



ASHLEY COUNTY, AR

762 ACRES M/L



**HAMBURG
DELTA
FARM**



**IRRIGATED FARMLAND
TIC OFFERING**

A stylized, light-colored plant illustration with a central stem and several leaves, positioned on the left side of the page.

HAMBURG DELTA FARM

Executive Summary

mAgma is excited to announce the investment offering of the Hamburg Delta Farm. The Hamburg Delta Farm will be a Tenancy in Common (TIC) structure. Use of the TIC structure enables individual owners to transact their ownership interest independent of remaining owners, allowing investors to complete Section 1031 exchanges both into and out of the ownership structure. The TIC will assign ownership interest directly proportional to each owner's contributions at closing. All beneficial interests and capital requirements will be assigned based on TIC ownership interests for each member. The TIC is governed by a Tenancy Agreement defining the operating structure for ownership group.

The Hamburg Delta Farm is located in Ashley County, Arkansas in the Mississippi River Delta region of southeast Arkansas, seven miles northeast of Hamburg, Arkansas. The farm is comprised of 761.96 acres m/l of which approximately 683.95 acres are irrigated and tillable. Primary soils in the region include Grenada Silt Loam, Henry Silt Loam, and Calloway Silt Loam. The Farm produces traditional conventional row crops including soybeans, rice, corn, and cotton.

The Farm is provided irrigation water from an underground aquifer with a water depth of 78 feet, and estimated thickness of 141 feet, and a saturated thickness of 63 feet. The Farm has been precision leveled to reduce water waste by making irrigation more precise and efficient so there is even ground coverage without runoff. The Farm is currently irrigated from six electric submersible irrigation wells.



TIC MINIMUM INVESTMENT:
\$250,000

HAMBURG DELTA FARM

Fountain Hill

Old Milo

Hamburg

Bovine

Mist

Snyder

Montrose

Map

The Farm consists of diverse soils with a wide range of crop options from rice to cotton. The soils exhibit good natural fertility and water capacity.

Grenada Silt Loam	61.8 Acres	8.2%	62 NCCPI
Henry Silt Loam	204.0 Acres	27.0%	60 NCCPI
Calloway Silt Loam	489.2 Acres	64.8%	58 NCCPI
AVERAGE		58.86%	

Farm Description

The Farm consists of 761.96 acres m/l located in the Mississippi River Delta region of southeast Arkansas, just seven miles northeast of Hamburg (population 21,853). The property includes approximately 683.95 tillable acres m/l suitable for conventional row crop production, with Grenada Silt Loam, Henry Silt Loam, and Calloway Silt Loam as the primary soil types. The tillable acres have been precision leveled. Irrigation is provided by six electric submersible wells. The property's open fields and multiple access points provide for above average farming efficiency.

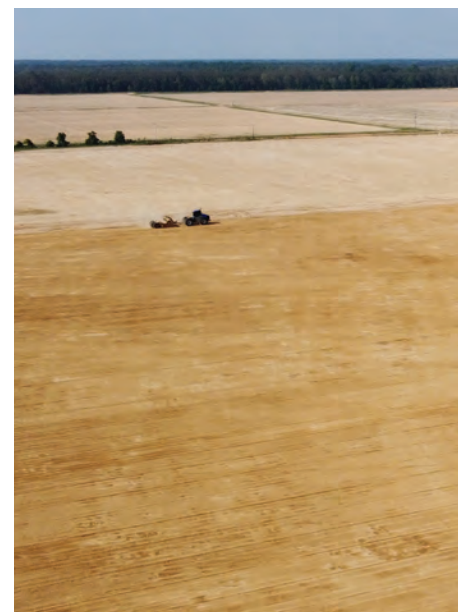
The Farm receives, on average, 57 inches of rain per year with the majority of the rainfall occurring in the winter months. This rainfall pattern coupled with warmer temperatures through the growing season results in the requirement for irrigation infrastructure to maximize crop productivity. Critically, all tillable acres on the Farm are irrigated with water sourced from electric submersible wells.

The three most typical power sources for operating the engines that pump and distribute irrigation to crops are diesel fuel, propane, and electricity. Of these, only electricity provides no emission power. Accordingly, local power companies have been contracted to bring electricity to the property for lower cost and environmentally friendly irrigation. Typically, irrigated properties with electric power sources have lower annual irrigation operating cost and more automation for operations, all without the environmental risk of having diesel or propane fuel tanks built or stored on the property.

The Farm exhibits above average size, soil quality, topography, and crop optionality on a county level which creates added demand from local operators and therefore above county average lease rates.

Regional Information

Located in Ashley County, Arkansas, the Hamburg Delta Farm is strategically positioned in the heart of the Delta's rice country. In 2020, the average yield of rice across the state was 166.7 bushels per acre with 1,441,000 total acres harvested, producing over 240 million bushels. Arkansas ranks first in the nation in rice production, producing nearly 50% of the nation's rice. Rice is a very water intensive crop which requires extensive irrigation. Arkansas has developed numerous irrigation practices including leveling, water retention, winter flooding, and water storage that aid in successful crop production. In Ashley County, approximately 96,088 acres are operated annually for row crop production, creating over \$63,000,000 in annual market value through crop sales.



Farm Value

The Hamburg Delta Farm was sourced off-market directly through a relationship with the seller for a purchase price of \$3,675,000 or \$4,823 per total acre and \$5,373 per tillable acre. In connection with the purchase, a third-party appraisal was completed that valued the property at \$3,650,000 or \$5,337 per tillable acre. The farm was placed under contract in February of 2022. The market has appreciated since the farm was acquired which an updated appraisal would reflect. See below for recent comparable sales for this asset acquisition.



	\$ / GROSS	\$ / TILLABLE
AVERAGE	\$3,955	\$4,557
MAX	\$4,887	\$5,725
MIN	\$2,950	\$3,439
THE FARM	\$4,823	\$5,373

Comparable Sales

SALE	COUNTY	SALE DATE	SALE PRICE	GROSS ACRES	TILLABLE ACRES	\$ / GROSS	\$ / TILLABLE
1	Ashley	Mar-21	\$315,000	82.01	71.07	\$3,841	\$4,432
2	Ashley	Aug-21	\$6,097,520	1,247.74	1,065.11	\$4,887	\$5,725
3	Ashley	Jan-21	\$2,114,287	502.00	468.00	\$4,212	\$4,518
4	Ashley	Apr-21	\$1,950,000	435.09	348.47	\$4,482	\$5,596
5	Ashley	Nov-21	\$1,300,000	420.38	378.00	\$3,092	\$3,439
6	Ashley	Jun-21	\$1,000,000	227.27	210.00	\$4,400	\$4,762
7	Ashley	May-21	\$464,100	157.30	126.00	\$2,950	\$3,683
8	Ashley	Jun-21	\$4,480,000	1,280.00	1,026.00	\$3,500	\$4,366
9	Ashley	Mar-21	\$4,800,000	1,134.00	1,068.00	\$4,233	\$4,494

Investor Overview

The asset was purchased for \$3,675,000 on May 3, 2022. The resale price to investors will include a markup for the irrigation infrastructure improvements and precision leveling completed prior to the formation of the TIC. The All-In-Cash build-up below outlines that \$165,000 was spent for this work. Over an assumed ten-year hold period various irrigation work will be required including potential capex investment on wells, pumps, motors, and mainline distribution as well as any other ownership related expenses for which a \$200,000 reserve account will be funded by investors. The ten-year investment analysis is provided in the table on the following page. Accounting for all fees and costs, the asset pro forma yields an 8.35% investor IRR.

mAgma will serve as the asset manager for the Hamburg Delta Farm. mAgma's acquisition responsibilities include purchase agreement negotiation, due diligence, TIC agreement development, asset closing, and oversight for the land management services provided by Peoples Company. An acquisition fee of \$36,750 and legal fee of \$5,000 will be included in the investor purchase price in compensation for these services.

To take advantage of low-cost, long-term debt for farmland real estate that is available in the market, mAgma negotiated a \$1,837,500 non-recourse loan on behalf of the Hamburg Delta Farm to fund a portion of the Farm's purchase price. Loan terms are 50% LTV with a 25-year amortization, semi-annual payments, and 4.875% interest rate fixed for seven years.

Farm improvements have been completed to increase production potential and enhance formability which will improve yield and investor return. These improvement projects included: the installation of two irrigation wells to better support all irrigated acres and reduce power demands; addition underground pipe and risers to improve timely delivery of water and support a well-rounded crop rotation; and precision leveling on a portion of the Farm to further improve irrigation efficiency and reduce runoff. The reserve account may be used in the future for additional improvements.

AIC BUILD-UP

NOTES

Initial Asset Purchase Price	\$3,675,000	Purchase price paid to seller on May 3, 2022
Plus: Farm Capex Improvements	\$165,000	Value of farm improvements completed in May 2022
Plus: Acquisition & Legal Fee	\$41,750	Paid to mAgma for acquisition & structuring services
Plus: Initial Closing Costs	\$11,683	Loan origination fees, appraisal fee, & settlement charges for purchase on May 3, 2022
Less: Bank Loan	\$1,837,500	50% LTV, 25 year amortization, 4.875%
Investor Asset Purchase Price	\$2,055,933*	
Plus: Reserve Account	\$200,000	To cover property maintenance, improvements, other ownership costs
All-In-Cash	\$2,255,933	

Financing Fee

A financing fee will be charged to cover mAgma's holding cost while the farm is being marketed. This fee will be added to the investor purchase price and therefore will be 1031 exchange eligible. The fee will be charged for purchases made in July or later according to the table below.

	10% TIC INVESTMENT	FINANCING FEE	1031 EXCHANGE ELIGIBLE	PURCHASE PRICE + RESERVE ACCOUNT (\$20K)
July	\$205,593	\$879	\$206,472	\$226,472
August	\$205,593	\$1,758	\$207,351	\$227,351
September	\$205,593	\$2,637	\$208,230	\$228,230
October	\$205,593	\$3,516	\$209,109	\$229,109

*Example based on 10% TIC interest.

*The Investor Asset Purchase Price will be marked up from the original purchase price to include the following expenses: closing costs, acquisition fee, legal fee, and improvement costs. By marking up the purchase price of the asset to include these expenses, 1031 exchange proceeds will be eligible to cover these costs. However, 1031 exchange proceeds may not be used to fund the reserve account.

Pro Forma Cash Flows and Returns

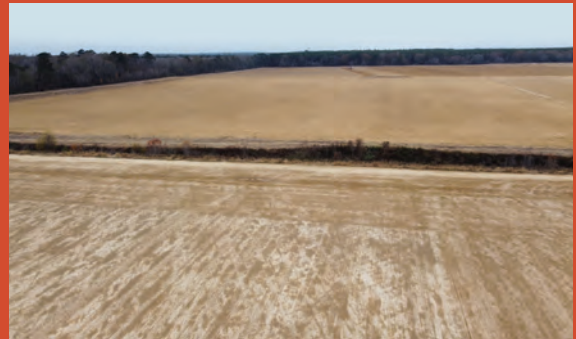
mAgma has prepared pro forma cash flows and return analysis of the Hamburg Delta Farm for the target ten-year investment hold period based on the following key components:

ANNUAL REVENUE AND EXPENSES

The Hamburg Delta Farm has been leased to a professional farm operator in the local area. The lease structure and terms are summarized in the following pages. The Hamburg Delta Farm will receive rental income annually in January which will be used to satisfy annual operating expenses and debt service and fees including:

- Debt service on bank loan
- Property taxes and liability insurance
- Land management fee equal to 5.0% of annual rental income, payable to Peoples Company
- Professional fees for TIC accounting, financial statement reporting

Any remaining net income will be held in cash reserves until distributed to investors in an amount proportional to their interest in the Hamburg Delta Farm TIC.



LAND VALUE APPRECIATION AND DISPOSITION

The Hamburg Delta Farm's offering target IRR is partially derived from land value appreciation and asset disposition. The offering projects IRR based on an initial asset value equal to the purchase price plus improvement fund for a total of \$3,840,000, appreciating at the historical growth rate for the state. Based on USDA reported Arkansas irrigated farmland values for 2001-2021, the historical growth rate is 5.10%. To optimize land value appreciation, mAgma has engaged Peoples Company to provide sustainable farm management.

SUCCESS FEE

An outcome driven success fee may be earned by mAgma upon the sale of the Farm. mAgma will receive 20% of any return in excess of a 7% IRR that is generated for investors. The success fee aligns the interests of mAgma with those of the investors and establishes an incentive structure for an active asset management approach that will drive appreciation in the long-term value of the Farm.

Investment Pro Forma

<i>Cash Flows</i>	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Lease Income	\$92,822	\$140,000	\$140,000	\$160,728	\$160,728	\$160,728	\$160,728	\$160,728	\$160,728	\$160,728
Annual Net Income Based Management Fee	\$(4,641)	\$(7,000)	\$(7,000)	\$(8,036)	\$(8,036)	\$(8,036)	\$(8,036)	\$(8,036)	\$(8,036)	\$(8,036)
Annual Property Taxes	\$(1,321)	\$(1,347)	\$(1,374)	\$(1,401)	\$(1,429)	\$(1,458)	\$(1,487)	\$(1,517)	\$(1,547)	\$(1,578)
Liability Insurance	\$(1,421)	\$(1,449)	\$(1,478)	\$(1,508)	\$(1,538)	\$(1,569)	\$(1,600)	\$(1,632)	\$(1,665)	\$(1,698)
Accounting Fee	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)	\$(3,000)
Net Operating Cash Flow	\$82,439	\$127,204	\$127,148	\$146,782	\$146,724	\$146,665	\$146,604	\$146,543	\$146,480	\$146,415

Leveraged Cash Flows

Total Equity Investment	\$2,255,933									
Loan Payment	\$(63,804)	\$(127,607)	\$(127,607)	\$(127,607)	\$(127,607)	\$(127,607)	\$(127,607)	\$(127,607)	\$(130,625)	\$(133,642)
Gain from Sale of Land Asset	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$6,025,856
Payoff of Outstanding Loan	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$(1,388,056)
Paid from / Return of Cash Reserves	\$-	\$403	\$459	\$-	\$-	\$-	\$-	\$-	\$-	\$199,136
Net Investor Cash Flows	\$2,255,933	\$18,635	\$(0)	\$(0)	\$19,175	\$19,117	\$19,057	\$18,997	\$18,935	\$15,855 \$4,849,709
Implied IRR	8.67%									

Success Fee Analysis

Trigger IRR	7.00%									
Success Fee % Over Trigger	20.00%									
Success Fee	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$(137,269)
Net Investor Cash Flows Post Success Fee	\$18,635	\$(0)	\$(0)	\$19,175	\$19,117	\$19,057	\$18,997	\$18,935	\$15,855	\$4,712,440
Implied IRR	8.35%									

This pro forma contains projections and other forward-looking statements. These statements are not guarantees of future performance. Actual performance and financial results in future periods may differ materially from these projections and/or statements.



Management Strategy

As part of the purchase of the property, the current farm lease with a local tenant has been assigned to the TIC. The current lease has three years remaining and is a cash rent agreement. This lease will provide a base cash rent of \$204.69 per irrigated tillable acre for a total of \$140,000 in lease revenue for years 1-3. At the time the lease expires, mAgma and Peoples Company will identify high-quality local operators and accept bids for per acre lease rates. mAgma and Peoples Company will attempt to build in bonus rent provisions at the time of negotiation that will allow the ownership group to share in the success of profitable years. mAgma is forecasting a lease rate of \$235 per irrigated tillable acre beginning in 2025.

mAgma will serve as the asset manager for the Farm and perform key functions on behalf of the investment group including asset performance reporting, farm management oversight, and accounting. mAgma will be eligible to receive a success fee established as 20% of IRR are over 7% accrued after year seven of ownership when pay to asset disposition targeted for years 7-10. Peoples Company as the farm manager will support the tenant with crop planning, crop marketing and crop insurance procurement as well as oversee annual business planning, capital improvement project management, sustainability certification, and agronomic monitoring. In compensation of these services, a farm management fee of 5% of annual rental income will be payable to Peoples Company.

SPONSOR

mAgra

mAgra aims to proliferate the ability of capital to access high-quality U.S. farmland by allowing investors to easily buy and sell farmland through syndicated offerings as well as share in competitive, diversified returns through a digital platform while simultaneously creating an alternative equity source for landowners. Historically, investing in U.S. farmland has not been a viable option for many individuals due to the large capital requirements, extensive knowledge and management demands, and substantial operational risk. mAgra eliminates these barriers by acquiring investment grade assets, structuring syndicated offerings, and providing sustainable farm management through their partnership with Peoples Company.

FARM MANAGER

Peoples Company

Peoples Company is a nationally recognized full service land transaction firm with competencies in land brokerage, appraisal, management, and investment. mAgra has engaged Peoples Company as the farm manager for the Hamburg Delta Farm. To optimize Farm efficiencies and socially responsible practices, Peoples Company's management responsibilities will include oversight of soil health, agronomy, water drainage practices, optimal crop rotations, and government crop insurance acquisition; consulting with the farm operator; and implementing sustainable farming practices. Sustainable farm management is not only socially responsible, but, as an increasing number of food companies require sustainably produced food ingredients, it is being a threshold qualifier for whether a given farm can even participate in the food supply chain. For these reasons, mAgra believes sustainable farm management is an important element in driving asset appreciation. Peoples Company will manage the property according to the Leading Harvest Farmland Management Standard.

mAgraTM**mAgraLand.com**



**HAMBURG
DELTA
FARM**



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