



## INTERNAL REVENUE CODE SECTION 501(C)(25)

### FAQS

#### AND

### MEMORANDUM OF UNDERSTANDING

*The information provided is for educational and informational purposes only and not legal advice. We encourage all parties to review with tax and legal professionals before executing this Memorandum of Understanding.*

#### **1. What is an IRC Section 501(c)(25) nonprofit?**

A 501(c)(25) organization is a tax-exempt entity held by co-founding 501(c)(3) nonprofit organizations. It is designed to hold title to property, and in the case of a Farmland Commons farmland and farm buildings and infrastructure. It allows for the perpetual stewardship of agricultural land, ensuring its use for public purposes without the risk of commodification. The organization has separate organizational documents (like articles of incorporation and bylaws) and board composition from the co-founding parent 501(c)(3)s.

#### **2. How does the 501(c)(25) status affect tax obligations?**

While the 501(c)(25) entity itself is tax-exempt, it must adhere to specific operational requirements set forth by the Internal Revenue Service (“IRS”). This includes restrictions on income generation and mandates on how the land and other assets are managed in alignment with the organization’s bylaws and operating documents.

#### **3. Are the co-founding 501(c)(3) nonprofits subject to any special regulatory considerations?**

The co-founding 501(c)(3) organizations must maintain their tax-exempt status under

U.S. federal law. Furthermore, any transactions or collaborations will adhere to compliance with relevant laws and with IRS regulations.

#### **4. What other considerations should be taken into account during land transfers?**

Land transfers to the 501(c)(25) entity must comply with state and federal laws, including:

- **Transfer Taxes:** Depending on the jurisdiction, transferring land into the 501(c)(25) entity may incur state or local transfer taxes.
- **Legal and Administrative Costs:** Costs associated with title searches, legal fees, notary services, and filing fees.
- **Endowment Funds:** Establishing an endowment to cover ongoing costs such as property taxes, insurance, and utilities.



## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made on \_\_\_\_\_[Date] (the "Effective Date"), by and between:

**Women, Food and Agriculture Network**, a nonprofit organization registered under the laws of the State of Iowa, located at 333 Buckeye Rd #1065, Ames, IA 50010, with a primary mission of providing educational programming and services to individuals and entities concerned with promoting women's role in sustainable agriculture and food production; represented by Sam Tannenbaum and Rachel Tayse;

**Women's Peacepower Foundation**, a nonprofit organization registered under the laws of Florida, located at 622 8th St, Marietta, OH 45750, with a primary mission of working to bring peace to the everyday lives of women and their families and represented by Elizabeth Makley and Naomi Schalle;

**The Farmers Land Trust**, a nonprofit organization registered under the laws of Delaware, located at P.O. Box 195 Cookeville, TN 38503, with a primary mission of working nationally to protect and transition farmland for next generation farmers who are using regenerative agriculture to grow food, fiber, flowers, and other agriculture products for their communities. and represented by Kristina Villa and Sarah Ricks (Blue Rock Farm leaseholder).

Collectively referred to as the "**Parties**".

### 1. Purpose

The purpose of this MOU is to establish the formation and shared governance of a **Blue Rock Farmland Commons** as a 501(c)(25) nonprofit corporation. This entity will permanently hold title to farmland and farm real estate, managing it for regenerative agriculture, ecological stewardship, and community agrarian enterprises.

In executing this MOU, the Parties shall:

- Co-found and incorporate the Farmland Commons with the state of Ohio as nonprofit 501(c)(25) structure as defined by IRS and guided by and aligned with [LTA Standards and Practices](#) to ensure democratic

and community control.

- Maintain fiduciary responsibility to uphold the financial integrity, legal compliance, and long-term sustainability of the Blue Rock Farmland Commons.
- Develop policies and infrastructure for the Blue Rock Farmland Commons as set out in Section 3 below.
- Establish strong, supportive relationships with community members and leaseholder farmers, ensuring they have secure, long-term, and affordable lease tenures.

## **2. Shared Values**

The Parties share the following values:

- **Decommodification of Real Estate:** Blue Rock Farmland Commons will seek to acquire land and farm real estate through collective, community-driven transactions by decommodifying land and placing it under nonprofit ownership, removing it from the speculative market.
- **Land Stewardship:** Blue Rock Farmland Commons will hold land permanently for community-centered stewardship and use by conveying secure, long-term lease tenure to support regenerative food production, ecological land care, and agrarian-based community enterprises.
- **Democratic Governance:** The Parties are committed to shared decision-making principles in which each Party will have an equal voice and voting rights in governance. Decision-making processes will reflect transparency, accountability, and inclusion.

## **3. Organizational Stewardship and Understandings**

Organizational stewardship should be transparent and in alignment with the missions of the Parties and Blue Rock Farmland Commons. Unless otherwise agreed in writing, the Parties shall be primarily responsible for providing their own resources, knowledge, and capacities. The following outlines some of the anticipated organizational stewardship responsibilities of the Parties:

- Secure adequate capital for land and farm real estate acquisition through farmer and community-centered outreach, engagement, and fundraising. For example, the Parties will collaborate to raise varied forms of capital and resources to engage communities and networks that each organization is connected with.
- Comply with all applicable regulations, including adhering to federal and state tax-exempt and fundraising laws.

- Keep detailed records of revenue, donations and expenditures to accurately report income and expenses to the IRS and other relevant authorities.
- Determine and execute appropriate strategies and structures to achieve land and human succession as well as legacy goals and future vision within a Farmland Commons structure.

Furthermore, the Parties agree to hold collective and individual responsibilities through their representative(s) on Blue Rock Farmland Commons board of providing, supporting, and leading in the following:

- Guidance, planning, and support on farm and land transfers and transitions and the legal and financial aspects of the farm transition structure and agreements.
- The creation, incorporation, and development of a Farmland Commons land holding structure, conservation and protection measures, and agriculture and stewardship planning for the land.
- The facilitation of document drafting for farm transfer and transition, lease tenure conveyance agreements, farm management plans, and structures, and process.
- The direct support and technical assistance toward legal, financial, communications, media, engagement and fundraising, and other related activities.
- Ensuring full, appropriate and engaged board of directors representation on the Farmland Commons

#### **4. General Terms**

- This MOU shall commence on the Effective Date and shall remain in effect in perpetuity, unless terminated by mutual written agreement of the Parties. Furthermore, any Party shall be deemed to have withdrawn from this MOU upon their formal exit or removal from the Blue Rock Farmland Commons. Such withdrawal shall constitute automatic termination of that Party's rights and obligations under this MOU, effective as of the date of their termination.
- The Parties agree to maintain the confidentiality of any non-public or proprietary information exchanged during the course of this MOU. This confidentiality obligation shall survive the termination or expiration of this Agreement.
- The Parties agree that liability under this Agreement is limited. Any disputes arising under or in connection with this Agreement shall be resolved through good faith negotiations between the parties. Parties shall not seek resolution through formal legal proceedings unless otherwise required by law.

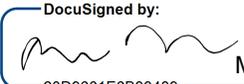
- Each Party agrees to indemnify, defend, and hold harmless the other Parties, their Affiliates, and their respective directors, officers, employees, and agents from and against any and all third-party claims, suits, actions, demands, liabilities, losses, and expenses (including reasonable attorneys' fees and legal costs) arising out of or in connection with its performance under this Agreement, except to the extent such claims arise from the gross negligence or willful misconduct of the indemnified Party.
- This MOU may be amended, modified, or supplemented only by a written agreement signed by all Parties and may be executed at any time upon mutual agreement of the Parties in writing.

**[Signature Page To Follow]**

**Signatures**

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding as of the date first above written and the terms and conditions are fully represented within.

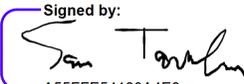
**Women, Food and Agriculture Network**

**Signature and Title:**  DocuSigned by:  
20D0604E6D93400... Member

**Print Name and Title:** Rachel Tayse Member

**Date:** 1/19/2026

**Women, Food and Agriculture Network**

**Signature and Title:**  Signed by:  
A65FFE54108A4E0... Board Member

**Print Name and Title:** Sam Tannenbaum Board Member

**Date:** 1/15/2026

**Women's Peacepower Foundation**

**Signature and Title:**  Signed by:  
407FCA68F532492 Board Member

**Print Name and Title:** Elizabeth Makley Board Member

**Date:** 1/19/2026

**Women's Peacepower Foundation**

**Signed by:**  
**Signature and Title:** Naomi Schalle Board Member  
**Print Name and Title:** Naomi Schalle Board Member  
**Date:** 1/19/2026

**The Farmers Land Trust**

**Signed by:**  
**Signature and Title:** Kristina Villa Co-Executive Director  
**Print Name and Title:** Kristina Villa Co-Executive Director  
**Date:** 1/15/2026

**The Farmers Land Trust**

**Signed by:**  
**Signature and Title:** Sarah Ricks Vice President  
**Print Name and Title:** Sarah Ricks Vice President  
**Date:** 1/15/2026