



May 1, 2019

### EQUITY REDEMPTION

Legacy Farmers Cooperative equity credit holder,

Each year the co-op makes a profit, the co-op returns that profit to the member owners as a patronage refund. Your patronage distribution in a given year is based on the business that you as a member did respective to the net margins which resulted from the operations of grain, ag supply, and/or petroleum. Patronage is typically paid out in a % of cash and a % of equity credits and the members pay the taxes on the entire amount, so this redemption of those equities is tax free.

I am pleased to share with you that the Legacy Farmers Cooperative Board of Directors has voted to redeem the full amount of members' equities balances from the year 2006. The check you have received is your equity that has been redeemed and is tax free since you had paid tax on this amount the year that you received the patronage. Total stock and equity estate redemptions for the past year equaled \$225,000 back to the members and this equity redemption totals another \$736,000. With this redemption, Legacy Farmers Cooperative has fully paid back member equity balances to within 12 years of when they were earned.

Over the past five years, Legacy Farmers Co-op has redeemed a total of \$5,028,000 of outstanding equities and along with previous years' cash patronage this equates to a total of \$9,487,000 cash back to members.

The co-op is owned by the patron members, and your Board of Directors has made a commitment to redeem equities to demonstrate that your ownership in the co-op has cash value in addition to providing you with needed products and services. This is your business! Legacy Farmers Cooperative can pay profits back through patronage, redeem equities, improve assets to better serve you, and provide competition if you use the co-op and consider it part of your business.

We value your ownership and your patronage. Legacy Farmers Cooperative is committed to bring value to your farming operation. This is Your Legacy!

Respectfully,

Mark Sunderman

President/CEO

Legacy Farmers Cooperative