returns to Iroquois Valley Farms may be lower due to the change to conventional crop pricing, because the tenants would be competing generally against other traditional, conventional farms and farming operations. The production of organic crops also carries natural risks of farming, including the ability to control weeds or pests. If any of the tenants or farmers that work farmland owned or financed by the Company are inexperienced or do not attend to weed or pest control, the crop yield may suffer significantly. Organic and specialty crops often need temporary storage pending market sales and delivery, and the longer such crops are stored, the more problems that can occur including mold, pest infestation, and contamination. Likewise, organic and specialty crops cannot be mixed with conventional crops for storage. Thus, the lack of storage facilities may result in the crops being transported long distances to be stored elsewhere and subjecting the crops to additional spoilage risks and even theft.

Reliance on Tenants. Iroquois Valley Farms' operations rely heavily on the tenant operators that work the land owned by Iroquois Valley Farms and the borrowers that own the farms financed by the Company. If those individuals are unable or unwilling to properly implement the



Company's model with respect to transitioning the farm into organic, it may result in the transition period taking longer than expected resulting in lower returns for that particular farm and lower returns to the Company. Additionally, the tenant operators may unintentionally cause the organic certification to be lost or suspended, thus resulting in the need to re-certify the property, which would result in lower prices achieved for uncertified crops, and thus lowering the potential rentals received by Iroquois Valley Farms. Likewise, under the terms of the lease arrangements between Iroquois Valley LLC and the tenant operators, crop insurance must be obtained and paid for by the tenant operators. Typically, organic production is considered a higher risk than conventional crops resulting in higher premiums, reserves, and qualifying periods. In some cases, it may not be economic for a tenant operator to insure a specialty crop, which may result in that particular farm not being able to produce a crop that would result in the most valuable yield for Iroquois Valley Farms.

Purchase Contracts and Options. As part of working with farmers focused on long-term land tenancy, the Company has and may continue to use advanced contractual purchase agreements or purchase option rights, with the intention of having the farmer buy the property from Iroquois Valley Farms in the future. There is no guarantee that the farmer will be able to purchase the land when contractually required or at any point during an option period. Additionally, in certain circumstances, purchase prices may be pre-agreed upon and therefore may not reflect fair market value at the time of the sale.

Corporate Farming Laws. The farming industry is subject to significant regulations both at the federal level and state level. Among the many regulatory burdens are anti-corporate farming laws in many states that affect what types of companies can own farmland in a particular state. To the extent a state has or adopts such a law that would prohibit Iroquois Valley Farms from acquiring farmland in that state, Iroquois Valley Farms may be restricted in the number of opportunities it has to expand its business beyond its existing markets.

Real Estate. Due to the nature of real estate generally, there is a risk that the farmland and farm structures held by Iroquois Valley Farms or secured via mortgage loans may lose their value. There is no assurance that such farmland and farm structures will hold their value over time and the ultimate resale price of the farms may be lower than the original purchase price paid by Iroquois Valley Farms, which would result in lower returns or loss of investment realized by Iroquois Valley REIT's stockholders. Further, real estate may be difficult to sell quickly.

Easements. Iroquois Valley Farms is obtaining a conservation easement on a property in New York State and the Company may pursue the establishment of a conservation easement on other properties. Even though Iroquois Valley Farms would likely be compensated for a portion of the development value that is contributed, the easement restricts the usage of the property and may affect its resale value. There is no guarantee that Iroquois Valley Farms will be able to resell the property at its new cost basis after the easement is established.

Managing Growth. Iroquois Valley Farms intends to expand its operations by acquiring and financing more farmland. This anticipated growth could place a strain on the Company's management team, as well as Iroquois Valley Farms' operational and financial resources. Effective management of the anticipated growth may require expanding the Company's management and financial controls, hiring additional personnel, and developing additional expertise. There can be no assurances that these or other measures implemented will improve the Company's ability to manage such growth or can be implemented in a timely and cost-effective manner. The failure to effectively manage growth could have a material adverse effect on Iroquois Valley Farms' overall collective operations.



Expanding Company Focus. In 2016, the Company launched its mortgage business and has since completed eight mortgage loans. Mortgage loan assets are becoming an increasingly larger percentage of the Company's overall asset portfolio. Due to the large potential market size of this new investment product, there are risks this new investment product could interfere or alter the direction and management of the Company as a whole. There also could arise a need to separate into two separate entities, one managing the legacy buy-and-lease model and one managing the mortgage loan business. Under this scenario the existing management team may not be able to provide services to both Companies and new executives would need to be hired. Additionally, there could be significant costs incurred by the Company associated with such a split.

Risks Associated with Unspecified Land. Because the Company has not identified any specific land in which it intends to invest, potential investors in Iroquois Valley Farms will be unable to evaluate transaction terms, location, or suitability concerning any of the land before Iroquois Valley Farms invests. Accordingly, potential investors will be relying entirely on the ability of the Iroquois Valley Farms' management team to identify investments, propose transactions, and approve such investments. Even if the investments are successful, they may not produce a realized return to the Company for a period of several years.

Difficulty of Locating Suitable Farmland. Identification of attractive farmland opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of farmland generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. As discussed above, competition for such opportunities is expected to be substantial. While the Company actively maintains a farm/farmer opportunity pipeline, there can be no assurance that Iroquois Valley Farms will be able to locate and complete a sufficient number of suitable opportunities to enable it to invest all of its funds in opportunities that satisfy its investment objectives.

Need for Follow-On Capital Improvements. The Company has invested, and intends to continue to invest in drainage improvements, soil amendments, and farming structures in order to increase, expand or update the production and operating capacity of the properties it owns. In some cases, Iroquois Valley Farms has made contractual obligations under its leases to fund such improvements. However, there can be no assurances that Iroquois Valley Farms will be able to generate sufficient funds from its operations to finance any such investment or that other sources of funding will be available. Additionally, Iroquois Valley Farms can make no assurances that any future expansion will not negatively affect earnings or that the follow-on capital improvements described herein will increase, expand or update the production and operating capacity of the Company's properties in an accretive manner.

Dependence on Key Personnel. The Board of Director's ability to successfully manage the Company's affairs will depend to a substantial extent upon the experience of the managers and officers whose continued services are not guaranteed. The loss of the services of any individual members of the Company's management team or any officer could have a material adverse effect on the operations of Iroquois Valley Farms. Further, Iroquois Valley Farms may not be able to successfully recruit additional personnel and any additional or replacement personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management. None of the Iroquois Valley Farm companies maintain key man life insurance on any manager or officer.



No Exclusive Duty and Potential Conflicts of Interests. The managers and officers are only required to devote such time as they, in their sole discretion, deem necessary or appropriate to carry out Iroquois Valley Farms' operations and are under no obligation to devote their full time efforts to the business of the Company. As such, the managers and officers, directly and indirectly, are, or may be in the future, involved in other companies, and there may exist conflicts of interest in the allocation of resources by the managers and officers between the Iroquois Valley Farms and other related or unrelated activities. The managers' and officers' existing and potential outside business interests, may also potentially conflict with those of the Company.

Competition. The Company expects to encounter competition from other entities having business objectives similar to those of Iroquois Valley Farms. Many of these entities, including venture capital partnerships and corporations, other investment companies, large industrial and financial institutions, small business investment companies, and wealthy individuals, are well-established and have extensive experience. Many of these competitors possess greater financial, technical, human and other resources than Iroquois Valley Farms and its affiliates, and there can be no assurance that Iroquois Valley Farms will have the ability to compete successfully. Further, the Company's financial resources may be limited in comparison to those of its competitors.

Lack of Historical Financials. Iroquois Valley REIT was formed on September 23, 2016 and had no financial activity until the reorganization effective December 31, 2016. As such, the historical financial information contained in this Offering is that of Iroquois Valley LLC. Iroquois Valley REIT is presenting the financial results of Iroquois Valley LLC which it believes approximate the financials of Iroquois Valley REIT had the current corporate form been in existence during the period presented. While the financial data presented on is based on both discussions with accountants and Iroquois Valley REIT's knowledge of financial reporting, there could be material deviations in the figures presented and those reported by the accountants in a future audit report.

No Updated Information Requested of the Auditor. Iroquois Valley Farms' auditor has not performed any procedures relating to this Memorandum. Further, the results in the financial statements should not be relied upon by an investor as indicative of results of the Company's collective operations in the future.

Financial Projections. The financial projections included in this Memorandum are based upon assumptions that the Iroquois Valley Farms believes to be reasonable. Such assumptions may, however, be incomplete or inaccurate, and unanticipated events and circumstances may occur. For these reasons, actual results achieved during the period covered may be materially and adversely different from those presented in this Memorandum. Even if the assumptions underlying Iroquois Valley Farms' plans prove to be correct, there can be no assurances that Iroquois Valley Farms shall not incur substantial operating losses or losses in property value in attaining its goals. Iroquois Valley Farms' plans are based on the premise that existing consumer demand for organic produce, organic crops, or specialty crops will continue. However, there can be no assurances that Iroquois Valley Farms' objectives will be realized if any of the assumptions underlying its plans prove to be incorrect.



RISKS RELATED TO THE MARKETPLACE

Sources of Capital. The Company depends on external sources of capital that are outside of its control and may not be available to it on commercially reasonable terms or at all, which could limit its ability to, among other things, acquire additional properties, meet its capital and operating needs or make the cash distributions to its stockholders necessary to maintain Iroquois Valley REIT's qualification as a REIT.

Distributions Impact on Stock Price. Iroquois Valley REIT intends to continue to pay regular distributions to its stockholders. All distributions will be made at the discretion of Iroquois Valley REIT's Board of Directors and will be based upon, among other factors, the Company's historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of Iroquois Valley REIT's REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as Iroquois Valley REIT's Board of Directors may deem relevant from time to time. If sufficient cash is not available for distribution from its operations, Iroquois Valley REIT's may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent Iroquois Valley Farms borrows to fund Iroquois Valley REIT's distributions, its future interest costs would increase, thereby reducing Iroquois Valley REIT's earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by Iroquois Valley Farms' assets is less than its current estimate, or if such cash available for distribution decreases in future periods from expected levels, Iroquois Valley REIT's inability to make the expected distributions could result in a decrease in the market price of the Shares.

Interest Rate Risk. One of the factors that investors may consider in deciding whether to buy or sell Shares is its distribution yield, which is its distribution rate as a percentage of its share price, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher distribution yield on Iroquois Valley REIT's common stock or may seek securities paying higher dividends or interest. The market price of the Iroquois Valley REIT's common stock likely will be based primarily on the earnings that Iroquois Valley REIT derives from rental income with respect to its properties and its related distributions to stockholders, and not from the underlying appraised value of the properties themselves. As a result, interest rate fluctuations and capital market conditions are likely to affect the market price of Iroquois Valley REIT's common stock, and such effects could be significant. For instance, if interest rates rise without an increase in the Iroquois Valley REIT's distribution rate, the market price of Iroquois Valley REIT's common stock could decrease because potential investors may require a higher distribution yield on the Iroquois Valley REIT's common stock as market rates on interest-bearing securities, such as bonds, rise.

RISKS RELATED TO SHARE OWNERSHIP

Sources of Capital. There is no public market for the Iroquois Valley REIT's common stock and Iroquois Valley REIT has no plans to list its common stock on a securities exchange or to include the common stock for quotation on any national securities market. Furthermore, Iroquois Valley REIT's Bylaws restrict any sale or other transfer of the Shares by the holder thereof unless such holder provides evidence, to the satisfaction of Iroquois Valley REIT, that such sale or other transfer of the common stock is made in compliance with all federal and state securities laws. Any sale or transfer of the common stock made in violation of any federal or state securities laws will be void *ab initio*.



Market Restrictions on Transfer; Lack of Liquidity. In the event that all conditions to a transfer have been satisfied, a stockholder may nevertheless be unable to dispose of his, her or its common stock since no public market exists or is likely to exist for the common stock. A stockholder may be required to sell the common stock at a substantial discount from the price initially paid for it because of the transfer restrictions and lack of liquidity. Consequently, stockholders may be unable to liquidate an investment in Iroquois Valley REIT's common stock even though such stockholder's personal financial circumstances would dictate such a liquidation. Furthermore, the common stock probably will not be readily acceptable as collateral for loans.

Code; Bylaw Restrictions on Transfer. Iroquois Valley REIT's Bylaws contain certain ownership limits with respect to its stock, including, among other restrictions, limits which prohibit the beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of Iroquois Valley REIT's stock, excluding any shares that are not treated as outstanding for U.S. federal income tax purposes. Iroquois Valley REIT's Board of Directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from this ownership limit if certain conditions are satisfied. This ownership limit as well as other restrictions on ownership and transfer of our stock in Iroquois Valley REIT's Bylaws may (i) discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for Iroquois Valley REIT's common stock or that Iroquois Valley REIT's stockholders otherwise believe to be in their best interests, and (ii) result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of certain of the benefits of owning the additional shares.

Changes to Capital Stock. Iroquois Valley REIT's Board of Directors, without stockholder approval, has the power under Iroquois Valley REIT's Bylaws to amend the bylaws to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that Iroquois Valley REIT is authorized to issue. In addition, under Iroquois Valley REIT's Bylaws, the Board of Directors, without stockholder approval, has the power to authorize Iroquois Valley REIT to issue authorized but unissued shares of common stock or preferred stock and to classify or reclassify any unissued shares of Iroquois Valley REIT's common stock or preferred stock into one or more classes or series of stock and set the preference, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. As a result, Iroquois Valley REIT may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of Iroquois Valley REIT's common stock. Although the Iroquois Valley REIT's Board of Directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for Iroquois Valley REIT's common stock or that stockholders may otherwise believe to be in their best interests.

Limited Removal of Management. Iroquois Valley REIT's Bylaws contains provisions that make removal of its Board of Directors difficult, which could make it difficult for stockholders to effect changes to Iroquois Valley REIT's senior management and may prevent a change in control of Iroquois Valley REIT that is in the best interests of its stockholders. Iroquois Valley REIT's Bylaws provide that a director may only be removed for cause upon the affirmative vote



of holders of 66% of all the votes entitled to be cast generally in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office. These requirements make it more difficult to change Iroquois Valley REIT's senior management by removing and replacing directors and may prevent a change in control that is in the best interests of its stockholders.

No Active Trading Market. The market price and trading volume, if any exists, of Iroquois Valley REIT's common stock are subject to fluctuation due to general market conditions, the risks discussed in this Memorandum and other matters, including the following i) operating results that vary from expectations of securities analysts and investors, (ii) investor interest in the Company's property portfolio; (iii) the reputation and performance of REITs; (iv) the attractiveness of REITs as compared to other investment vehicles; (v) the results of Iroquois Valley Farms' financial condition and operations; and (vi) the perception of Iroquois Valley Farms' growth and earnings potential. Iroquois Valley REIT also expects to have a smaller equity market capitalization compared to other REITs and its common stock may trade in low volumes than others. As a result, the stock market price of Iroquois Valley REIT's common stock may be susceptible to fluctuation to a greater extent than companies with larger market capitalization. Accordingly, your ability to sell Iroquois Valley REIT's common stock may be limited.

Commissions. As of the date of this Memorandum, Iroquois Valley Farms has not guaranteed or contracted with any third party advisors which would result in payment or other remuneration in connection with the sale of the Shares and is not currently contemplating such arrangements. Notwithstanding the foregoing, Iroquois Valley Farms reserves the right in the future and without notice to engage either a placement agent or broker-dealer (or both) to assist it in selling the Shares offered hereby and, in the event Iroquois Valley Farms does engage such placement agent or broker-dealer (or both), the resulting professional fees would reduce the proceeds to Iroquois Valley Farms from this Offering by the amount of the total of such fees and commissions. No commission or other remuneration will be paid to any person affiliated with the Company in connection with the sale of the Shares.

No Minimum Offering Amount. Iroquois Valley REIT has set no minimum offering amount that must be raised before it will utilize the proceeds of the Offering in its business operations. Thus, although the maximum offering amount under this Offering is \$15 million, the proceeds of the Offering may be used by Iroquois Valley Farms even if less than that amount is sold. To the extent that all Shares offered hereunder are not sold, the Company's risks will be spread over a fewer number of investors. Accordingly, the funds contributed by initial investors in the Offering are subject to even higher risk of loss if Iroquois Valley Farms is unable to raise additional funds to acquire additional farmland or to otherwise implement its business plan and objectives.

Reduced Distributions. Although Iroquois Valley REIT intends to pay distributions on the Shares, there is no guaranty that it will be able to make a distribution. In determining whether to authorize a distribution or make such distribution and the amount, Iroquois Valley REIT's Board of Directors will consider all relevant factors, including the amount of cash available for distribution, capital expenditure and reserve requirements and general operational requirements. Iroquois Valley REIT cannot assure that it will consistently be able to generate sufficient available cash flow to fund distributions on the Shares nor can it assure that sufficient cash will be available to make distributions. With limited prior operations, Iroquois Valley REIT cannot predict the amount of distributions that may be received and Iroquois Valley REIT may be unable to pay, maintain or increase distributions over time. Iroquois Valley Farms' inability to acquire additional properties or make real estate-related investments or operate profitably may



have a negative effect on Iroquois Valley REIT's ability to generate sufficient cash flow from operations to pay distributions on the Shares.

Board Established Offering Price. Iroquois Valley REIT and the Board of Directors established the offering price of the Shares on the basis outlined herein (see "Offering Price Factors"). This price, while based on the management's best estimate of the market value of the assets and that of Iroquois Valley REIT, may not bear any relationship to what the assets or Shares would sell for in an open market or in the event of a liquidation. Because the offering price is not based upon any public market valuation, the price may be higher than the proceeds that an investor would receive upon liquidation or a resale of his or her Shares if they were to be listed on an exchange or actively traded by broker-dealers.

Best Efforts Offering. The Shares are being offered on a "best efforts" basis and no individual, firm or corporation has agreed to purchase any Shares in the Offering. If Iroquois Valley Farms is unable to raise significant additional proceeds, it will be thinly capitalized and may not be able to diversify its portfolio in terms of the numbers of investments it owns and the areas in which its investments or the properties underlying its investments are located. Failure to build a diversified portfolio increases the likelihood that any single investment's poor performance would materially affect the Company's overall investment performance. Iroquois Valley Farms' inability to raise substantial funds would also increase its fixed operating expenses as a percentage of gross income. Each of these factors could have an adverse effect on Iroquois Valley Farms' financial condition and ability to make distributions to Iroquois Valley REIT's stockholders.

Dilution. Iroquois Valley REIT's Board of Directors is authorized, without stockholder approval, to cause us to issue additional shares of Iroquois Valley REIT common stock or to raise capital through the issuance of additional preferred stock (including equity or debt securities convertible into preferred stock), options, warrants and other rights, on such terms and for such consideration as its Board of Directors in its sole discretion may determine. Any such issuance could result in dilution of the equity of existing stockholders. Holders of preferred stock are normally entitled to receive a preference payment upon liquidation, dissolution, or winding up before any payment is made to the common stockholders, likely reducing the amount common stockholders would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of additional preferred stock may delay, prevent, render more difficult or tend to discourage a merger, tender offer, or proxy contest, the assumption of control by a holder of a large block of Iroquois Valley REIT's securities, or the removal of incumbent management. Stockholders have no rights to buy additional shares of stock or other securities if Iroquois Valley REIT issues new shares of stock or other securities. Investors purchasing the Shares in this Offering who do not participate in any future stock issuances will experience dilution in the percentage of the issued and outstanding Shares they own. In addition, depending on the terms and pricing of any additional offerings and the value of the Company's investments, you also may experience dilution in the book value and fair market value of, and the amount of distributions paid on, your Shares, if any.

Lack of Control Over Iroquois Valley Farms' Policies. The management and investment policies of Iroquois Valley Farms, including its distributions and operating policies, are determined by the management team of each particular entity in the three-entity operating structure. Stockholders have voting rights or rights to object or approve any matters brought to a vote of the stockholders by Iroquois Valley REIT's Board of Directors. As a result, no stockholder is able to control the day-to-day operations of Iroquois Valley REIT or Iroquois Valley Farms (as a whole). Accordingly, no person should purchase Shares unless it is willing



to entrust all aspects of the management of Iroquois Valley Farms to the collective management team. The management team's broad discretion in setting policies and stockholders' inability to exert control over those policies increase the uncertainty and risks a stockholder faces.

Regulatory Registrations. Iroquois Valley REIT is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority ("FINRA"), and is consequently not subject to the record-keeping and specific business practice provisions of the Exchange Act and the rules of FINRA. In addition, Iroquois Valley REIT is not registered as an investment adviser under the Investment Advisers Act, and consequently is not subject to the record-keeping, disclosure and other fiduciary obligations specified in the Investment Advisers Act.

Absence of Registration Under Securities Laws. The Shares being offered hereby have not been registered under the Securities Act, or any applicable state securities or "blue sky" laws. The Shares are being offered and sold pursuant to exemptions from the registration requirements of such laws. Therefore, no regulatory authority has reviewed this Memorandum or the terms of this Offering. Further, investors do not necessarily have any of the protections afforded by applicable federal and state securities laws that may apply in registered offerings.

Compliance with Registration Exemptions. A failure by Iroquois Valley REIT to comply with certain of the registration exemptions being claimed by it under the Securities Act or state securities laws for this Offering could result in the investors being entitled to rescind their purchase of Shares. If a significant number of investors were successfully to seek rescission, Iroquois Valley Farms as a whole would face severe financial demands that could adversely affect it and, thus, the non-rescinding investors.

New Regulatory Environment. The Offering described herein is being made in reliance on Rule 506(c) of Regulation D promulgated by the SEC in 2013 pursuant to the Jump Start Our Business Act. Because Rule 506(c) is new and has had limited administrative or judicial review, there are few legal precedents to guide state or federal regulators' interpretations of the rules which increase Iroquois Valley REIT's risk of non-compliance when operating under the Rule 506(c) exemption.



Description of Securities

Summary Of Offering Terms	
<p><i>This summary of terms of the offering (the “Offering”) of shares of common stock, par value \$0.01 per share, of Iroquois Valley REIT (the “Shares”) is intended solely for convenient reference and is qualified in its entirety by reference to the remainder of this Private Placement Memorandum (this “Memorandum”), the Subscription Agreement appended hereto as Appendix I, Iroquois Valley REIT’s Bylaws (the “Bylaws”) appended hereto as Appendix II, and Iroquois Valley REIT’s Certificate of Incorporation (“Certificate of Incorporation”) appended hereto as Appendix III. All of the foregoing must be read together in their entirety by prospective investors for a complete understanding of Iroquois Valley REIT, the Company and the Offering of the Shares. Any capitalized terms used but not defined in this Memorandum shall have the meaning given to such terms in the aforementioned documents.</i></p>	
Iroquois Valley REIT	Iroquois Valley Farmland REIT, PBC, is a Delaware public benefit corporation, organized on September 26, 2016.
Purpose	The nature of the Iroquois Valley REIT’s business and the purposes to be conducted or promoted by it shall be to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware. Iroquois Valley REIT, the parent of Iroquois Valley Farms, is a public benefit corporation and is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. Iroquois Valley REIT will be managed in a manner that balances its stockholders’ pecuniary interests, the best interests of those materially affected by the Iroquois Valley REIT’s conduct, and the public benefit or public benefits described in its Certificate of Incorporation. The specific public benefit purpose of Iroquois Valley REIT is enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures. As a result of its status as a public benefit corporation, Iroquois Valley REIT may not maximize financial gain, and consequently, could reduce the value of Shares offered hereby.
Use of Proceeds	The Company anticipates using the offering proceeds for new farmland investments, including the acquisition of farmland and mortgage financings secured by farmland. The Company has a growing pipeline of nearly \$20 million farmland investment opportunities (based on active and preliminary opportunities).
Type of Security	Iroquois Valley REIT is offering up to 24,400 shares of its common stock.
Minimum Purchase	\$30,750, which represents 50 shares at a price of \$615 per Share. At Iroquois Valley Farms’ discretion, it may accept a subscription for less than the minimum amount and may reject any subscription in whole or in part for any reason. Investors must purchase whole Shares; no fractional Shares will be issued in this Offering.



Ranking	Iroquois Valley REIT has only one class of stock (common stock). No other class of stock is senior to common stock with respect to the payment of dividends, and rights upon liquidation, dissolution or winding up.
Dividends	Stockholders are entitled to receive dividends, when and as authorized by Iroquois Valley REIT's Board of Directors and declared by Iroquois Valley REIT out of legally available funds.
Hold Period	Iroquois Valley REIT has a stockholder redemption policy issued by the Board of Directors that allows for investors, after a seven-year hold period put Shares back to Iroquois Valley REIT at the then assessed fair value.
Voting Rights	Stockholders will be able to vote on matters pertaining to Iroquois Valley REIT that are brought to the stockholders for a vote by Iroquois Valley REIT's Board of Directors.
Transfer Restrictions	<p>None of the Shares may be sold or otherwise transferred unless the holder thereof delivers evidence, to the satisfaction of Iroquois Valley REIT that such sale or other transfer of the Shares is made in compliance with all federal and state securities laws. Any sale or transfer of the Shares made in violation of any federal or state securities laws shall be void <i>ab initio</i>.</p> <p>In addition, the Shares are subject to the restrictions on ownership and transfer set forth in the Bylaws. In order to ensure that Iroquois Valley REIT remains qualified as a REIT for U.S. federal income tax purposes, among other purposes, the Bylaws provide that unless an exemption is granted prospectively or retroactively by Iroquois Valley REIT's Board of Directors, no person (as defined to include entities) may own more than 9.8% in value of the aggregate of Iroquois Valley REIT's outstanding shares of capital stock or more than 9.8%, in value or in number of shares, whichever is more restrictive, of the aggregate of its outstanding shares of common stock. The Shares will also be subject to all of the other restrictions on ownership and transfer contained in the Bylaws.</p>
Investor Suitability	The Shares will be sold only to "Accredited Investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.
Closings	The initial closing shall be deemed to occur on the date upon which Iroquois Valley REIT receives the first subscription for and purchase by a prospective investor of Shares offered under this Offering and such prospective investor's subscription for Securities is accepted by the Company pursuant to the terms of the Subscription Agreement. Unless terminated earlier by Iroquois Valley REIT in its sole discretion, the Offering will remain open until December 31, 2017 (the " Final Closing Date "); provided, however, that Iroquois Valley REIT may extend the Final Closing Date on one or more occasions with approval of its Board of Directors



Manner of Subscribing	Prospective investors may subscribe for Shares by completing, executing and delivering a Subscription Agreement, a copy of which is included herewith as Appendix I. The execution and delivery of the Subscription Agreement by a prospective investor constitutes a binding offer to purchase the Securities set forth therein and an agreement to hold such offer open until it is either accepted or rejected by Iroquois Valley REIT. Pursuant to securities exemptions applicable to the Offering, namely SEC Rule 506(c) and related state laws, Iroquois Valley REIT must verify the accredited status of each investor. Each prospective investor will be required to submit extensive financial information so that Iroquois Valley REIT can satisfy its verification obligation as part of the subscription documents.
Risk Factors	An investment in the Shares carry certain risks, including without limitation business risks associated with investments in farmland, investments in organic and specialty crops, investments in farmstead houses and structures, investments generally, illiquidity of investment, lack of collateral, risk of loss of principal, reliance on key personnel, limited transferability, tax risks, conflicts of interest, and lack of management control (see "Risk Factors").



Business and Farmland

The Company is one of the first private enterprises in North America to connect investors and farmers with organic farmland. Since 2007, it has been providing farmers, mostly young, with land access. Having recently completed 10 seasons, the Company proudly notes that over 70% of the tenancy of leased farms is millennial. While this next generation focus is one of the most recognizable social impacts of any farmland entity, the Company is committed to expanding its social outreach to the next generation of investors as well. Historically fundraising has focused on accredited investors (35 states represented across more than 240 equity investors and nearly 80 promissory notes outstanding) but the Company plans to further broaden its reach to non-accredited investors. This is significant due to the growing need for more capital for millennial farmland access. As an organic farmland finance company, Iroquois Valley Farms uniquely distinguishes itself as an entity geared to provide a generational commitment to farmers through long-term, renewable leases. The Company's decentralized business model, enabling each farmer to run their own business, is indefinitely scalable. Total farmland owned or mortgaged to date exceeds 5,600 acres. The Company anticipates continued growth for many years through this Offering and subsequent private offerings.

Business Progression

Iroquois Valley LLC started with one farm (Hoekstra in Iroquois County, IL) and ten investors in 2007. In 2008, the same investors purchased a second farm, Martin (also in Iroquois County). These two farms have been renamed Iroquois Valley East and West, respectively. Both of those properties went through a three year organic certification transition. After the base model was proven, Iroquois Valley LLC started expanding by bringing in new investor capital to expand the farmer and farm base of the business. By December 2013, Iroquois Valley LLC had achieved 100 investors, all focused on supporting organic farmers. These core investors understood how important long-term supportive capital was to the Iroquois Valley Farms' farm families. As of the Offering Iroquois Valley REIT has over 240 equity investors and Iroquois Valley LLC has nearly 80 Young Farmer Land Access Notes and Soil Restoration Notes outstanding. Given the nature of these securities, in both duration and liquidity, these investors understand the need to support farmers via long-term commitments.

Development of Iroquois Valley Farms			
Phase 1	2007 - 2010 Transition the Land		10 Investors
Phase 2	2011 - 2013 Transition the Capital		100 Investors
Phase 3	2014+ Organic Growth and Regeneration (of Capital)		Targeting 1000+ Investors



Establishment of the Mortgage Business

In 2016, Iroquois Valley Farms initiated a mortgage financing product to complement its longstanding lease operations. The new intermediate term debt product enhances portfolio diversification by farm location, food production, the credit quality of borrower and a more consistent income stream. While leasing is essentially 100% financing, the mortgages funded normally required a 25% equity position provided by the borrower. The farms mortgaged through financings are more likely to be stabilized operations that are the foundation of the family business. The Company also used the mortgage product to diversify into new markets such as Vermont, Minnesota, and Iowa. Lastly, many of the newly mortgaged acres were for pasture based operations (primarily dairy and meat), increasing diversity for our mostly organic vegetarian/grain/legume mix of business. Overall, the mortgage business was limited by Board policy to a maximum of issuance of 30% of assets. The Company expects to continue to review the mortgage business and its role within the long-term business operations.

Triple Bottom Line Impact Investing

The Company focuses on regenerative and organic agriculture that positively impacts the health and sustainability of food systems, farming communities and the environment. Additionally, the Company supports family farms and helps transition to the next generation of sustainable farmers. Supporting these farmers is so important that the Company created the Young Farmer Land Access Program. Overall, the Company's goal is to build a profitable farmland finance company that can provide long-term land access to family farmers that improve the health of the food produced and soils farmed. In recognition of the importance of preserving the positive social and environmental impacts as the business grows, Iroquois Valley LLC obtained a B Corporation Certification and was one of the first businesses to create a Director of Impact position, a unique role for socially responsible companies that helps maintain and guide the positive impacts. In 2016, it was awarded Best for the World among Certified B Corporations. Additionally, Iroquois Valley LLC has been distinguished as an ImpactAssets 50 Company in each of the last five years. In addition, upon formation Iroquois Valley REIT elected to take Public Benefit Corporation status, a legal designation that solidifies Iroquois Valley REIT as operating with recognition and consideration for other stakeholders. This status emphasizes Iroquois Valley Farms commitment to the triple-bottom-line.

Recognition of Company Impacts

<p>ImpactAsset 50 Manager Five years in a row</p>		
	<p>Certified B Corporation Since 2012</p>	
	<p>Young Farmer Land Access Approximately 2,800 acres \$18 million in farmland</p>	

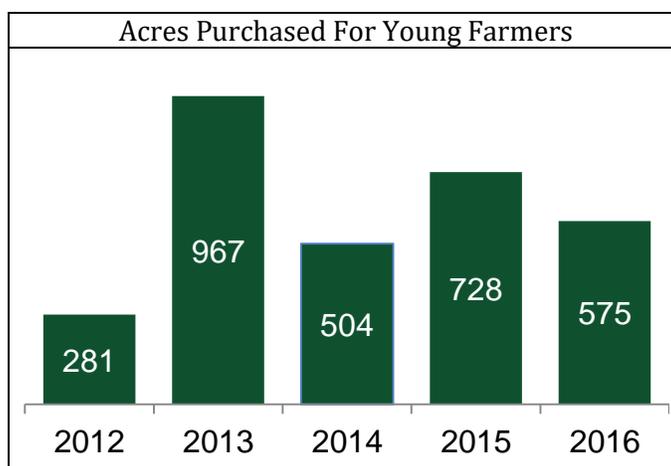
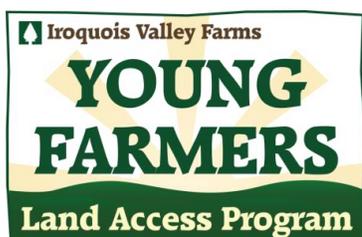
Investment Strategy

The Company does not look for particular farmland to purchase. Instead, the Company's land acquisition strategy is reactive to the locational needs for existing organic farmers. The



Company started operations in the Midwest with the mid-size family farmer as the primary tenant. In some instances these farmers were already leasing the land that was acquired by the Company. In such situations, the Company was merely keeping the same farmer on land that their family may have leased for generations. Most frequently, the Company is purchasing farmland that was previously farmed conventionally and leasing it to an organic farmer that will bring the property through an organic transition and obtain USDA Organic certification.

Additionally, many young farmers who are looking to expand or initiate farming operations contact the Company with land opportunities. Some of these acquisition plans involve years of development and farmer preparation. Maintaining and supporting this pipeline of young farmer prospects is a critical part of the Company's Young Farmer Land Access Program. Since 2012, Iroquois Valley Farms impacted young farmers by purchasing and leasing to them nearly \$18 million of farmland, representing land access on approximately 2,800 acres. The Company's purchases allow the young farmers to start or expand their organic farming businesses. Most of these young farmers are third or fourth generation on the farm.



The mortgage business developed after years of watching organic and transitioning farmers search for financing terms better aligned with their organic business model. From this unmet and ongoing demand, the Company is focused on being an intermediate lender generally providing five year fixed interest rate terms with a floating rate renewal. Iroquois Valley Farms provides low or no amortization loans for the initial term to better improve business flows and support a successful transition. Borrowers are typically seasoned farm operators. During the diligence process, the Company reviews asset values, business cash flows and borrower credit history to determine the suitability of a potential mortgage loan investment. Board policy is focused on loan-to-value ratios of less than 75% and frequently the Company is refinancing existing loans to improve cash flow of the business.

Commitment to the Land

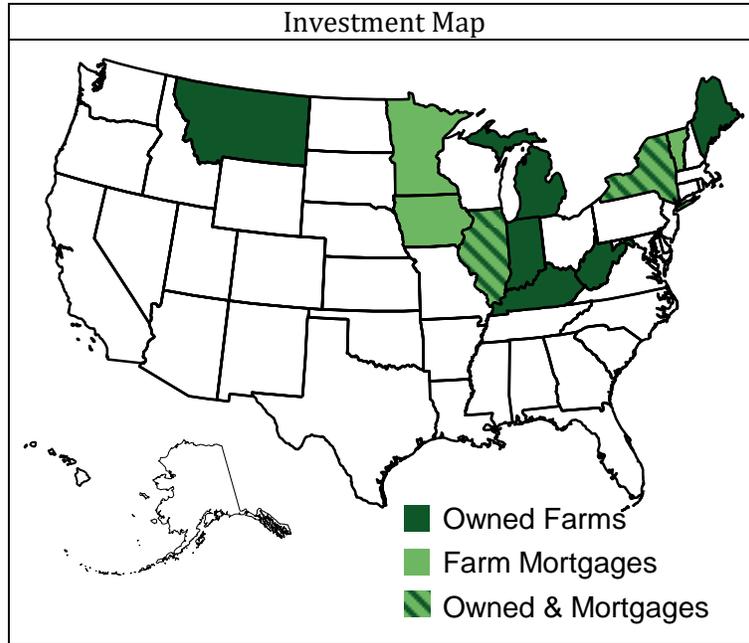
A distinguishing characteristic of Iroquois Valley Farms is the ability of the Company to make a long-term commitment to the farmers with whom the Company works. Using a corporate structure, in which investors sell or redeem shares rather than force asset liquidation, Iroquois Valley Farms is able to make open-ended lease commitments to farmers. From the farmers' perspective, this compares favorably against other lease options that frequently have finite periods. The Company likes to call the limited lifespan commitments the "Well Hopefully" strategy. What happens when the owner(s) desire to sell the property? "Well hopefully" the



farmer can purchase the property. Iroquois Valley Farms avoids this problem by providing indefinitely renewable lease commitments.

Investment Summary

The Company has a portfolio of 40 organic farmland investments. This portfolio covers 29 counties across 11 different states. The biggest investment class of the portfolio is owned farmland with 32 farms acquired since 2007. Most recently the Company started growing a new segment of its investment portfolio, mortgage loan financing. Iroquois Valley Farms has completed eight mortgage loan investments since February 2016 when it completed its first mortgage loan. The tables below provide the details of the Company's investments.



Mortgage Loan Summary					
Farm	Issue Year	Amount	Status	State	County
Mint Creek	2016	\$1,250,000	Organic	IL	Ford
HoneyMade	2016	175,000	NOFA Pledge	NY	Columbia
Yker Acres	2016	350,000	Transitional	MN	Carlton
Strafford	2016	350,000	Transitional	VT	Orange
Fair Acres	2016	1,500,000	Transitional	IA	Marion
Beyercrest	2017	1,400,000	Organic	MN	Winona
Englehard	2017	1,000,000	Organic	MI	Tuscola
Minnawanna	2017	256,000	Organic	MN	Olmstead

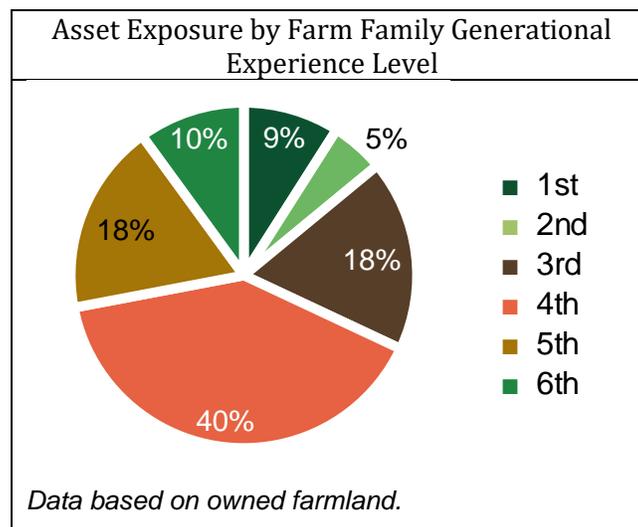


Farmland Summary Table					
Farm	Purchase Year	Acres	Status	State	County
Hoekstra	2007	81	Organic	IL	Iroquois
Martin	2008	160	Organic	IL	Iroquois
Denker	2011	225	Organic	IL	Livingston
Pleasant Ridge	2011	76	Organic	IL	Livingston
Old Oak	2012	121	Organic	IN	Huntington
Rock Creek	2012	80	Organic	IL	Will
Hedge Creek	2012	80	Organic	IL	Will
Red Oak	2013	115	Organic	IN	Boone
Jackman	2013	71	Organic	IN	Boone
Mooday	2013	59	Organic	IN	Montgomery
Shiawassee	2013	238	Organic	MI	Shiawassee
Mary Ellen's	2013	115	Organic	IL	Iroquois
Taconic Ridge	2013	134	Organic	NY	Washington
One Bottom	2013	40	Organic	IL	Iroquois
Sparta Woods	2013	166	Organic	IN	Noble
Union Fair	2014	180	Organic	ME	Knox
Healing Ground	2014	110	Transitional	KY	Rockcastle
Two Roads	2014	240	Organic	IL	Shelby
Mystic River	2014	175	Transitional	WV	Monroe
Brindle	2014	65	Transitional	IN	Allen
Lakeville	2014	259	Transitional	IN	St. Joseph
Mackinaw	2015	114	Transitional	IL	Ford
South Grove	2015	77	Transitional	IL	Dekalb
Earlville	2015	177	Organic	NY	Madison
Saginaw Bay	2015	230	Transitional	MI	Tuscola
Jubilee	2015	53	Transitional	IN	Elkhart
Yoder	2015	79	Transitional	IN	Allen
Tower Road	2016	80	Transitional	IL	Dekalb
Bahasaba	2016	320	Organic	MT	Hill
Lake Wawasee	2016	99	Transitional	IN	Noble
Tippecanoe	2016	116	Transitional	IN	Kosciusko
Susquehanna	2016	280	Organic	NY	Chenango



Delinquency and Rental Loss History

Iroquois Valley Farms was purposefully established with multi-generational farm families. All of the initial tenants in the first six-years of operation were 3rd, 4th, 5th, or 6th generation on the farm. During those early years, credit loss was not an option and a conservative approach was taken. In fact, until 2015 there was a 100% farmer retention rate. As the business developed and became profitable, the Company started working with 1st and 2nd generation farm families. At the same time, geographic and operational diversification increased to mitigate the increased credit risk. Today, the Company has a very diverse mix of 1st to 6th generation farmer experience. Management focuses a sizeable amount of time mitigating the difficult economics of an organic transition, especially for the 1st and 2nd generation farmers, where most of the delinquency experience lies. The Company anticipates further support for transitioning and next generation farmers, while also recapitalizing (through refinancing) the more established organic farm base actively growing their existing businesses.



In 2015, Iroquois Valley LLC began to offer intermediate farm mortgages for three primary reasons:

- (1) diversify and enhance overall credit risk of the portfolio;
- (2) increase income; and
- (3) develop and scale new markets.

The leasing portfolio can be considered 100% “financing” of the land, but the mortgage portfolio is usually capped at 75% loan-to-value limit, thereby significantly lowering the risk of delinquency and default. Additionally, the farmer bears the risk of land devaluation, which lowers the portfolio risk. Currently, the Company has limited mortgages to a 30% cap on the total asset base.

The Company’s core tenants and borrowers are multigenerational farm families with established businesses. As such the Company has only had two vacancies in its ten-year history and one was caused by factors completely unrelated to farm operations (after a near-death injury a previous tenant decided that he was no longer capable of handling the physical rigors of farming). Both of those farms have been subsequently re-leased. It is the policy of the Company to keep all farms leased on long-term, renewable contracts. If a tenant is unable to pay, declaring a default and re-leasing the land to another tenant is the last resort. Instead, the



Company will generally try to improve the land or structures to support the tenant. Examples of improvements include drainage, storage, soil amendments, etc.

Historical Vacancies				
Farm	State	Tenant Generation	Vacancy Year	Resolution
Union Fair	ME	2nd	2015	Re-leased
Rock Creek / Hedge Creek	IL	3rd	2015	Re-leased

As of the date of the offering, the Company had four tenants for which the Company has “bad debt” outstanding or had put into a “work-out” process. On one of those situations the Company believes the tenant will come to a resolution with the Company with full repayment of past due balances. With two farm families, the Company has achieved a resolution with a reduced lease payment schedule to adjust for the various factors that influenced farm performance. In the final situation, the Company has declared the tenant in default and has already lined up a new potential tenant. With one tenant, not depicted below, the Company has fully collected previously written-off amounts related to 2016 payments.

“Work-out” Farms				
Farm	State	Tenant Generation	Expected Rental Income Loss	Resolution
Union Fair	ME	2nd	Partial	Re-negotiated lease
Mackinaw	IL	2nd	Full	Default declared
Shiawasee	MI	3rd	TBD	Resolution in progress
Healing Ground	KY	1st	None	Delayed payments

In all of these situations Iroquois Valley Farms has written-off rental income in accordance with appropriate accounting standards. The total write-offs for 2016 equate to approximately \$60 thousand (less than 1% of 2016 year-end assets). Management had taken a conservative approach when recording the write-off and, in-fact, half of the written-off amount has subsequently been collected.

After giving effect to the write-offs, Iroquois Valley LLC had 60 day past due receivables of \$24,605. Historically, delinquencies have been of a seasonal nature as organic crop deliveries can take longer than conventional – which often results in 90 day past dues. As a percentage of total assets, 120 days late are less than one-tenth of one-percent. There are no delinquencies on our mortgaged assets.

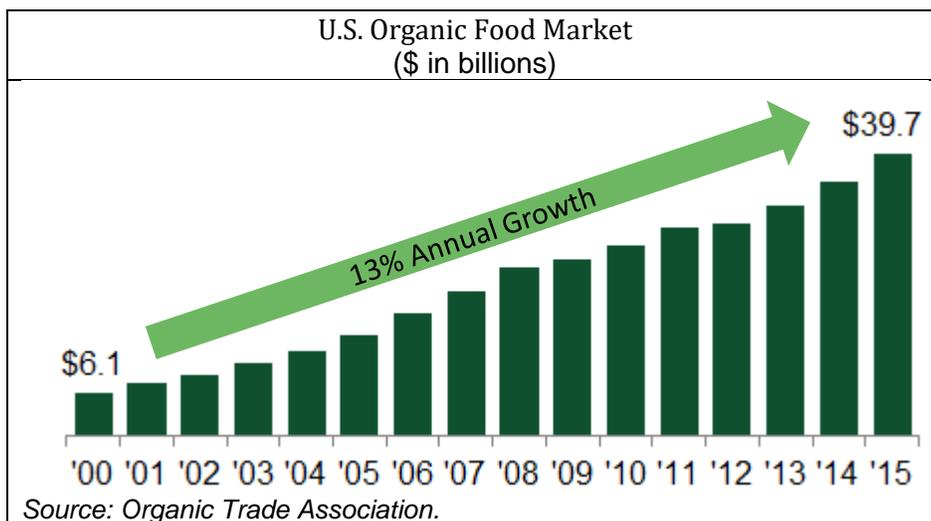
Past Due Receivables		
60-89 Days	90-121 Days	120+ Days
\$0	\$3,797	\$20,808
<i>Excludes accrued revenue for variable rent and crop income.</i>		

Organic Market Overview

The U.S. organic food market grew 11% in 2015 and represents a \$40 billion industry according to the Organic Trade Association (“OTA”). Since 2000, the organic food market has grown over 13% annually. In the last ten years alone the market has tripled in size. This compares favorably to the total U.S. food market, which grew less than 4% annually over the same time period. The number of consumers drawn to healthy and sustainably grown food and products continues to



increase. The OTA further reports that eight out of ten families (81%) now purchase organic products. This trend is consistent across the globe. In 2015, Grand View Research forecasted the global organic market to grow by 16% per year until 2020. This growth bodes well for farms that have already transitioned or are currently transitioning to organic. The normal organic transition time is three years for farms that were previously under conventional management, thus increases in demand for organic products cannot be immediately met by new supply. All of the Company's existing farms are scheduled to be certified organic by the end of 2019.



Profitability of Organic Farming Operations

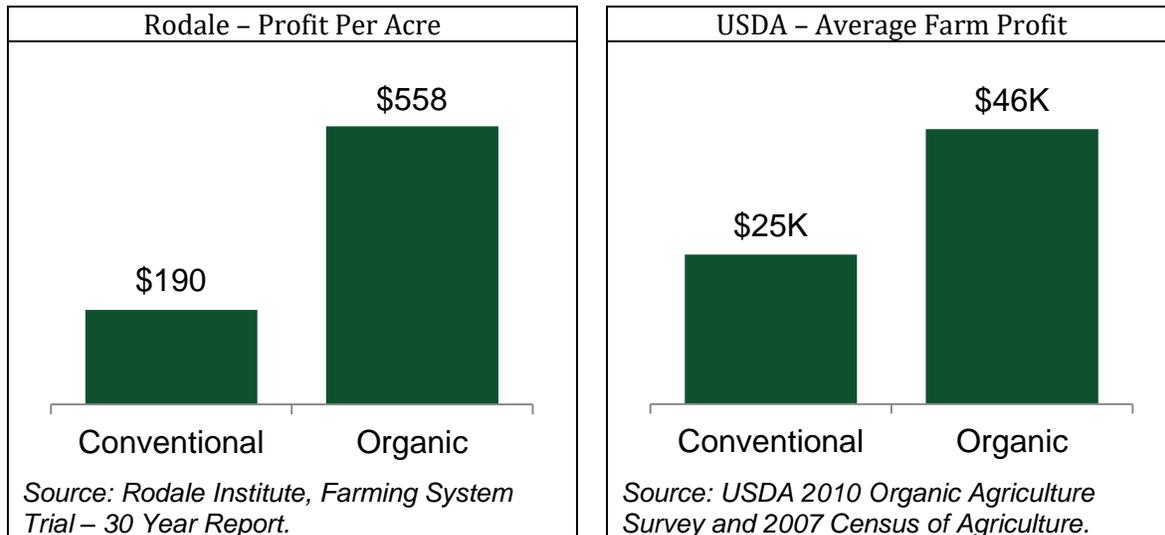
Organic farmers earn 22-35% more than non-organic farmers. A study released in 2015 by the Proceedings of the National Science Academy highlighted that organic farmers make more money than conventional peers. The global study indicated that the organic breakeven premium, the price premium needed of organic production to make the same profit as conventional farmers, is only 5-7%, but that most organic production has a 30% price premium. This gives organic farmers a significant edge in profitability versus conventional farmers. This data had previously been collaborated by the USDA. The National Agricultural Statistics Service (“NASS”) released a 2010 organic survey on 2008 farm data that concluded organic farms have profits averaging \$46,000. This figure is nearly twice as much as farm profits from the 2007 Census of Agriculture, which showed that across all farms, the average profit was \$25,000.

These findings are further independently supported by the 30-year report of the Rodale Farm Systems Trial, which concluded that organic farms generate \$558 in profit per acre per year compared to conventional farms that earn \$190 profit per acre per year. The Rodale research further determined that organic farm yields match those of conventional farms, organic farms outperform conventional farms in years of drought, organic farming systems build rather than deplete soil organic matter, organic farming uses 45% less energy, and conventional systems produce 40% more greenhouse gases.

Organic farms, in addition to being more profitable and better for the environment, are also better for each farm's respective local economy. Based on a report from the OTA, the organic food industry created over 500,000 jobs in 2010. Furthermore, the use of organically produced ingredients generates 21% more jobs than would have been created if the food industry had relied solely on conventional farms for its ingredients. One of the major reasons for the



improvement in job creation with organics versus conventional foods is the labor intensity on organic farms. The higher operating costs associated with organic farms mainly comes from additional labor required relative to conventional farms. Much of this additional labor on an organic farm replaces the use of pesticides, fuel, and other synthetic inputs. Payment made to additional farmhands instead of chemicals leads to more money entering the local economy and not transferring to non-resident chemical manufacturers.



Healthy Soils Fight Climate Change

New research is proving that healthy soil, one in which the natural biological activity is fostered not destroyed, can have a huge impact in mitigating climate change by storing carbon that exists in the atmosphere into the soil. A report issued by Northeast Organic Farming Association of Massachusetts that cited numerous scientific studies calculated that global agricultural land has the ability remove enough carbon to drop atmospheric levels to 350 ppm. The target level which scientists generally say the world needs to be below in order to prevent significant climate change. It is further acknowledged in this report that Organic operations use most of the soil-building methods desired for putting carbon back into the ground.

Vision Statement

Iroquois Valley Farms has adopted corporate ownership as the most generationally focused, indefinitely scalable and democratically governed structure suitable to its vision of permanently impacting sustainable agriculture. Embodied in this vision are the following seven guiding principles.

- I. **Enable the next generation of young farmers to positively impact world health.**
- II. **Farm with healthy, humane and organic practices** without GMOs, toxic pesticides, herbicides, fungicides, synthetic fertilizers or other harmful chemicals.
- III. **Keep the farmers on the land** by indefinitely renewing their leases and preferentially selling to the farm tenant. Members trade "stock", not land.
- IV. **Grow a broad-based capital membership**, reaching thousands of like-minded investors concerned about the health of people, the planet and financial stability.
- V. **Transition traditional investment capital** from conventional trading and extractive practices to renewable and regenerative uses.



- VI. **Maintain a fairly valued, democratically governed enterprise** enabling both Members and farmers to enjoy a stable and profitable return on their farming investment.
- VII. **Protect farmland.**



Offering Price Factors

As of December 31, 2016 the equity value per Share of Iroquois Valley REIT's common stock under Generally Accepted Account Principles ("GAAP") is \$513 without dilution and on a fully diluted basis. This reflects the book value of the assets, the cost basis, less depreciation. Iroquois Valley Farms and its Board do not believe this accurately represents the fair market value of the Company. In determining a fair price for the Offering, the Board assessed a value based on its best-estimate for the market value of Iroquois Valley Farms.

The starting point for the Board approved pricing level was independent appraisals on owned farmland. While the Company and Board believe that organic farmland is undervalued when only using the appraised value it provides a good independent reference point. From this starting valuation, the Board added an incremental value of \$350 per acre for farms that have gone through the organic transition process and received certification or will receive certification in this year (excluding acres purchased this year and acres not actively used in farming operations—waterways and forests). Given studies show income is higher on certified organic farms, the organic premium is a method to capture the value premium of organic farmland created by its higher income potential. This value is infrequently captured in standard third party appraisals that solely use conventional metrics and comparable sales. Inclusion of an organic premium in the price calculation was initiated for the Iroquois Valley LLC December 31, 2012 valuation and has been consistently applied. The premium represents the Board's best and most reasonable estimate of the value differential between conventional and certified organic farmland. On select farms that have consistently achieved strong variable revenue (above that of the base rent), Iroquois Valley Farms also looked at a capitalization rate analysis. The capitalization rate was based of comparable metrics from publicly traded farmland companies and publicly available information. On four farms, the Board used the valuation implied by the net-revenue capitalization rate over the appraised value (with premium).

After compiling a market asset value, the Board also added a ten-percent operating company premium. The premium is based on, among many things, the diversification value that a corporate portfolio brings, the Company's track record of selecting farm tenants, the business relationships that have been developed with generations of farmers, farmer associations and farmer cooperatives, the growth potential of the Company (including the new mortgage business), Iroquois Valley Farms' history of innovation in conservation finance and the impact investing space, Iroquois Valley Farms' unique scalability as a decentralized entity in the high growth organic market and the future earnings potential and economic efficiencies of the new REIT structure. Given that Company is in growth mode many standard REIT valuation metrics are not applicable or available. In order to provide a fair valuation for existing investors, the Board felt that a modest ten-percent premium was appropriate (see "Risk Factors—Determination of Offering Price").

The table below outlines various steps and figures associated with the Board approved valuation of \$615 per Iroquois Valley REIT Share (fully diluted).



	2015 Valuation	2016 Valuation	
		Book / Cost Basis	Market Asset Value
Investments in Farmland		\$25,268,757	\$27,407,050
Investments in Farmland Mortgages		3,598,641	3,598,641
Cash		560,948	560,948
Accounts Receivable		343,588	343,588
Other		97,361	97,361
Total Assets		\$29,869,295	\$32,007,588
Total Liabilities		\$8,316,428	\$8,316,428
Equity Value	\$19,084,316	\$21,552,867	\$23,691,160
Shares Outstanding	33,415.229	42,042.966	42,042.966
Equity Value per Share	\$571	\$513	\$563
Equity Value per Share (diluted)	\$568	\$513	\$562
Operating Company Premium (1)			\$2,369,116
Adjusted Equity Value (2)			\$26,060,277
Adj. Equity Value per Share			\$620
Adj. Equity Value per Share (diluted)			\$615

Note: Diluted share count reflects the effects of option dilution on the value per share calculation.

(1) Reflects a 10% premium applied to the equity value.

(2) Equals Equity Value plus Operating Company Premium.

In the last 12 months Iroquois Valley Farms issued the equivalent of 5,384 new Shares (adjusted for the 4-for-1 REIT exchange) in a previous private offering covering 17 states (California, Florida, Illinois, Indiana, Massachusetts, Maryland, Minnesota, North Carolina, New Hampshire, New York, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Wisconsin).

The following table sets forth certain information regarding the ownership of Iroquois Valley REIT's Shares as of the Offering Date assuming the sale of all of the Shares pursuant to the Offering to persons who are not currently stockholders of Iroquois Valley REIT (excluding any possible redemptions).

Owner	Shares	Percentage Ownership	
		Before Offering	After Offering
Existing Members	41,691	100%	63%
New Investors	24,400	0%	37%
Total	66,091	100%	100%

When factoring in the effects of option dilution, without consideration for any buybacks from option proceeds Iroquois Valley REIT may receive, the total Shares outstanding would be as follows (excluding any possible redemptions).



	Shares	Options	Total	Percent of Total	
				Interests	Options
Before Offering	41,691	2,638	44,328	94%	6%
Fully Subscribed Offering	66,091	2,638	68,728	96%	4%



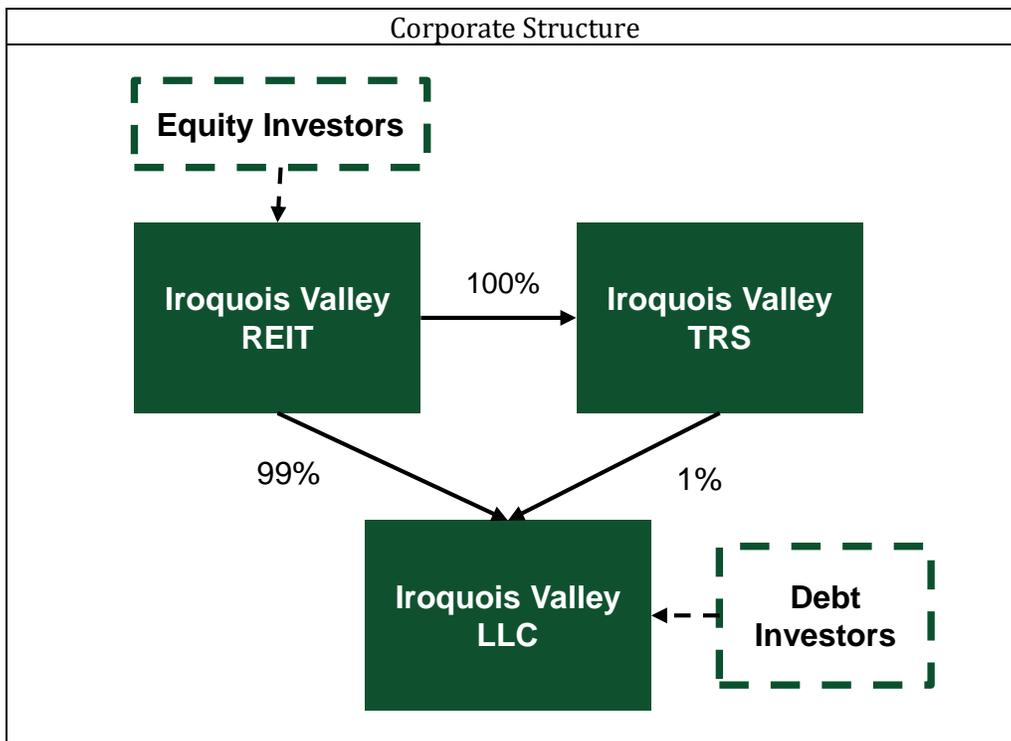
Operating Structure

Iroquois Valley REIT was incorporated on September 26, 2016 as a Delaware public benefit corporation, and has elected to be taxed, and operates in a manner that will allow it to qualify as a REIT for U.S. federal income tax purposes beginning with the taxable year ending on December 31, 2017.

As a public benefit corporation, Iroquois Valley REIT is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. Iroquois Valley REIT will be managed in a manner that balances its stockholders' pecuniary interests, the best interests of those materially affected by the Iroquois Valley REIT's conduct, and the public benefit or public benefits described in its Certificate of Incorporation. The specific public benefit purpose of Iroquois Valley REIT is enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures.

None of the entities within Iroquois Valley Farms collective whole is a mutual fund or an investment company within the meaning of the Investment Company Act of 1940, nor is the Company subject to any regulation thereunder. As a REIT, Iroquois Valley REIT is required to satisfy certain tests which are unique to REITs under provisions of the Code. These requirements are explained in detail in the "Risk Factors" and "Federal Tax Aspects" sections of this Memorandum.

Iroquois Valley REIT owns (a) 99% of Iroquois Valley LLC, and (b) 100% of Iroquois Valley TRS. The day-to-day operations of Iroquois Valley REIT are operated through Iroquois Valley LLC.



Use of Proceeds

The following table sets forth the use of the proceeds from this Offering:

(\$ in thousands)	If Minimum Sold		If Maximum Sold	
	\$	%	\$	%
Total Proceeds	NA	NA	\$15,006,000	100%
Less: Offering Expenses				
Commissions & Finders Fees (1)	--	--	0	0%
Legal & Accounting	--	--	15,000	0%
Filing Fees	--	--	15,000	0%
Copying & Advertising	--	--	4,000	0%
Net Proceeds From Offering	NA	NA	\$14,972,000	100%
Use of Net Proceeds				
Farmland Investments (2)	--	--	\$14,472,000	96%
Repay Debt	--	--	--	--
Working Capital	--	--	--	--
Dividend	--	--	--	--
Repurchase Interests (3)	--	--	500,000	3%
Total Use of Net Proceeds	NA	NA	\$14,972,000	100%

(1) The Company reserves the right in the future and without notice to engage either a placement agent or broker-dealer (or both) to assist it in selling the Shares offered hereby and, in the event the Company does engage such placement agent or broker-dealer (or both), the resulting professional fees would reduce the proceeds to the Company from this Offering by the amount of the total of such fees and commissions

(2) The Company may choose to use net proceeds from the Offering to reduce outstanding debt, provide for working capital purposes, issue a distribution, or repurchase/redeem outstanding Shares.

(3) Consistent with the Share repurchase program approved by the Board, the Company has allocated \$500,000 for the redemption of Shares. While the Company does not believe existing Stockholders eligible for redemption will exercise the put rights up to this level, this assumes approximately half of the eligible Shares will be redeemed.

The proceeds to the Iroquois Valley Farms are estimated to be approximately \$15 million should the Offering be completely subscribed exclusive of any offering expenses, including, without limitation, legal fees, printing fees, filing fees or accounting fees (cumulatively estimated to be less than one percent of the total offering). Because no agent or broker-dealer is selling the Shares on behalf of the Company, the Company intends to use the proceeds that would otherwise be dedicated to paying such fees and commissions to acquire additional farmland and/or provide additional secured farmland mortgages. The Company's intention is to use Offering proceeds less any redemptions made through the redemption program for farmland investments. However, the Company may reduce outstanding debt, provide cash for working capital purposes, or pay a dividend to stockholders. In case of delay in the uses of funds, the



Company intends to invest the net proceeds of the Offering in short-term, investment-grade interest-bearing securities or maintain deposits with its lender or bank.

In line with the Company's plans to make farmland investments, the Company maintains a pipeline of prospective investments. Iroquois Valley Farms currently has \$5 million of investments contracted or committed and another \$4 million that have passed the preliminary leads status to evaluating. These investments are outlined in the table below.

Operation	Status	Location (Cty)	Inv. Type	Acres	Value	
100% Grass-fed Dairy	Contract	Augusta, VA	Purchase	215	1,225,000	
Aronia Berries and Grains	Commitment	Boone, IA	Refinance	77	500,000	
Poultry based Permaculture	Commitment	Dakota, MN	Financing	40	200,000	
Vegetables	Commitment	Filmore, MN	Financing	26	222,480	
Vegetables	Commitment	Filmore, MN	Financing	41	272,810	
Grains, Hay, and Cattle	Commitment	Seneca, OH	Purchase	400	2,760,000	
Beef Cattle	Evaluating	Rutland, VT	TBD	310	1,050,000	
Diversified	Evaluating	Frederick, MD	Financing	171	800,000	
Dry-land Crop	Evaluating	Hill, MT	Purchase	640	800,000	
Grains, Vegetables	Evaluating	Pasquotank, NC	Purchase	420	1,680,000	
					Under Contract	1,225,000
					Commitment Letter	3,955,290
					Evaluating	4,330,000
					Total	9,510,290

The farms in which Iroquois Valley Farms has the opportunity to invest vary considerably in several ways: Operation Type (e.g. grains, dairy, vegetables, livestock); Location; Size; Dollar Value; Form of Investment (Purchase and Lease, Financing, Refinancing). Each of these investment opportunities are identified by the farmer. Iroquois Valley Farms is solely being reactive to the needs of the farmer. The source of the opportunity may reflect a personal connection a farmer has with a seller, a property listed with a broker, or a farm coming up for sale at auction. Ultimately, the farmer's need or opportunity drives the Company's relationship with them.

In addition to the table outlined above the Company is in preliminary or early stage discussions with farmers equating to another approximately \$10 million of potential investments. When combined with the active leads, the total pipeline would easily use the total proceeds of the current offering if the entire pipeline was brought to closing.

The amounts actually expended by the Company may vary significantly from the planned use of the proceeds set forth above, depending on numerous factors, including changes in the economic climate for the Company's proposed business operations, the amount of funds raised and the success or lack of success of the Company's business and marketing plan. Any reallocation of the net proceeds of the Offering will be made at the discretion of Iroquois Valley REIT's Board.

Iroquois Valley Farms (prior to the REIT conversion) had positive cash flow from operations during 2016 and does not require additional capital to maintain operations. This Offering will be



used for growth capital as outlined in this section and is not expected to be necessary to meet the Company's operating cash requirements for the next twelve months. In furtherance of its business plan to make additional farmland investments, the Company may raise additional funds, including additional debt securities, in addition to this Offering. Such offerings, if any, may be made within the next twelve months.



Capitalization

The table below sets forth the pro forma capitalization of the Company as a whole assuming a successful completion of the Offering. The table also provides a pro forma adjustment for a concurrent debt offering issued by Iroquois Valley LLC. That offering of Soil Restoration Notes, promissory notes offered by Iroquois Valley LLC, is for a total of \$5,000,000.

<i>(\$ in thousands)</i>	Actual as of 12/31/2016	Debt Offering (1)	Pro Forma for Offering	
			Minimum	Maximum (2)
Total Debt	\$8,164	\$5,000	NA	\$13,164
Members Equity	\$21,553		NA	\$36,025
Total Capitalization	\$29,717		NA	\$49,189
Debt / Equity	38%			37%
Debt / Capitalization	27%			27%

(1) Assumes full offering of Soil Restoration Notes concurrently being offered by Iroquois Valley LLC.

(2) Assumes full offering of 24,400 Shares with \$500,000 of proceeds used to redeem approximately 813 outstanding Shares from existing stockholders.



Plan of Distribution

The Company has never paid third parties to market its securities and plans to keep the same policy for the Offering. Historically, fee-only and fee-based financial advisors have provided a significant portion of the funds raised. No commission or other remuneration will be paid to the Board or any Officer in connection with the sale of the Shares. However, the Company does reserve the right in the future and without notice to engage either a placement agent or broker-dealer (or both) to assist it in selling the Shares offered hereby and, in the event the Company does engage such placement agent or broker-dealer (or both), the resulting professional fees would reduce the proceeds to the Company from this Offering by the amount of the total of such fees and commissions.

The key contact for Offering related questions and subscription inquiries is Kevin Egolf, Chief Financial Officer.

Offering Contact Information
Kevin Egolf Chief Financial Officer kegolf@iroquoisvalleyfarms.com 860-918-3563

There is no public trading market in which the Shares can be sold. While the Company will look to develop secondary and internal market options, no investor can be guaranteed the ability to sell or trade a Share. Transfers of Shares will be subject to the transfer restrictions in the Bylaws. Sales or other transfers may also only be made only in compliance with applicable federal and state securities laws. See “Risk Factors—Code Imposed Restrictions on Transfer”; “Risk Factors—Market Restrictions on Transfer”; and “Risk Factors— No Active Trading Market.”



Distribution, Transfers and Redemptions

In 2016, the first distribution to Members of Iroquois Valley LLC was made at an amount of \$1 per membership interest owned (or \$4 per Share adjusted for the REIT organization). Those members have reorganized into stockholders of Iroquois Valley REIT. Going forward, under the rules of a REIT, Iroquois Valley REIT will have to distribute to stockholders in the form of a dividend, at least 90% of its earnings. As such, future distributions will largely be determined by the earnings of the Company as a whole. It is the intention of the Company to minimize “double taxation,” paying taxes at Iroquois Valley REIT and also having stockholder pay taxes on dividends received. To minimize this event, Iroquois Valley REIT will look to dividend all positive earnings, as the Company is subject to taxes on earnings not distributed to stockholders. The Company will look to do make dividend payments annually or semi-annually in timing with the receipt of the majority of the Company’s rental income.

Iroquois Valley REIT’s Board of Directors has approved the right for stockholders to redeem up to 200 Shares per year at fair market value after a seven year holding period up to a maximum of five-percent of the existing equity base in any given year. To fund the redemption purchases, the Company has allocated a portion of the proceeds of this offering for the specific purpose of redeeming Shares. Going forward to the Company will look to use proceeds from future offerings and available cash to fund redemptions. Iroquois Valley Farms is also consistently looking at alternative options for further enhancing investor liquidity.

Prior to the redemption policy, it had been the practice of the Company to maintain a list of potential investors that were interested in purchasing additional Shares. The Company had been able to accommodate those wishing to sell Shares by informally connecting these parties. Should Iroquois Valley REIT not have an ongoing offering, it would look to continue facilitating private investor-to-investor sales of Shares. However, there can be no assurances that these opportunities will continue to exist or that any similar secondary market will be established. See “Risk Factors—Code Imposed Restrictions on Transfer”; “Risk Factors—Market Restrictions on Transfer”; and “Risk Factors— No Active Trading Market.”

The table below summarizes the annual external sales (investor-to-investor) and redemptions for the last seven years. Share counts have been adjusted for the reorganization.

Year	External Sales		Redemptions	
	Shares	\$	Shares	\$
2010	0	\$0	0	\$0
2011	518	207,000	0	0
2012	299	144,750	0	0
2013	131	72,036	0	0
2014	0	0	100	55,200
2015	0	0	355	201,722
2016	0	0	92	52,450



Officers and Key Personnel of the Company

The tables below outline the officers and key employees of the various legal entities that collectively create the Company. Following the tables biographies are provided for all the individuals listed and lists titles associated with the employee position at Iroquois Valley LLC.

Iroquois Valley Farmland REIT, PBC	
Name	Position
David E. Miller	President and Chief Executive Officer
Kevin Egolf	Treasurer
Arnold Lau	Secretary

Iroquois Valley Farmland TRS, Inc.	
Name	Position
David E. Miller	President
Kevin Egolf	Treasurer
Arnold Lau	Secretary

Iroquois Valley Farms, LLC	
Name	Position
David E. Miller	Co-founder and Chief Executive Officer
Arnold Lau	Chief Operating Officer
Kevin Egolf	Chief Financial Officer
John Steven Bianucci	Director of Impact
Claire Mesesan	Communications Manager
	Project Director, Conservation Innovation
Teresa Opheim	Grant
Sally Dodge and Dale	Northeast Community Development
Guldbrandsen	Managers

David E. Miller, Co-founder and Chief Executive Officer

After a 30-year career in corporate finance and real estate, Mr. Miller returned to his native Illinois landscape in 2005 by purchasing a 10 acre farm from a family estate of his relatives. Keeping the farm in the family, he re-connected with local relatives and friends farming organically. In 2007, he co-founded Iroquois Valley LLC to enable a new generation of farmers and investors to support healthy food production. Mr. Miller is currently CEO and President of Iroquois Valley REIT.

Prior to developing sustainable farmland ventures, Mr. Miller held executive positions at Bank of America, Santa Fe Southern Pacific and First Chicago Corporation, including the management and oversight of real estate and capital equipment leasing portfolios. In 2008 he formed Working Farms Capital, an entity seeding new ventures in sustainable agriculture while providing transitional farm management services.



Mr. Miller is a 1975 graduate of Loyola University of Chicago, and a 1978 graduate of Columbia University's Graduate School of Business. Mr. Miller views education as the primary key to changing the health and economics of our current food production systems. In that capacity, Mr. Miller is a founding member and Co-Chair of the advisory board for Loyola University's Institute of Environmental Sustainability and is a recipient of the Institute's first Damen Award, recognizing his services related to positive environmental change. Mr. Miller resides in Winnetka, Illinois with his wife and family. He continues to restore his small organic farm in Iroquois County, a family heritage since 1875, now being transitioned to permaculture and experimental specialty grains production.

Arnold Lau, Chief Operating Officer

As Iroquois' COO, Mr. Lau has overall responsibility for working with the Iroquois Valley REIT's tenants of its owned-farms on all matters related to those properties including leases and rents, ongoing status and condition of the farmland and infrastructure, capital investment in the farms; legal, regulatory, and organic or other sustainable practice certifications, etc. Mr. Lau works extensively with Iroquois Valley REIT's CEO, CFO, and other members of staff in working with farmers new to Iroquois for helping them with their land access needs; and participates in all matters of Iroquois Valley REIT's policies, programs, and strategies.

Mr. Lau has a BA from Lawrence University and a Masters of Management from Northwestern University. He was previously a member of the Chicago Board Options Exchange from 1983 until 1999, and a member of the Chicago Board of Trade from 1985 until 2007. He has been an investor in Iroquois Valley Farms, or its precursors, since 2009, a member of the Board of Managers since 2012, and Corporate Secretary since 2015. He is a life member of the Sierra Club and the Nature Conservancy.

Kevin Egolf, Chief Financial Officer

Mr. Egolf is an impact investing professional focusing his efforts on socially responsible farmland investing. His passion for sustainable agriculture and extensive finance background naturally led him into the growing impact investing field and towards agriculture. As the Chief Financial Officer of Iroquois Valley Farms, Mr. Egolf focuses his efforts on raising money and managing the money spent. He manages and leads the Company's private offerings as well as keeps the books and records associated with the investors and corporate financials. Additionally, given his East Coast location is often the Company representative for East Coast activity.

Prior to his work with Iroquois Valley Farms, Mr. Egolf spent several years in investment banking and private equity developing extensive experience in corporate valuation, transaction management and fundraising. He started his career at Bank of America, in the Consumer and Retail Investment Banking division. After Bank of America, Mr. Egolf spent four years with Castle Harlan, a middle market private equity firm in New York. During his tenure, Kevin raised \$700 million of debt financing and \$300 million in co-equity investments across multiple investments as well as completed the first restaurant IPO in over four years at the time.

Mr. Egolf is a graduate of Wesleyan University with a Bachelor of Arts in both Economics and Computer Science. At Wesleyan University, he was Academic All-American, All-New England, 4-time varsity letter recipient and senior captain in the sport of wrestling. He continues to promote and teach the sport of wrestling as the wrestling coach of Nathan Bishop Middle School. Mr. Egolf lives in Providence, Rhode Island with his wife, Amy, and daughter, Aurora.



John Steven Bianucci, Director of Impact

Mr. Bianucci's focus is maximizing Iroquois Valley Farms social & environmental impact and communicating its powerful story of leadership in creating a strong and healthy agriculture for all. Previously, he has been instrumental in re-branding, marketing, sales and product development at leading media software company and as an entrepreneur has co-founded, published and edited three publications. Computer User magazine was the country's first regional computer publication, publishing monthly for 24 years in 30 cities. At Harvard College, Mr. Bianucci earned a Bachelor of Arts in Psychology & Social Relations, excelling in creative writing, as an editor of the Harvard Lampoon, and football letter winner. A passionate interest in wise eating and healthy food, food access and organic farming began early.

Claire Mesesan, Communications Manager

Claire completed her bachelor's degrees in Philosophy and French from Loyola University Chicago in 2014. Within philosophy, Claire gravitated toward the field of environmental ethics; this culminated in writing an independently designed thesis analyzing the socio-political and economic effects of alternative organic agriculture practices in Cuba. After graduation, Claire spent a year in Madison, WI working as an AmeriCorps Farm-to-School educator. There, she taught elementary school children about food – how it grows, who grows it, and how it gets from the farm to our table.

Over the past few years she has brought her passion to Iroquois Valley Farms as Communications Manager, where her work contributes to creating a more sustainable, just, and empowering food system. Claire resides in Rogers Park where she spends her free time creating urban garden spaces and art.

Teresa Opheim, Project Director, Conservation Innovation Grant

Teresa Opheim is the Project Director of Iroquois Valley Farms' Conservation Innovation Grant, a federally funded program that encourages conservation finance solutions to increasing conservation on agricultural lands. She is a board member for Iroquois Valley Farms. In addition, she serves as a Senior Fellow of Renewing the Countryside in Minnesota and is a Senior Fellow, Farm Transfer, at Practical Farmers of Iowa.

Teresa served as the Executive Director of Practical Farmers of Iowa from 2006 to 2016. She served as Executive Director of the Midwest Sustainable Agriculture Working Group and has worked for the Iowa Environmental Council, the Environmental Law Institute and the U.S. Environmental Protection Agency. She is the editor of The Future of Family Farms: Practical Farmers' Legacy Letter Project (University of Iowa 2016). Teresa has journalism and law degrees from the University of Iowa. Teresa and her family now reside in Minneapolis.

Sally Dodge and Dale Guldbrandsen, Northeast Community Development Managers

Sally Dodge and Dale Guldbrandsen have served as Northeast Community Development Managers for Iroquois Valley Farms since 2013.

Sally was a pioneer in the locally grown foods movement beginning in the 1970s and 80s, when she managed a large beefalo operation in Vermont, and later created the Taste of Vermont, an annual event that linked farmers and chefs, and grew into the Vermont Fresh Network. Joining Iroquois Valley Farms has enabled Sally to contribute many years of experience in the promotion of organic farming, farm economics, and healthy food. Sally is a member of the board of advisors of Soil4Climate.



Dale worked on his grandfather's farms near Peoria, Illinois, during his youth, and also on farms near Plymouth, Michigan. He worked in Fortune 500 companies for 30 years, and later provided performance improvement services in many economic sectors, including manufacturing, health care and education. He has now circled back to the food and farming revolution as his main passion in joining Iroquois Valley Farms.

Sally and Dale enjoy working with farmers, investors, and many agricultural and conservation organizations to promote the mission of Iroquois Valley Farms. They both believe that supporting regenerative, organic agriculture is the best work they can do to mitigate climate change, and save the planet for their grandchildren. They live in Vermont, and enjoy sourcing their food from local farms, and cooking from scratch.

Consultants / Contractors

Ms. Ophem, Ms. Dodge and Mr. Guldbrandsen are contracted as independent consultants. The Company uses other consultants and contractors that are not key personnel for various projects and assignments on an as-needed basis.



Members of Iroquois Valley REIT's Board of Directors

Iroquois Valley REIT has a nine member Board of Directors. The Board is independently elected by the Shareholders of Iroquois Valley REIT and each director generally serves for three year terms. For consistency purposes each elected Board Director for Iroquois Valley REIT has been assigned as a Board Director for Iroquois Valley TRS and a Board Manager for Iroquois Valley LLC as outlined in the table below.

Name	Iroquois Valley Farms Entity Board Position		
	REIT	TRS	LLC
Stephen P. Rivard, M.D.	Director (Chair)	Director (Chair)	Manager (Chair)
Andy Ambriole	Director	Director	Manager
Sally Dodge	Director	Director	Manager
Arnold Lau	Director	Director	Manager
Andy Loving	Director	Director	Manager
David E. Miller	Director	Director	Manager
Teresa Opheim	Director	Director	Manager
Coleen Reedy	Director	Director	Manager
Harold Wilken	Director	Director	Manager

Stephen P. Rivard, M.D., Chairperson

Dr. Rivard earned his undergraduate and medical degrees from Loyola University of Chicago. He began a practice in the newest medical specialty at the time, emergency medicine. After twenty six years, and having raised two children, he changed careers and founded Illinois Vein Specialists in Illinois in 2008, another growing medical specialty business. He also began diversifying his investments to focus on health and organic farmland. His interest in organic farming goes beyond profit. It also includes the mission of creating a more socially conscious and sustainable future for his children. Dr. Rivard is now outreaching with other physicians and health care professions to bring attention to the varied health illnesses associated with the current food production system. Specifically, he is concerned about the growth of diabetes, food allergies and various cancer incidences that may be associated with food choices and agricultural production systems.

Andy Ambriole

Mr. Ambriole, his wife Catie, and two daughters farm approximately 1,000 acres of certified organic land or land in transition to organic certification. Crops grown include corn, popcorn, soybeans, and wheat. Andy is an active user of cover crops (ryegrass, cereal rye, buckwheat, oats, oil seed radishes and clovers). He also has a custom cover crop seeding business and sells Blue River seed and cover crop seed. He also works on his parents' 1,500 acre conventional farm and worm casting business. Along with the typical grain crops, he also grows organic greenhouse tomatoes, and raises Nubian dairy goats.

Andy is a 2007 graduate of Huntington North High School. He was awarded Indiana FFA State Star Farmer in 2008 and Huntington County Conservation Farmer in 2010. Currently, he serves as a Supervisor for the Huntington County Soil & Water Conservation District.



Sally Dodge

Ms. Dodge is a long-time farmer, creative entrepreneur, successful business owner, and energetic environmental activist. In addition to her role as Board Manager, she has been Northeast Community Development Manager for Iroquois Valley Farms since 2013. She manages her family's 350 acre farm in Pownal, Vermont, leasing it to several organic operators, including a 250 member CSA, an organic dairy farm, and an organic beef operation. She co-owns a flock of Katahdin sheep, and with her partners, manages them by the Alan Savory Holistic Management system. She is a former beefalo farmer, raised and marketed grass-fed beef before its importance to consumers became widely embraced. She has been instrumental in promoting and strengthening the link between local family farmers, restaurants, and direct farm sales through farmers' markets and CSAs. She is one of the pioneers of the locally-grown food movement, and created *Taste Vermont*, a bi-annual event in the '90s which promoted public awareness of specialty farmers in Vermont, and their importance to the Vermont brand.

Ms. Dodge served for 18 years as a trustee of the Vermont Land Trust, where she took part in helping the organization move toward supporting diversified farms and farm acquisition programs. She is a member of the board of directors of the Cleveland H. Dodge Foundation, and serves as their liaison to the Wildlife Conservation Society.

She was educated at Miss Porter' School, studied modern European government, economics, and culture during a seminal year at Franklin College Switzerland, before attending Bennington College and Wesleyan University.

She is an owner of The Mountain Goat, an outdoor outfitting store in Manchester, Vermont. She lives in Manchester with her husband, Dale Guldbrandsen, who partners with her in their Iroquois Valley Farms position. They have five children and five grandchildren.

Arnold Lau

In addition to serving as the Iroquois Valley REIT's Chief Operating Officer, Mr. Lau is a private investor and independent securities trader. Born and raised in Honolulu, Hawaii, he earned his BA from Lawrence University, and a Masters of Management from Northwestern University. He was previously a member of the Chicago Board Options Exchange from 1983 until 1999, and a member of the Chicago Board of Trade from 1985 until 2007. He is a life member of the Sierra Club and the Nature Conservancy. From 2011 until 2014, Mr. Lau was a co-manager of Two Roads Farm LLC (formed in 2009 by Iroquois Valley Farms' CEO, David Miller in 2009) which owned a 400-acre certified organic farm in Shelby County, Illinois; and which merged Iroquois Valley Farms LLC in 2014. Mr. Lau has been an investor in Iroquois Valley Farms LLC or its precursors since 2009, and has been a member of the Board of Managers since 2012, and Corporate Secretary since 2015. He is one of the nine original directors of Iroquois Valley Farmland REIT, PBC

Andy Loving

Andy R. Loving is widely recognized among his fellow financial advisors as one of the nation's leading experts in community investing. He has won multiple awards for the many ways he helps clients put capital into financial institutions that serve poor people, both domestically and around the world. Andy has been a lifelong social activist, working on behalf of poor people and communities and organizing middle-class Americans to work for justice through their finances. It has been observed that "Andy looks at money and imagines ways to create justice."

Andy has been a financial advisor since 1993, specializing in socially responsive and community investing. With his wife and business partner, Susan Taylor, Andy runs the financial planning firm Just Money Advisors in Louisville, KY, which serves clients in more than 25 states.



A Certified Financial Planner®, Andy does retirement planning, tax planning, college planning, and general financial planning, along with investment management. Andy joined Natural Investments in January 2011.

An Illinois native, Andy earned a bachelor's degree in psychology in 1965 and master's degree in counseling from Southern Illinois University in 1971. In 1981, he was ordained as a minister in Atlanta, GA, and devoted himself to ministry with the poor. He was cofounder of SEEDS, an award-winning magazine on hunger and economic justice, as well as minister to the homeless at an Atlanta church. Community investing is an extension of this foundational work for economic justice. He currently serves on the board of directors of Faith and Money Network, based in Washington, DC, and has previously served on the board of Bread for the World and as an advisor to the board of Oikocredit, USA. In Louisville, Andy is an active member of Jeff Street Baptist Community at Liberty, as well as Citizens of Louisville Organized and United Together (CLOUT), an ecumenical community organizing group that works to solve critical community problems. He and Susan have two teenaged children.

David E. Miller

After a 30-year career in corporate finance and real estate, Mr. Miller returned to his native Illinois landscape in 2005 by purchasing a 10 acre farm from a family estate of his relatives. Keeping the farm in the family, he re-connected with local relatives and friends farming organically. In 2007, he co-founded Iroquois Valley Farms LLC to enable a new generation of farmers and investors to support healthy food production. Mr. Miller is currently CEO and President of Iroquois Valley REIT.

Prior to developing sustainable farmland ventures, Mr. Miller held executive positions at Bank of America, Santa Fe Southern Pacific and First Chicago Corporation, including the management and oversight of real estate and capital equipment leasing portfolios. In 2008 he formed Working Farms Capital, an entity seeding new ventures in sustainable agriculture while providing transitional farm management services.

Mr. Miller is a 1975 graduate of Loyola University of Chicago, and a 1978 graduate of Columbia University's Graduate School of Business. Mr. Miller views education as the primary key to changing the health and economics of our current food production systems. In that capacity, Mr. Miller is a founding member and Co-Chair of the advisory board for Loyola University's Institute of Environmental Sustainability and is a recipient of the Institute's first Damen Award, recognizing his services related to positive environmental change. Mr. Miller resides in Winnetka, Illinois with his wife and family. He continues to restore his small organic farm in Iroquois County, a family heritage since 1875, now being transitioned to native prairie and permaculture production.

Mr. Miller is a co-founder of Iroquois Valley Farms LLC, and has served as its Chief Executive Officer continuously since the company's founding in 2007.

Teresa Opheim

Teresa Opheim is the Project Director of Iroquois Valley Farms' Conservation Innovation Grant, a federally funded program that encourages conservation finance solutions to increasing conservation on agricultural lands. She is a board manager for Iroquois Valley Farms. In addition, she serves as a Senior Fellow of Renewing the Countryside in Minnesota and is a Senior Fellow, Farm Transfer at Practical Farmers of Iowa.



Teresa served as the Executive Director of Practical Farmers of Iowa from 2006 to 2016. She served as Executive Director of the Midwest Sustainable Agriculture Working Group and has worked for the Iowa Environmental Council, the Environmental Law Institute and the U.S. Environmental Protection Agency. She is the editor of The Future of Family Farms: Practical Farmers' Legacy Letter Project (University of Iowa 2016). Teresa has journalism and law degrees from the University of Iowa. Teresa and her family now reside in Minneapolis.

Coleen Reedy

Ms. Reedy brings to Iroquois Valley Farms the broad business experience she gained through her management, executive and board level involvement with Reedy Industries, Inc. In her role as chief financial officer of Reedy Industries, Inc. for over 25 years, Ms. Reedy had responsibility for the management of the IT, Human Resources, Legal, Risk Management, Financial and Accounting functions of this privately held, third generation business. Ms. Reedy is committed to environmental causes including such organizations as the Nature Conservancy and Illinois PIRG; and is a regular donor to organizations whose mission is environmental health and sustainability. She currently serves on the board of "Feed the Dream", a not-for-profit organization which provides nutrition resources, education, and training to women and young children in rural villages of Guatemala.

Harold Wilken

Mr. Wilken is a life-long farmer from Danforth, IL. He has been farming organically since 2003, and became Iroquois Valley Farms' first farmer when, in 2007, he was contracted to transition Iroquois' Hoekstra property near Danforth. In 2008, he expanded his relationship with Iroquois by beginning the transition of the Martin farm. Both properties were duly certified organic and he continues to farm both of them. Along with his son, Ross (who is also an Iroquois Valley Farms farmer), he has undertaken to transition and farm additional properties for Iroquois Valley Farms. Mr. Wilken continues to expand the size and scope of his organic farming, now including such crops as pumpkins, black beans and ancient grains such as emmer and einkorn. He is establishing a grain milling capacity that should be operational by 2016.



Principal Interest Holders

No stockholders have an ownership position in Iroquois Valley REIT of five-percent or greater.

The table below highlights Iroquois Valley REIT ownership by the Directors and Officers as of the Offering Date.

<u>Stockholder</u>	<u>Shares</u>	<u>Percentage (2)</u>
Directors	4,184	10.0%
Officers / Executives	1,723	4.1%
Directors and Officers (1)	4,370	10.4%

(1) Does not sum due to certain stockholders being both a Director and Officer.

(2) Calculated based on outstanding Shares and excludes the impact of dilution from options.



Management Relationships, Transactions and Remuneration

Iroquois Valley LLC and Iroquois Valley TRS do not pay any management fees to any person or entity for their operations, however, Iroquois Valley Farms does compensate its management team and other employees, typically through salaries, equity grants in Iroquois Valley REIT, or options to acquire Iroquois Valley REIT common stock. Historically equity unit grants or options were at the Iroquois Valley LLC level. Going forward those issuances will be made by Iroquois Valley REIT.

The compensation issued to the three executive Officers for 2016 was as follows (options and units have been adjusted in the presentation below for the 4-for-1 split from the reorganization).

<u>Manager</u>	<u>Cash</u>	<u>Equity Unit Grants</u>	<u>Options (2)</u>
David E. Miller, President and CEO (1)	84,000	25	100
Kevin Egolf, CFO	72,000		75
Arnold Lau, COO	60,000		75

- (1) In addition to the compensation listed above, Mr. Miller receives a \$399 per month car allowance, payment of insurance and maintenance costs related to a car.
- (2) Options issued in 2016 represent a grant related to 2015 performance.

Options represent an important incentive structure for the Iroquois Valley Farms' management team and have been issued to certain officers and employees over the last five years. The options fully vest after three years and are exercisable at their fair market value (i.e. the price per unit offered) at the time of award under the terms and conditions of the Option Agreements between Iroquois Valley REIT and each option grantee. Historical membership interest options have automatically converted to share options reflecting the 4-for-1 split as part of the reorganization.

Salary, wage compensation and employee contractor fees represent the biggest cash expense of Iroquois Valley Farms. Iroquois Valley Farms paid approximately \$360,000 in such expenses in 2016. Historically Iroquois Valley LLC has issued options at up to ten percent of the total units subscribed for during the then current offering as additional compensation, but is not planning on an option issuance for 2017. Options, when issued, have been issued to officers and other full and part time staff of the Company at a price equal to the current valuation pursuant to an option agreement by and between Iroquois Valley REIT and each such individual. Iroquois Valley REIT may also provide cash bonuses in addition to salary payments to officers and other full and part time staff of Iroquois Valley REIT as performance incentives.



Litigation

There is no past, pending, or threatened litigation or administrative action against the Company. None of the Company's officers, members of the Board of Directors or other key personnel have any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the Company's business, financial condition, or operations.



Federal Tax Aspects

The Company believes that, commencing with the 2017 taxable year, Iroquois Valley REIT will have been organized and will operate in such a manner as to qualify for taxation as a REIT under the federal income tax laws, and Iroquois Valley REIT intends to continue to operate in such a manner. However, no assurances can be given that it will operate in a manner so as to qualify or remain qualified as a REIT. The laws governing the federal income tax treatment of a REIT and its stockholders are highly technical and complex. While Iroquois Valley REIT intends to operate so that it will qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in the Company's circumstances, no assurance can be given by us that Iroquois Valley REIT will so qualify for any particular year. Furthermore, the Company has not sought and will not seek an advance ruling from the IRS regarding any matter discussed in this Memorandum.

Iroquois Valley REIT's qualification and taxation as a REIT depends on its ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of share ownership, and various qualification requirements imposed upon REITs by the Code related to Iroquois Valley REIT's income and assets. Its ability to qualify as a REIT also requires that certain asset tests be satisfied, some of which depend upon the fair market values of assets directly or indirectly owned by Iroquois Valley REIT. Such values may not be susceptible to a precise determination.

While the Company intends to operate in a manner that will allow Iroquois Valley REIT to qualify as a REIT, no assurance can be given that the actual results of Iroquois Valley REIT's operations for any taxable year satisfy such requirements for qualification and taxation as a REIT. If Iroquois Valley REIT qualifies as a REIT, it generally will not be subject to federal income tax on the taxable income that it distributes to its stockholders. The benefit of that tax treatment is that it avoids the "double taxation," or taxation at both the corporate and stockholder levels, that generally results from owning stock in a corporation. Any net operating losses, foreign tax credits and other tax attributes generally will not pass through to its stockholders.

Furthermore, even if Iroquois Valley REIT qualifies as a REIT, it may be subject to federal tax in the following circumstances:

- Iroquois Valley REIT will pay federal income tax on any taxable income, including undistributed net capital gain, which it does not distribute to stockholders during, or within a specified time period after, the calendar year in which the income is earned.
- Iroquois Valley REIT may be subject to the "alternative minimum tax" on any items of tax preference including any deductions of net operating losses.
- If Iroquois Valley REIT fails to satisfy one or both of the 75% gross income test or the 95% gross income test (described below) and nonetheless continues to qualify as a REIT because Iroquois Valley REIT meets other requirements, it will pay a 100% tax on the gross income attributable to the greater of the amount by which Iroquois Valley REIT fails the 75% gross income test or the 95% gross income test, in either case, multiplied by a fraction intended to reflect Iroquois Valley REIT's profitability.



- If Iroquois Valley REIT fails to distribute during a calendar year at least the sum of (i) 85% of its ordinary income for the year, (ii) 95% of its capital gain net income for the year, and (iii) any undistributed taxable income required to be distributed from earlier periods, Iroquois Valley REIT will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount it actually distributed.
- Iroquois Valley REIT may elect to retain and pay income tax on its net long-term capital gain. In that case, a stockholder would be taxed on its proportionate share of our undistributed long-term capital gain (to the extent that Iroquois Valley REIT made a timely designation of such gain to the stockholders) and would receive a credit or refund for its proportionate share of the tax it paid. In addition, to the extent Iroquois Valley REIT elects to retain and pay income tax on its long-term capital gain, such retained amounts will be treated as having been distributed for purposes of the 4% excise tax described above.
- Iroquois Valley REIT will be subject to a 100% excise tax on transactions with Iroquois Valley TRS that are not conducted on an arm's-length basis.
- In the event Iroquois Valley REIT fails to satisfy any of the asset tests (other than a *de minimis* failure of the 5% asset test, the 10% vote test or 10% value test) as long as the failure was due to reasonable cause and not to willful neglect, Iroquois Valley REIT can file a description of each asset that caused such failure with the IRS, and it can dispose of the assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which it identifies such failure, Iroquois Valley REIT will pay a tax equal to the greater of \$50,000 or the highest federal income tax rate then applicable to U.S. corporations (currently 35%) on the net income from the non-qualifying assets during the period in which it failed to satisfy the asset tests.
- In the event Iroquois Valley REIT fails to satisfy one or more requirements for REIT qualification (other than the gross income tests and the asset tests) and such failure is due to reasonable cause and not to willful neglect, it will be required to pay a penalty of \$50,000 for each such failure.
- If Iroquois Valley REIT acquires any asset from a C corporation (or a corporation that generally is subject to full corporate-level tax) in a merger or other transaction in which it acquires a basis in the asset that is determined by reference to the C corporation's basis in the asset, Iroquois Valley REIT will pay tax at the highest regular corporate rate applicable if it recognizes gain on the sale or disposition of the asset during the 5-year period after it acquires the asset unless the C corporation elects to recognize the built-in gain on the day before the property is transferred to it. The amount of gain on which it will pay tax is the lesser of: (i) the amount of gain that it recognizes at the time of the sale or disposition, and (ii) the amount of gain that it would have recognized if it had sold the asset at the time it acquired it.
- Iroquois Valley REIT may be required to pay monetary penalties to the IRS in certain circumstances, including if it fails to meet record-keeping requirements intended to monitor its compliance with rules relating to the composition of a REIT's stockholders.
- The earnings of Iroquois Valley TRS (a subchapter C corporation) will be subject to federal corporate income tax. In addition, notwithstanding Iroquois Valley REIT's



qualification as a REIT, it may also have to pay certain state and local income taxes because not all states and localities treat REITs in the same manner that they are treated for federal income tax purposes.

Requirements for Qualification. A REIT is a corporation, trust, or association that meets each of the following requirements: (i) it is managed by one or more trustees or directors, (ii) its beneficial ownership is evidenced by transferable shares, or by transferable certificates of beneficial interest, (iii) it would be taxable as a domestic corporation, but for the REIT provisions of the federal income tax laws, (iv) it is neither a financial institution nor an insurance company subject to special provisions of the federal income tax laws, (v) at least 100 persons are beneficial owners of its shares or ownership certificates, (vi) not more than 50% in value of its outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals, which the Code defines to include certain entities, during the last half of any taxable year, (vii) it elects to be a REIT, or has made such election for a previous taxable year, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status, (viii) it meets certain other qualification tests, described below, regarding the nature of its income and assets and the amount of its distributions to stockholders, and (ix) it uses a calendar year for federal income tax purposes and complies with the recordkeeping requirements of the federal income tax laws.

Record Keeping Requirements. Iroquois Valley REIT is required to maintain records disclosing the actual ownership of stock in order to monitor its compliance with the share ownership requirements. To do so, Iroquois Valley REIT will request required written statements each year from the record holders of certain minimum percentages of our shares in which such record holders must disclose the actual owners of the shares. Stockholders who fail or refuse to comply with the demand must submit a statement with their tax returns disclosing the actual ownership of Iroquois Valley REIT Shares and certain other information. The restrictions in the bylaws, however, may not ensure that Iroquois Valley REIT will, in all cases, be able to satisfy such share ownership requirements. If Iroquois Valley REIT fails to satisfy these share ownership requirements, Iroquois Valley REIT will not qualify as a REIT.

Disregarded Entities and Partnerships. An unincorporated domestic entity, such as a partnership or limited liability company that has a single owner generally is not treated as an entity separate from its owner for federal income tax purposes. An unincorporated domestic entity with two or more owners is generally treated as a partnership for federal income tax purposes. Iroquois Valley REIT will be treated as a partner with Iroquois Valley TRS in a partnership that collectively owns Iroquois Valley LLC, and thus Iroquois Valley REIT and Iroquois Valley TRS will each be treated as owning its proportionate share of the assets of the partnership and as earning its allocable share of the gross income of Iroquois Valley LLC for purposes of the applicable REIT qualification tests.

Taxable REIT Subsidiaries (TRS). A REIT may own up to 100% of the shares of one or more Taxable REIT Subsidiaries (“TRS”). A TRS is a fully taxable corporation that may earn income that would not be qualifying income if earned directly by the parent REIT. Iroquois Valley REIT will not be treated as holding the assets of Iroquois Valley TRS or as receiving any income that Iroquois Valley TRS earns. Rather, the stock issued by Iroquois Valley TRS to Iroquois Valley REIT will be an asset in Iroquois Valley REIT’s hands, and it will treat the distributions paid to it from Iroquois Valley TRS, if any, as income. Because Iroquois Valley REIT will not include the assets and income of Iroquois Valley TRS in determining its compliance with the REIT requirements, the Company may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude Iroquois Valley REIT from doing directly or through



Iroquois Valley LLC. Iroquois Valley TRS will pay income tax at regular corporate rates on any income that it earns. In addition, the TRS rules will limit the deductibility of interest paid or accrued by Iroquois Valley TRS to Iroquois Valley REIT to assure that the TRS is subject to an appropriate level of corporate taxation. REIT rules will also impose a 100% excise tax on transactions between Iroquois Valley TRS and Iroquois Valley REIT that are not conducted on an arm's-length basis.

Gross Income Tests.

Iroquois Valley REIT must satisfy two gross income tests annually to maintain its qualification as a REIT.

- First, at least 75% of its gross income for each taxable year must consist of defined types of income that it derives, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income. Qualifying income for purposes of that 75% gross income test generally includes: (i) rents from real property, (ii) interest on debt secured by mortgages on real property, or on interests in real property, (iii) dividends or other distributions on, and gain from the sale of, shares in other REITs, (iv) gain from the sale of real estate-related assets, (v) income and gain derived from foreclosure property, and (vi) income derived from the temporary investment of new capital that is attributable to the issuance of our stock or a public offering of our debt with a maturity date of at least five years and that Iroquois Valley REIT receives during the one-year period beginning on the date on which it received such new capital.
- Second, in general, at least 95% of Iroquois Valley REIT's gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of shares or securities, or any combination of these. Gross income from the sale of property that Iroquois Valley REIT holds primarily for sale to customers in the ordinary course of business will be excluded from both the numerator and the denominator in both gross income tests.

Leases; Sale Leaseback. In order for the rent paid under the Company's leases to constitute "rents from real property," the leases must be respected as true leases for federal income tax purposes and not treated as service contracts, joint ventures or some other type of arrangement. The determination of whether our leases are true leases depends on an analysis of all the surrounding facts and circumstances. The intent is to structure any leases Iroquois Valley REIT or Iroquois Valley LLC enters into so that the leases will qualify as true leases for federal income tax purposes. If said leases are characterized as service contracts or partnership agreements (rather than as true leases) part or all of the payments that are received may not be considered rent or may not otherwise satisfy the various requirements for qualification as "rents from real property." In that case, Iroquois Valley REIT likely would not be able to satisfy either the 75% or 95% gross income test and, as a result, would lose its REIT status. In addition, the Company anticipates entering into sale-leaseback transactions. It is possible that the IRS could take the position that specific sale leaseback transactions that Iroquois Valley REIT treats as true leases are financing arrangements or loans (rather than true leases for federal income tax purposes). Re-characterization of a sale-leaseback transaction as a financing arrangement or loan could jeopardize Iroquois Valley REIT's REIT status.



Prohibited Transactions. REITs incur 100% tax on the net income (including foreign currency gain) derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business, unless it qualifies for a safe harbor exception. The Company believes that none of its assets will be held primarily for sale to customers and that a sale of any of its assets will not be in the ordinary course of our business. Whether a REIT holds an asset “primarily for sale to customers in the ordinary course of a trade or business” depends, however, on the facts and circumstances in effect from time to time, including those related to each particular asset. A safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction and the 100% prohibited transaction tax is available generally if the REIT has held the property for not less than two years and certain other requirements are met. The Company will attempt to comply with the terms of the safe-harbor provisions in the federal income tax laws prescribing when an asset sale will not be characterized as a prohibited transaction. The Company cannot assure you, however, that it can comply with the safe-harbor provisions or that it will avoid owning property that may be characterized as property that is held “primarily for sale to customers in the ordinary course of a trade or business.” (The 100% tax will not apply to gains from the sale of property that is held through Iroquois Valley TRS or other taxable corporation, although such income will be taxed to the corporation at regular corporate income tax rates.)

Failure to Satisfy Gross Income Tests. If Iroquois Valley REIT fails to satisfy one or both of the gross income tests for any taxable year, it nevertheless may qualify as a REIT for that year if it qualifies for relief under certain provisions of the federal income tax laws. Those relief provisions are available if Iroquois Valley REIT’s failure to meet those tests is due to reasonable cause and not to willful neglect, and following such failure for any taxable year, Iroquois Valley REIT files a schedule of the sources of our income in accordance with regulations prescribed by the Secretary of the U.S. Treasury. The Company cannot predict, however, whether in all circumstances Iroquois Valley REIT would qualify for the relief provisions. In addition, even if the relief provisions apply, Iroquois Valley REIT would incur a 100% tax on the gross income attributable to the greater of the amount by which it fails the 75% gross income test or the 95% gross income test multiplied, in either case, by a fraction intended to reflect its profitability.

Asset Tests

Iroquois Valley REIT must also must satisfy the following asset tests at the end of each quarter of each taxable year. First, at least 75% of the value of Iroquois Valley REIT’s total assets must consist of (i) cash or cash items, (ii) government securities, (iii) “real estate assets” including leaseholds and options to acquire real property and leaseholds, (iv) stock in other REITs, (v) investments in stock or debt instruments during the one-year period following its receipt of new capital that it raises through equity offering or public offerings of debt with at least a five-year term, and (vi) debt instruments issued by publically offered REITS. Second, of the investments not included in the 75% asset class, the value of Iroquois Valley REIT’s interest in any one issuer’s securities may not exceed 5% of the value of its total assets, or the 5% asset test. Third, of the investments not included in the 75% asset class, Iroquois Valley REIT may not own more than 10% of the voting power of any one issuer’s outstanding securities or 10% of the value of any one issuer’s outstanding securities, or the 10% vote test or 10% value test, respectively. Fourth, no more than 25% (20% after 2017) of the value of Iroquois Valley REIT’s total assets may consist of the securities of Iroquois Valley TRS or any other TRSs. Fifth, no more than 25% of the value of Iroquois Valley REIT’s total assets may consist of “non-qualified publicly offered REIT debt instruments.” To the extent rent attributable to personal property leased with real property is treated as rents from real property (because the rent attributable to personal property does not exceed 15% of total rent), the personal property will be treated as a



real estate asset for purposes of the 75% asset test. Similarly, debt obligation secured by a mortgage on both real and personal property will be treated as a real estate asset for purposes of the 75% asset test, and interest thereon will be treated as interest on an obligation secured by real property, if the fair market value of the personal property does not exceed 15% of the fair market value of all property securing the debt. Thus, there would be no apportionment for purposes of the asset tests or the gross income tests if the fair market value of personal property securing the loan does not exceed 15% of the fair market value of all property securing the loan. For purposes of the 5% asset test, the 10% vote test and the 10% value test, the term “securities” does not include shares in another REIT, equity or debt securities of a qualified REIT subsidiary or TRS, mortgage loans that constitute real estate-related assets, or equity interests in a partnership.

No independent appraisals will be obtained to support the Company’s conclusions as to the value of its total assets or the value of any particular security or securities. Moreover, values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that Iroquois Valley REIT’s interests in Iroquois Valley LLC or Iroquois Valley TRS, or in the securities of other issuers, will not cause a violation of the REIT asset tests.

The Company will monitor the status of Iroquois Valley REIT’s assets for purposes of the various asset tests in order to comply at all times with such tests. However, there is no assurance that Iroquois Valley REIT will not inadvertently fail to comply with such tests. If Iroquois Valley REIT fails to satisfy the asset tests at the end of a calendar quarter, it will not lose its REIT qualification if it satisfied the asset tests at the end of the preceding calendar quarter and the discrepancy between the value of its assets and the asset test requirements arose from changes in the market values of its assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets.

Distribution Requirements. Each year, Iroquois Valley REIT must distribute dividends (other than capital gain dividends and deemed distributions of retained capital gain) to stockholders in an aggregate amount at least equal to the sum of (A) 90% of its “REIT taxable income,” (computed without regard to the dividends paid deduction and its net capital gain or loss), and (B) 90% of its after-tax net income, if any, from foreclosure property, minus, (A) the sum of certain items of non-cash income. Iroquois Valley REIT may elect to retain out net long-term capital gain and pay tax on such gain. In the event it so elects, Iroquois Valley REIT could elect to have stockholders include such long-term capital gain in their taxable income (without receipt of the related cash) and receive a “credit” for their share of the corporate tax paid. Stockholders would be allowed to increase the adjusted tax basis of their stock by the difference between (i) the amounts designated by Iroquois Valley REIT to be included in their long-term capital gain and (ii) the tax deemed paid with respect to those shares. Furthermore, if Iroquois Valley REIT fails to distribute during a calendar year, or by the end of January following the calendar year in the case of distributions with declaration and record dates falling in the last three months of the calendar year, at least the sum of: (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain income for such year, and, (iii) undistributed taxable income from prior periods, Iroquois Valley REIT will incur a 4% nondeductible excise tax on the excess of such required distribution over the amounts it actually distributes.



Iroquois Valley REIT intends to make timely distributions sufficient to satisfy the annual distribution requirements and to avoid corporate income tax and the 4% nondeductible excise tax. In the event Iroquois Valley REIT has a net operating loss carryforward from a prior tax year, it may use such carryforward to reduce our distribution requirement. The use of such carryforward will not impact the character of the distributions actually made, which are generally taxable to the stockholders to the extent Iroquois Valley REIT has current or accumulated earnings and profits.

It is possible that Iroquois Valley REIT may not have sufficient cash to meet its distribution requirements discussed above. This could result because of competing demands for funds, or because of timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of that income and deduction of such expenses in arriving at its REIT taxable income. As such, Iroquois Valley REIT may have less cash than is necessary to distribute taxable income sufficient to avoid corporate income tax and the excise tax imposed on certain undistributed income or even to meet the 90% distribution requirement. In such a situation, the Company may need to borrow funds, raise funds through the issuance of additional shares of common stock or, if possible, pay taxable dividends of Iroquois Valley REIT's common stock or debt securities.

Tax Returns. Iroquois Valley REIT is required to file an annual federal income tax return, which, like other corporate returns, is subject to examination by the IRS. Because the tax law requires making of many judgments regarding the proper treatment of a transaction or an item of income or deduction, it is possible that the IRS will challenge positions taken in computing Iroquois Valley REIT's taxable income and its distributions. Should the IRS successfully challenge the Company's characterization of a transaction or determination of REIT taxable income, Iroquois Valley REIT could be found to have failed to satisfy a requirement for qualification as a REIT. Under certain circumstances, Iroquois Valley REIT may be able to correct a failure to meet the distribution requirement for a year by paying "deficiency dividends" to stockholders in a later year. Iroquois Valley REIT may include such deficiency dividends in its deduction for dividends paid for the earlier year. Although it may be able to avoid income tax on amounts distributed as deficiency dividends, it will be required to pay interest to the IRS based upon the amount of any deduction taken for deficiency dividends.

Failure to Qualify. If Iroquois Valley REIT fails to satisfy one or more requirements for REIT qualification (other than the gross income tests and the asset tests) Iroquois Valley REIT could avoid disqualification if failure is due to reasonable cause and not to willful neglect and Iroquois Valley REIT pays a penalty of \$50,000 for each such failure. As described above, there are relief provisions for a failure of the gross income tests and asset tests.

If Iroquois Valley REIT fails to qualify as a REIT in any taxable year (and no relief provision applies) Iroquois Valley REIT would be subject to federal income tax and any applicable alternative minimum tax on its taxable income at regular corporate rates. In calculating its taxable income in a year in which it failed to qualify as a REIT, Iroquois Valley REIT would not be able to deduct amounts paid out to stockholders. In fact, Iroquois Valley REIT would not be required to distribute any amounts to stockholders in that year. In such event, to the extent of its current and accumulated earnings and profits, distributions to stockholders generally would be taxable as ordinary income. Unless Iroquois Valley REIT qualified for relief under specific statutory provisions, it also would be disqualified from taxation as a REIT for the four taxable years following the year during which it ceased to qualify as a REIT. The Company cannot predict whether in all circumstances Iroquois Valley REIT will qualify for such statutory relief.



Taxation of U.S. Holders

For any taxable year for which Iroquois Valley REIT qualifies for taxation as a REIT, amounts distributed to, and gains realized by, taxable U.S. stockholders with respect to the Shares generally will be taxed as described below.

As long as Iroquois Valley REIT qualifies as a REIT, a taxable U.S. stockholder must generally take into account as ordinary income distributions made out of Iroquois Valley REIT's current or accumulated earnings and profits that it does not designate as capital gain dividends or retained long-term capital gain.

A U.S. stockholder will not qualify for the dividends received deduction generally available to corporations. In addition, dividends paid to a U.S. stockholder generally will not qualify for the 15% tax rate for "qualified dividend income." As a result, ordinary REIT dividends will be taxed at the higher tax rate applicable to ordinary income. However, the 15% tax rate for qualified dividend income will apply to ordinary REIT dividends (i) attributable to dividends received by us from non REIT corporations, such as a TRS, and (ii) to the extent attributable to income upon which we have paid corporate income tax (e.g., to the extent that we distribute less than 100% of our taxable income).

A U.S. stockholder generally will take into account as long-term capital gain any distributions that designated as capital gain dividends without regard to the period for which the U.S. stockholder has held the Shares. Iroquois Valley REIT generally will designate its capital gain dividends as either 15% or 25% rate distributions. A corporate U.S. stockholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

Iroquois Valley REIT may elect to retain and pay income tax on the net long-term capital gain that it receives in a taxable year. In that case, to the extent that it designates such amount in a timely notice to such stockholder, a U.S. stockholder would be taxed on its proportionate share of its undistributed long-term capital gain. The U.S. stockholder would receive a credit for its proportionate share of the tax Iroquois Valley REIT paid. The U.S. stockholder would increase the basis in its stock by the amount of its proportionate share of our undistributed long-term capital gain, minus its share of the tax Iroquois Valley REIT paid. A U.S. stockholder will not incur tax on a distribution in excess of Iroquois Valley REIT's current and accumulated earnings and profits if the distribution does not exceed the adjusted basis of the U.S. stockholder's stock. Instead, the distribution will reduce the adjusted basis of such stock.

A U.S. stockholder will recognize a distribution in excess of both our current and accumulated earnings and profits and the U.S. stockholder's adjusted basis in his or her stock as long-term capital gain, or short-term capital gain if the shares of stock have been held for one year or less, assuming the shares of stock are a capital asset in the hands of the U.S. stockholder. In addition, if Iroquois Valley REIT declares a distribution in October, November, or December of any year that is payable to a U.S. stockholder of record on a specified date in any such month, such distribution shall be treated as both paid by Iroquois Valley REIT and received by the U.S. stockholder on December 31st of such year, provided that the distribution is actually paid during January of the following calendar year.

Iroquois Valley REIT will be treated as having sufficient earnings and profits to treat as a dividend any distribution by us up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed above. Moreover, any "deficiency distribution" will be treated as an ordinary or capital gain distribution, as the case may be, regardless of Iroquois Valley REIT's earnings and profits. As a result, stockholders may be required to treat as taxable



some distributions that would otherwise result in a tax-free return of capital. U.S. Stockholders may not include in their individual income tax returns any of our net operating losses or capital losses. Instead, these losses are generally carried over by Iroquois Valley REIT for potential offset against its future income. Taxable distributions from Iroquois Valley REIT and gain from the disposition of its stock will not be treated as passive activity income and, therefore, U.S. stockholders generally will not be able to apply any “passive activity losses,” such as losses from certain types of limited partnerships in which the U.S. stockholder is a limited partner, against such income. In addition, taxable distributions from Iroquois Valley REIT and gain from the disposition of its stock generally will be treated as investment income for purposes of the investment interest limitations. Iroquois Valley REIT will notify U.S. stockholders after the close of the taxable year as to the portions of the distributions attributable to that year that constitute ordinary income, return of capital and capital gain.

Sale, Exchange, Redemption, Repurchase of the Shares. A U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, repurchase by Iroquois Valley REIT or other disposition of a Shares (except to the extent the amount realized is attributable to accrued interest not previously included in income, which will be taxable as ordinary interest income) and the Holder’s adjusted tax basis in such Shares. A Holder’s adjusted tax basis in the Shares generally will be the initial purchase price for such Shares. Any gain or loss recognized on a taxable disposition of the Shares will be capital gain or loss. If, at the time of the sale, exchange, redemption, repurchase or other taxable disposition of the Shares, a U.S. holder is treated as holding the Shares for more than one year, such capital gain or loss will be a long-term capital gain or loss. Otherwise, such capital gain or loss will be a short-term capital gain or loss. In the case of certain non-corporate U.S. Holders (including individuals), long-term capital gains are generally eligible for reduced rates of U.S. federal income taxation. A U.S. Holder’s ability to deduct capital losses may be limited.

Taxation of U.S. Stockholders on a Repurchase of Stock. A repurchase of Iroquois Valley REIT common stock will be treated under Section 302 of the Code as a distribution that is taxable as dividend income (to the extent of our current or accumulated earnings and profits), unless the repurchase satisfies certain tests set forth in Section 302(b) of the Code enabling the repurchase to be treated as sale of Iroquois Valley REIT common stock. The repurchase will satisfy such tests if it (i) is “substantially disproportionate” with respect to the holder’s interest in our Iroquois Valley REIT stock, (ii) results in a “complete termination” of the holder’s interest in all Iroquois Valley REIT classes of stock, or (iii) is “not essentially equivalent to a dividend” with respect to the holder, all within the meaning of Section 302(b) of the Code. In determining whether any of these tests have been met, stock considered to be owned by the holder by reason of certain constructive ownership rules set forth in the Code, as well as stock actually owned, generally must be taken into account. Because the determination as to whether any of the three alternative tests of Section 302(b) of the Code described above will be satisfied with respect to any particular holder of our common stock depends upon the facts and circumstances at the time that the determination must be made, prospective investors are advised to consult their own tax advisors to determine such tax treatment. If a repurchase of Iroquois Valley REIT common stock does not meet any of the three tests described above, the repurchase proceeds will be treated as a distribution. Stockholders should consult with their tax advisors regarding the taxation of any particular repurchase of our shares.

Medicare Tax on Unearned Income. The Health Care and Reconciliation Act of 2010 requires certain U.S. holders that are individuals, estates or trusts to pay an additional 3.8% tax on “net investment income,” which includes, among other things, interest on and gains from the sale or



other disposition of Shares, effective for taxable years beginning after December 31, 2012. U.S. Holders should consult their tax advisors regarding this legislation.

Information Reporting and Backup Withholding. Information reporting requirements generally will apply to interest on the Shares and the proceeds of a sale of Shares paid to a U.S. Holder unless the U.S. Holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. Holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. Holder is notified by the IRS that it has failed to report in full payments of interest and dividend income. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is furnished timely to the IRS.

Treatment of Tax-Exempt Stockholders. Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from federal income taxation. However, they are subject to taxation on their unrelated business taxable income, or UBTI. Although many investments in real estate generate UBTI, the IRS has issued a ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI so long as the exempt employee pension trust does not otherwise use the shares of the REIT in an unrelated trade or business of the pension trust. Based on that ruling, amounts that we distribute to tax-exempt stockholders generally should not constitute UBTI. However, if a tax-exempt stockholder were to finance (or be deemed to finance) its acquisition of stock with debt, a portion of the income that it receives from us would constitute UBTI pursuant to the "debt-financed property" rules. Moreover, social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans that are exempt from taxation under special provisions of the federal income tax laws are subject to different UBTI rules, which generally will require them to characterize distributions that they receive from us as UBTI. Finally, in certain circumstances, a qualified employee pension or profit sharing trust that owns more than 10% of Iroquois Valley REIT's capital stock must treat a percentage of the dividends that it receives as UBTI. Such percentage is equal to the gross income Iroquois Valley REIT derives from an unrelated trade or business, determined as if we were a pension trust, divided by Iroquois Valley REIT total gross income for the year in which it pays the dividends. That rule applies to a pension trust holding more than 10% of Iroquois Valley REIT's capital stock only if: (i) the percentage of Iroquois Valley REIT dividends that the tax-exempt trust must treat as UBTI is at least 5%, (ii) Iroquois Valley REIT qualify as a REIT by reason of the modification of the rule requiring that no more than 50% of our capital stock be owned by five or fewer individuals that allows the beneficiaries of the pension trust to be treated as holding its capital stock in proportion to their actuarial interests in the pension trust; and, (iii) either (A) one pension trust owns more than 25% of the value of Iroquois Valley REIT's capital stock, or (B) a group of pension trusts individually holding more than 10% of the value of Iroquois Valley REIT's capital stock collectively owns more than 50% of the value of Iroquois Valley REIT's capital stock.

Legislative or Other Actions Affecting REITs. The rules dealing with U.S. federal income taxation are constantly under review. No assurance can be given as to whether, when or in what form, the U.S. federal income tax laws applicable to us and stockholders may be changed. Changes to the federal tax laws and interpretations of federal tax laws could adversely affect an investment in Shares.



State and Local Taxes. Iroquois Valley REIT and stockholders may be subject to taxation by various states and localities, including those in which the Iroquois Valley REIT a stockholder transacts business, owns property or resides. The state and local tax treatment may differ from the federal income tax treatment described above. Consequently, you should consult your own tax advisors regarding the effect of state and local tax laws upon an investment in Shares.

Taxation of Non-U.S. Stockholders. The term “non-U.S. stockholder” means a holder of Iroquois Valley REIT stock that is not a U.S. stockholder, a partnership (or entity treated as a partnership for federal income tax purposes) or a tax-exempt stockholder. The rules governing federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships, and other foreign stockholders are complex. Iroquois Valley REIT urges non-U.S. stockholders to consult their own tax advisors to determine the impact of federal, state, and local income tax laws on the purchase, ownership and sale of our stock, including any reporting requirements. Generally, distributions to a non-U.S. stockholder that is not attributable to gain from the sale or exchange of a “U.S. real property interest,” that Iroquois Valley REIT does not designate as a capital gain dividend or retained capital gain and that Iroquois Valley REIT pay out of our current or accumulated earnings and profits will be subject to a withholding tax equal to 30% of the gross amount of the distribution unless an applicable tax treaty reduces or eliminates the tax. Non-U.S. stockholders are encouraged to consult with their tax advisers regarding the possible implications of IRS rules on an investment in Shares.



Miscellaneous Factors

Management and Resources of the Company

The Directors and Officers of Iroquois Valley Farms will devote such time as they, in their sole discretion, deem necessary or appropriate to carry out Iroquois Valley Farms' operations. The Directors and Officers, directly and indirectly, are involved in other companies and are under no obligation to devote their full time efforts to the business of the Company. Accordingly, there may exist conflicts of interest in the allocation of resources by the Directors and the Officers between the Company and other related or unrelated activities of the Directors and Officers and their respective affiliated entities.

Potential Conflicts of Interest

Working Farms Management (dba Working Farms Capital), an entity wholly owned by David E. Miller, has historically provided transitional organic farm management and seed capital to new ventures, including Iroquois Valley LLC when originally established, as well as Two Roads Farm and Pleasant Ridge Farm, both of which are now owned by the Company.

Working Farms Capital and other Officers may continue to provide services and capital to new farm ventures with farm, farmer, and investor demographics that are different to those of the Company. Specifically, Working Farms Capital and Kevin Egolf are managing Local Farms Fund – NY Foodshed LLC. This venture is focused on early stage farmers and small farms in the New York City Foodshed, which is defined by Local Farms Fund as the states connected to the New York Metropolitan Area (New York, New Jersey, Connecticut and Pennsylvania). Local Farms Fund seeks smaller investors looking for a more localized investment option with community investment level returns. While this venture and other future vehicles have different models, conflicts of interest may exist between these entities and the Company.

Both Mr. Egolf, CFO, and Ms. Ophiem, Director and Project Manager, are creditors to Iroquois Valley LLC. There may be conflicts of interests between their credit positions and respective roles for the Company. Mr. Egolf is also a borrower of Iroquois Valley LLC via an executive loan.

Troy Throneberg is both an investor in Iroquois Valley REIT and the lessee of Two Roads Farm.

Andy Ambrione, as well as being an investor in Iroquois Valley REIT, is both a Director of Iroquois Valley REIT and the lessee of five of the Company's farms (Old Oak Farm, Sparta Woods Farm, Brindle Farm, Yoder and Lake Wawasee) (see "Business and Farmland – Farmland Summary Table"). As such, there could be a future conflict of interest between Mr. Ambrione's role as a Director and as the tenant of these farms.

Harold Wilken, as well as being an investor in Iroquois Valley REIT, is both a Director of Iroquois Valley REIT and the lessee of two of the Company's farms (Iroquois Valley East and Iroquois Valley West) (see "Business and Farmland – Farmland Summary Table"). As such, there could be a future conflict of interest between Mr. Wilken's role as a Director and as the tenant of these farms.



Historical Financial Statements

The financial information presented below reflects the results of Iroquois Valley LLC. As majority subsidiary of Iroquois Valley REIT, the financial results of Iroquois Valley LLC approximate the financial results of the Company as a whole had the current organizational structure been in place throughout the period presented.

It should also be noted that for 2016, Iroquois Valley LLC changed accounting treatment. Prior to 2016, Iroquois Valley LLC reported as an “investment company” whereby assets were marked to market each year and unrealized income or loss was reported through the income statement. Due to the REIT conversion (see “Operating Structure”) and to better represent the business as an ongoing corporate entity, the Company converted to “operating company” reporting. Under these reporting standards assets are depreciated and the depreciation expense is reported on the income statement. This creates difficulty in year-over-year comparisons when looking at historical financial statements. As such the Company has highlighted Key Comparability Metrics (see below), which management believes are important to understanding the overall business. This reporting does not comply with GAAP standards and historical figures have been adjusted to reflect new accounting treatment.

Key Comparability Metrics

	Year Ending December 31,		
	2014	2015	2016
Total Assets	\$18,978,439	\$23,232,099	\$29,869,295
Total Equity	13,343,437	16,718,659	21,552,867
Revenue	671,525	981,426	1,154,459
Operating Income	121,521	197,081	205,784
Net Income	(22,822)	10,464	(4,252)
Cash Earnings (1)	117,931	190,142	184,581
New Investments (2)	6,382,012	4,844,870	7,289,343
Capital Raised (3)	7,466,704	4,816,048	6,677,098
Farms	21	27	32
Owned Acres	2,790	3,581	4,413
Mortgage Loan Investments	0	0	5
Mortgage Acres	0	0	910

Note: 2014 and 2015 reflect company adjustments made to the audited financials to create a comparison with the 2016 financials.

(1) Net income plus non-cash operating costs (depreciation and option expense).

(2) Investments made in farmland or farmland mortgages.

(3) Capital raised through private offerings (debt and equity).



The financial results presented below are taken from two different reporting standards. These reporting standards are not necessarily comparable. The financial statement notes are an integral part of the financial statement and can be viewed in Appendix IV and V, which contain the full reports.

Balance Sheet

	Year Ending December 31,		
	Investment 2015	Operating 2015 (1)	Operating 2016
<u>ASSETS</u>			
Cash and cash equivalents	\$1,241,412	\$1,241,412	\$560,948
Accounts rec. and other cur. assets	275,679	281,817	380,949
Other long-term assets	1,000	1,000	60,000
Investments in real estate, at fair val.	23,243,935	NA	NA
Loan Assets	NA	-	3,598,641
Fixed Assets, net	NA	21,707,870	25,268,757
	<u>\$24,762,026</u>	<u>\$23,232,099</u>	<u>\$29,869,295</u>
<u>LIABILITIES AND EQUITY</u>			
Mortgages Payable (incl. LoC)	\$3,147,475	\$3,147,475	\$3,168,640
Accrued liabilities	131,970	160,965	139,965
Accounts Payable	22,856	-	12,823
Note payable, subordinated	3,205,000	3,205,000	4,995,000
	6,507,301	6,513,440	8,316,428
EQUITY	<u>18,254,725</u>	<u>16,718,659</u>	<u>21,552,867</u>
	<u>\$24,762,026</u>	<u>\$23,232,099</u>	<u>\$29,869,295</u>

(1) Reflects beginning balance sheet used for 2016 financial results. This balance sheet was not reported directly in the 2016 Audit and Financial Statements.



Income Statement

	Year Ending December 31,		
	Investment Company		Operating Co.
	2014	2015	2016
Rental income	\$635,623	\$913,277	\$974,967
Mortgage Income	0	0	77,065
Lease reimbursements	35,902	68,149	90,057
	671,525	981,426	1,142,089
G&A expenses (incl. Prof. Fees)	347,444	476,824	587,961
Real estate taxes	55,264	99,427	110,681
Insurance and other	6,543	28,416	13,266
Restructuring Expense	0	0	35,564
Option-based compensation expense	74,124	99,321	76,791
Depreciation and Amortization	NA	NA	112,042
	483,375	703,988	936,305
Operating Income	188,150	277,438	205,784
Interest expense	144,343	186,617	210,036
Net appreciation from invmt. in RE	(33,391)	(312,018)	NA
NET INCOME (LOSS)	\$10,416	(\$221,197)	(\$4,252)

Please note that 2014 and 2015 are not prepared consistent to 2016



Financial Projections

	Audited 2016	Projection Year Ending 2017	Projection December 31, 2018	Projection 2019
Rental income	\$974,967	\$1,112,928	\$1,387,678	\$1,564,228
Mortgage Income	90,057	344,060	477,223	558,945
Lease reimbursements	77,065	113,980	131,076	150,738
	1,142,089	1,570,967	1,995,977	2,273,910
G&A expenses (incl. Prof. Fees)	587,961	705,510	846,612	931,273
Real estate taxes	110,681	122,707	141,113	162,280
Insurance and other	13,266	15,227	15,684	16,154
Restructuring Expense	35,564	5,000	0	0
Option-based comp. exp.	76,791	39,269	8,922	0
Depreciation and Amortization	112,042	123,835	154,406	174,051
	936,305	1,011,547	1,166,737	1,283,758
Operating Income	205,784	559,420	829,240	990,152
Interest expense	210,036	318,531	328,835	338,700
NET INCOME (LOSS)	(\$4,252)	\$240,889	\$500,405	\$651,451
Cash Earnings	\$184,581	\$403,993	\$663,733	\$825,502

Management has prepared the above projections assuming full subscription of this Offering and full subscription of the Soil Restoration Notes being offered by Iroquois Valley LLC. Please note these projections reflect the results of Iroquois Valley LLC, which the Company believes approximates those of Iroquois Valley REIT and the consolidated operation.

While management believes its projections have a reasonable basis, there can be no assurance the projections will be met, and actual results may be materially different based on a number of variables, many of which are not within the Company's control. Significant assumptions used in the projections are discussed below.

Revenue reflects rental and mortgage income growth from new investments made during 2017 and 2018, approximately \$10 million per year. These investments reflect a mix of new mortgage loans and purchases with rates and terms consistent with historical practices. The results further assume no new offering is launched in 2019 for additional investment opportunities. While the Company thinks it will likely continue to raise capital beyond the Offering and Soil Restoration Note offering, it has not forecasted those events into the projections above.

General and administrative expense reflects the budgeted figure for 2017. This summary number is based on a detailed budget reviewed and approved by the Board of Directors and is calculated from a detailed review of Iroquois Valley Farms' G&A cost line items. For 2018 and 2019, the projection is based on a 20% and 10% growth above the prior years' results,



respectively. This growth rates is slightly below the total revenue growth and represent the Company's ability to leverage fixed costs with in the G&A cost structure.

The interest expense projection for 2017 is also based on the detailed budget, which reflects quarterly cash flows and debt balances to calculate interest expense and income for the year. 2018 uses the 2017 yearend balance sheet to calculate a full year of interest expenses at those debt levels. 2019 reflects a modest increase in interest expense to assume that maturing medium-term debt is renewed at rates with modest increments above the current rates.

Option expense is phasing out. The Company, at this time, is planning to discontinue this compensation strategy, replacing options with additional cash compensation and performance bonuses.

Projections exclude the modest impact of taxes paid through the TRS and certain state level taxes that the REIT may incur.



Investor Suitability Standards

The offer and sale of the Shares are being made in reliance on an exemption from the registration requirements of the Securities Act, specifically, SEC Regulation D, Rule 506(c). Accordingly, distribution of this Memorandum has been strictly limited to persons who the Iroquois Valley REIT reasonably believes (i) are “Accredited Investors” (as defined by Rule 501(a) promulgated pursuant to the Securities Act and summarized below) and (ii) will be able to satisfy the requirements and make the representations set forth below pursuant to the Subscription Agreement, in the form included herewith as **Appendix I**. Additionally, Rule 506(c) prohibits Iroquois Valley REIT from selling any Shares to any potential purchaser that is not a verified Accredited Investor. Therefore, Iroquois Valley REIT reserves the right, in its sole discretion, to declare any prospective investor ineligible to purchase the Shares based on any information that may become known or available to Iroquois Valley REIT concerning the suitability of such prospective investor, for any reason, or for no reason.

Prospective investors should not construe the contents of this Memorandum as legal or tax advice. Each prospective investor should consult his, her or its own independent counsel, accountant or business advisor as to legal, tax and related matters concerning his, her or its investment.

Each investor will be required to certify that it is an Accredited Investor and be accredited as such. Iroquois Valley REIT has engaged a third-party verification provider to assist with the SEC’s verification requirements pursuant to Rule 506(c) and each prospective investor will have the option of using Iroquois Valley REIT’s selected verification provider or utilizing the services of certain enumerated professional advisors retained by the prospective investor, each as further outlined in the Subscription Agreement.

Accredited Investor (as defined by Rule 501(a) promulgated pursuant to the Securities Act)

1. Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase, exceeds \$1,000,000. For purposes of calculating net worth: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability;
2. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;
3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;
4. Any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the “**Exchange Act**”); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the



benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;

5. Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
6. Any organization described in Section 501(c)(3)(d) of the Code, corporation, business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
7. Any director or executive Officer, or general partner of the issuer of the securities being sold, or any director, executive Officer, or general partner of a general partner of that issuer;
8. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D adopted under the Act;
9. Any entity in which all of the equity owners are Accredited Investors;
10. Any employee benefit plan established under the United States Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary which is either a bank, savings and loan association, insurance company or registered investment advisor; or the plan has total assets in excess of \$5,000,000; or if the plan is self-directed, the investment decisions are made solely by persons that are Accredited Investors; and
11. Any plan established and maintained by a state of the United States, its political subdivisions, or any agency or instrumentality of a state of the United States or its political subdivisions, for the benefit of its employees that has total assets in excess of \$5,000,000.



Appendix

The appendix items listed below are included in the Memorandum and provided under separate cover. The documents can be obtained from Iroquois Valley REIT by contacting Kevin Egolf, Chief Financial Officer and Offering Contact at kegolf@iroquoisvalleyfarms.com or subscriptions@iroquoisvalleyfarms.com.

- I. Subscription Agreement
- II. Bylaws of Iroquois Valley Farmland REIT, PBC
- III. Certificate of Incorporation of Iroquois Valley Farmland REIT, PBC
- IV. Iroquois Valley Farms LLC Financial Statements and Independent Auditors Report – December 31, 2014 and 2015
- V. Iroquois Valley Farms LLC Financial Statements and Independent Auditors Report – December 31, 2016

