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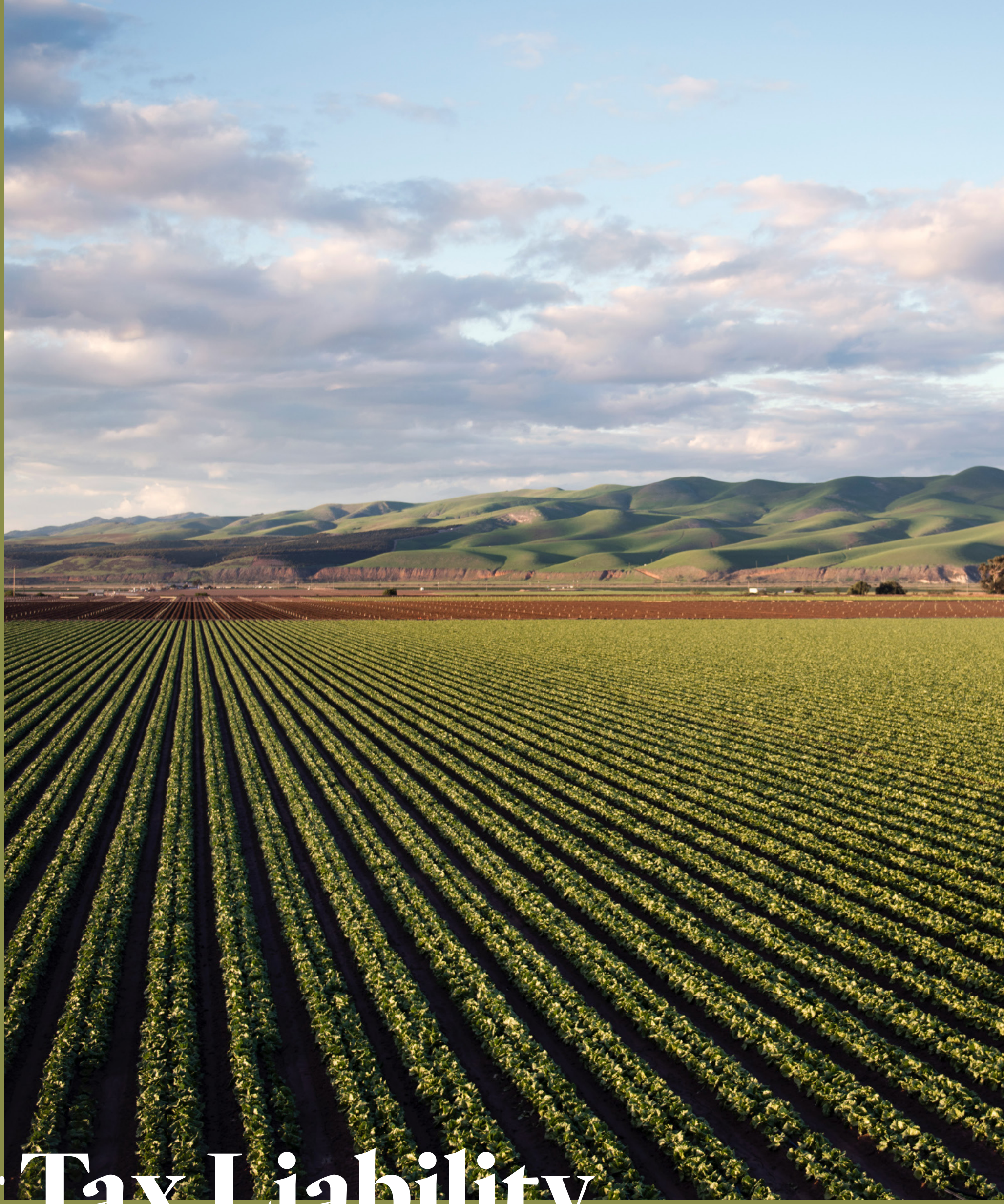


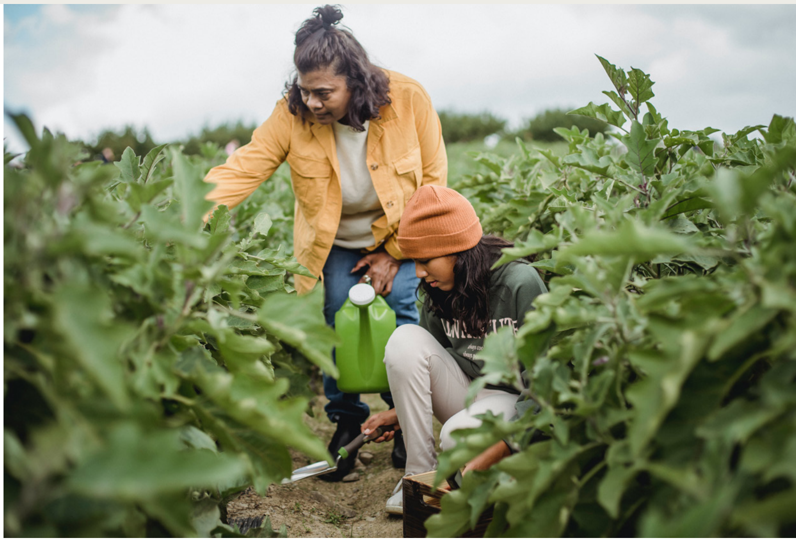
CASE STUDY:

Deferring Tax Liability and Diversifying Proceeds in Farm Sale

The Johnsons Deferred a $725,000 tax liability and strategically diversified their proceeds to help manage risk and provide management-free income potential for their retirement.

The Johnson family sold their debt-free farm for $2,500,000 in cash. They were referred to a real estate broker who suggested they acquire one single-tenant triple-net leased property.

After a period of time identifying and negotiating the purchase of a quick serve restaurant, the Johnsons' attorney found a number of onerous subordination, substitution, and cancellation clauses in the lease.



RESULTS

Without Using a DST:

After a week of negotiations with the seller, the attorney was not able to remove these unfavorable clauses from the lease. As a result, the Johnsons decided to cancel the contract. They were now down to 5 days left in the 45-day identification period. Thinking they did not have enough time to search for new properties, make offers, and complete due diligence, the Johnsons were prepared to pay taxes of $725,000 on the sale.

RESULTS

With Using a DST:

Within two days, using the DST structure, the Johnsons were able to identify five high quality DSTs with multiple properties in multiple states for $500,000 each. This enabled them to defer $725,000 in taxes and relieved them of a lot of stress. They also were more strategically diversified so that their entire investment was not dependent on the success or failure of one property and one tenant.

Contact us today for professional, tailored guidance on your passive real estate investment needs:

legacyire.com (916) 908-1031

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Because investor situations and objectives vary this information is not intended to indicate suitability or a recommendation for any individual investor.

This is for informational purposes only, does not constitute individual investment advice, and should not be relied upon as tax or legal advice. Please consult the appropriate professional regarding your individual circumstance.

Potential cash flows/returns/appreciation are not guaranteed and could be lower than anticipated.
Diversification does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.

There are material risks associated with investing in DST properties and real estate securities including liquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal.

DST 1031 properties are only available to accredited investors (typically defined as having a $1 million net worth excluding primary residence or $200,000 income individually/$300,000 jointly of the last two years; or have an active Series 7, Series 82, or Series 65). Individuals holding a Series 66 do not fall under this definition) and accredited entities only. If you are unsure if you are an accredited investor and/or an accredited entity, please verify with your CPA and Attorney.

Securities offered through Concorde Investment Services, LLC (CIS), member FINRA/SIPC. Legacy Investments & Real Estate is independent of CIS.

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