



Bonnefield

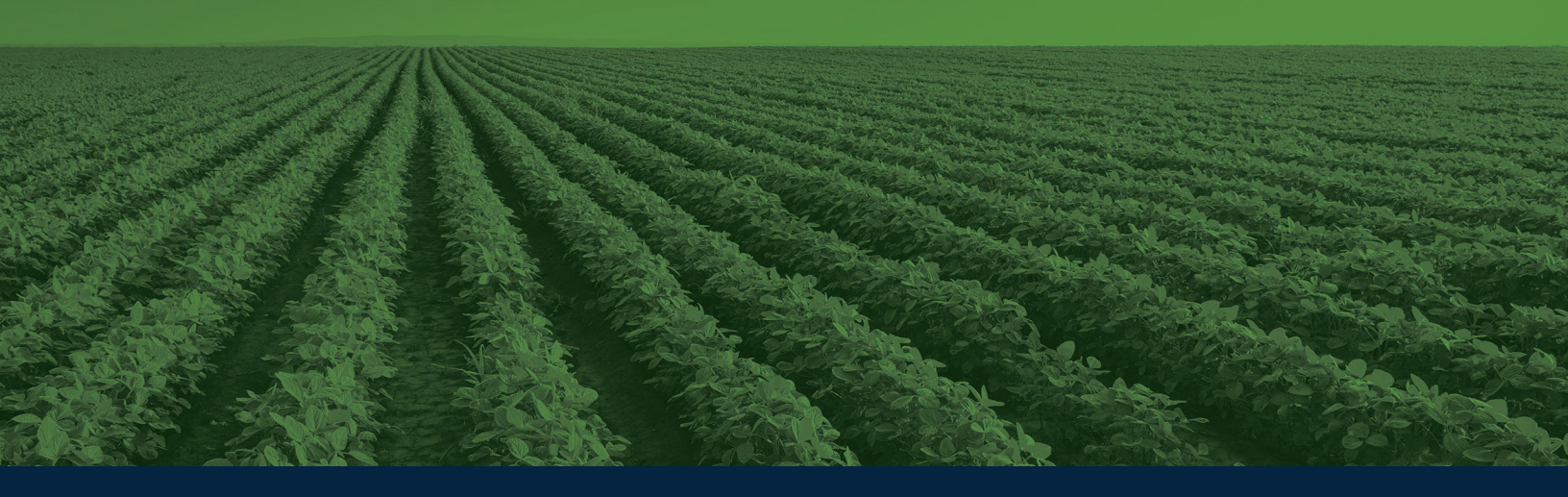
FARMLAND *for* FARMING

# Farmland Lease Financing

How It Can Help You Reach Your Goals

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# About Bonnefield

Bonnefield partners with progressive Canadian farmers to provide farmland leasing solutions to help them grow, reduce debt and finance retirement and succession. We look to create long-term financial partnerships with farmers and to encourage excellent stewardship of the land to help protect farmland for farming.

We design land leases to help solve financial challenges for farmers across Canada. Our financial solutions are intended to

both complement and be an alternative to traditional bank debt and direct equity financing for farm operators.

We are 100% Canadian operated and are committed to maintaining Canadian farmland for farming. Our investors are individuals and institutions that share this commitment to the long-term future of Canadian agriculture.

Farmer's Goals	Bonnefield Solution
 Strengthen Balance Sheet	Sale-leaseback: Bonnefield acquires land and leases it back to the former owners
 Improve Cash Flow	Sale-leaseback: Bonnefield acquires land and leases it back to the former owners
 Retirement Planning	Sale-leaseback: Bonnefield acquires land and leases it back to the former owners
 Succession Planning	Sale-leaseback: Bonnefield acquires land and leases it back to the former owners
 Secure Access To Currently Leased Land	Lease Takeover: Bonnefield acquires land currently leased from others on a short-term basis and leases it to the farmer on a long-term basis.
 Farm Growth	Expansion Financing: Bonnefield buys additional land for the expanding farmer who leases it on a long-term basis.



## Farmer's goals

REDUCE DEBT AND  
IMPROVE CASH FLOW



REDUCE RISK AND  
PLAN FOR RETIREMENT



## Typical Scenarios

“My farm runs well but it seems like I spend more time dealing with my banker than running my farming operations. Cash always seems tight and my debt load prevents me from reinvesting in the equipment and inputs I need to really optimize my farming operations. If I could lower my debt payments, I would have more financial flexibility. I could plan my business better, reinvest in my operations and operate my farm with less risk and less stress.

“I'm thinking of retiring in a few years but I still want to keep farming for a while yet. My farm has increased in value and I'd like to crystalize some of that value to put some money in the bank, spend some time in Florida, and organize my estate.

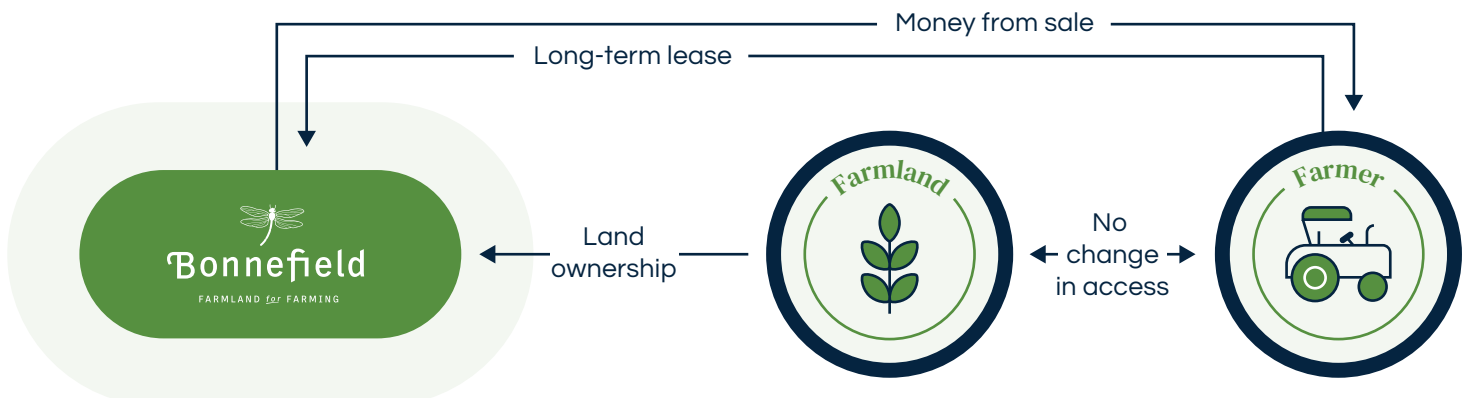
### Bonnefield Solution

#### Sale-leaseback

- Bonnefield buys land from the farm owner-operator and leases it back on a long-term basis to the existing farmer.

### Illustrative Lease Payment Options

- Single annual payment due January 15th each year
- Semi-annual payments due January 15th and July 15th each year (on approved credit)
- Prepay all lease payments – deducted from sale proceeds
- Prepay a portion of lease payments – deducted from sale proceeds; remainder paid annually



## Farmer's goals

TRANSITION FARMING OPERATIONS  
TO THE NEXT GENERATION



PLAN FOR RETIREMENT  
AND ESTATE



## Typical Scenarios

“My daughter wants to take over my family farm operation, but the value of the farm has increased to the point where she does not have the savings to buy the farm from me. And I want to take some equity out of my farm to finance my retirement. How can I help my daughter take over my farm and still have money left over to finance my retirement?”

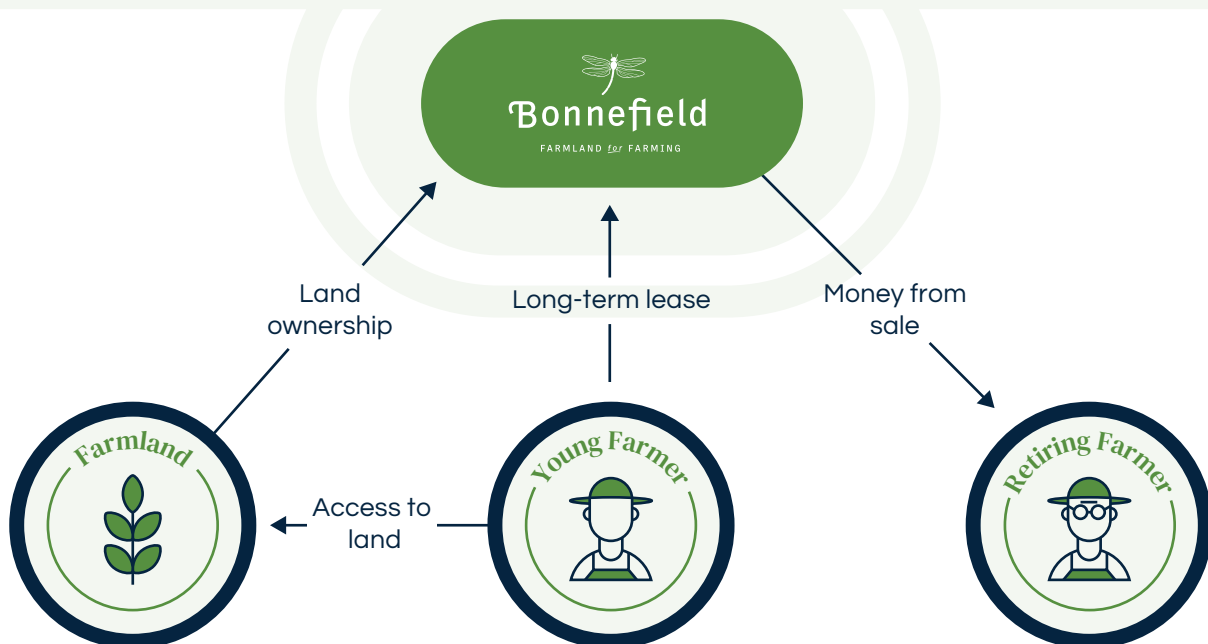
### Bonnefield Solution

#### Sale-leaseback

- Bonnefield buys land from the farm owner-operator and leases it back on a long-term basis to the existing farmer or the next generation.

### Lease Payment Options

- Single annual payment due January 15th each year
- Semi-annual payments due January 15th and July 15th each year (on approved credit)
- Prepay all lease payments  
- deducted from sale proceeds
- Prepay a portion of lease payments deducted from sale proceeds; remainder paid annually



## Farmer's goals

SECURE LAND CURRENTLY  
LEASED FROM OTHERS



ENSURE CONTINUED ACCESS  
TO LAND FOR LONG TERM



## Typical Scenarios

“ I lease some land each year on a hand-shake basis from Joe. Joe is no longer active in farming and I'm afraid he might eventually sell the land. I don't want to buy it myself but I want to continue to farm it. I have invested heavily in equipment and need to be sure I have access to Joe's and to maximize the use of my machinery. How can I ensure continued access to Joe's land so I can maintain my profits for the long term?

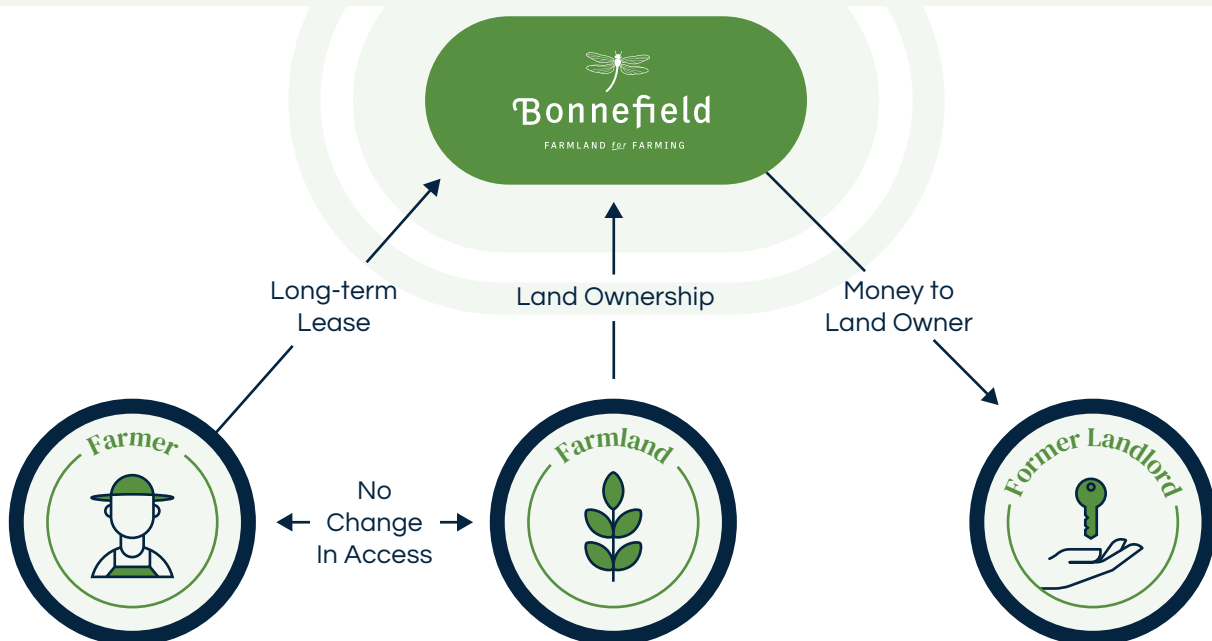
### Bonnefield Solution

#### Lease Takeover

- Bonnefield buys land from the former landlord and enters into a longer-term secure lease with existing farmer.

### Lease Payment Options

- Single annual payment due January 15th each year
- Semi-annual payments due January 15th and July 15th each year (on approved credit)





## Farmer's goals

EXPAND FARMING  
OPERATIONS



FARM MORE LAND TO  
INCREASE PROFITS



## Typical Scenarios

“ I want to continue to grow my farming operations but land and equipment prices keep going up and take more and more capital. I don't want to take on more debt to buy land but I still want to grow. There is a piece of land I've had my eye on that would fit well with my farm business, but I don't have the capital to buy it.

### Bonnefield Solution

#### Expansion Financing

- Bonnefield buys land for farmer who leases it from Bonnefield under long-term lease

### Lease Payment Options

- Single annual payment due January 15th each year
- Semi-annual payments due January 15th and July 15th each year (on approved credit)

