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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

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# FORM 10-Q

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**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM _____ TO _____**

**COMMISSION FILE NUMBER: 001-35795**

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# GLADSTONE LAND CORPORATION

**(Exact name of registrant as specified in its charter)**

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| **MARYLAND** | **54-1892552** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **1521 WESTBRANCH DRIVE, SUITE 100 MCLEAN, VIRGINIA** | **22102** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(703) 287-5800**

**(Registrant's telephone number, including area code)**

**Not Applicable**

**(Former name, former address and former fiscal year, if changed since last report)**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

*(Check one):*

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ *(Do not check if a smaller reporting company)* | Smaller reporting company | ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒.

The number of shares of the registrant's Common Stock, $0.001 par value per share, outstanding as of November 11, 2016, was 10,024,875.

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**GLADSTONE LAND CORPORATION**

**FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

### GLADSTONE LAND CORPORATION AND SUBSIDIARIES
### CONDENSED CONSOLIDATED BALANCE SHEETS
*(UNAUDITED)*

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| **ASSETS** | | |
| Investments in real estate, net | $ 309,237,004 | $ 221,783,425 |
| Lease intangibles, net | 2,115,085 | 1,763,541 |
| Cash and cash equivalents | 2,396,852 | 2,532,522 |
| Deferred financing costs related to borrowings under line of credit, net | 128,038 | 132,495 |
| Other assets, net | 2,429,753 | 2,472,042 |
| **TOTAL ASSETS** | **$ 316,306,732** | **$ 228,684,025** |
| | | |
| **LIABILITIES AND EQUITY** | | |
| LIABILITIES: | | |
| Borrowings under line of credit | $ 22,500,000 | $ 100,000 |
| Mortgage notes and bonds payable, net | 167,879,624 | 141,578,935 |
| Series A cumulative term preferred stock, par value $0.001 per share; $25.00 per share liquidation preference; 2,000,000 shares authorized, 1,150,000 shares issued and outstanding as of September 30, 2016; zero shares authorized, issued or outstanding as of December 31, 2015, net[1] | 27,601,050 | — |
| Accounts payable and accrued expenses | 2,222,547 | 3,495,339 |
| Due to related parties, net[2] | 636,541 | 565,593 |
| Other liabilities, net | 8,921,915 | 4,937,439 |
| **Total liabilities** | **229,761,677** | **150,677,306** |
| *Commitments and contingencies*[3] | | |
| EQUITY: | | |
| Stockholders' equity: | | |
| Common stock, $0.001 par value; 18,000,000 shares authorized, 10,024,875 shares issued and outstanding as of September 30, 2016; and 20,000,000 shares authorized, 9,992,941 shares issued and outstanding as of December 31, 2015 | 10,025 | 9,993 |
| Additional paid-in capital | 89,374,991 | 86,892,095 |
| Accumulated deficit | (12,197,348) | (8,895,369) |
| Total stockholders' equity | 77,187,668 | 78,006,719 |
| Non-controlling interests in operating partnership | 9,357,387 | — |
| **Total equity** | **86,545,055** | **78,006,719** |
| **TOTAL LIABILITIES AND EQUITY** | **$ 316,306,732** | **$ 228,684,025** |

(1) Refer to Note 5, "Mandatorily-Redeemable Preferred Stock," for additional information.
(2) Refer to Note 6, "Related-Party Transactions," for additional information.
(3) Refer to Note 8, "Commitments and Contingencies," for additional information.

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**GLADSTONE LAND CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
***(UNAUDITED)***

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| OPERATING REVENUES: | | | | |
| Rental revenue | $ 4,467,217 | $ 3,080,240 | $ 12,388,303 | $ 8,483,023 |
| Tenant recovery revenue | 1,957 | 3,313 | 7,989 | 10,108 |
| Total operating revenues | 4,469,174 | 3,083,553 | 12,396,292 | 8,493,131 |
| OPERATING EXPENSES: | | | | |
| Depreciation and amortization | 1,431,846 | 809,445 | 3,743,529 | 2,312,880 |
| Property operating expenses | 160,913 | 191,739 | 499,694 | 553,909 |
| Acquisition-related expenses | 122,841 | 62,190 | 242,713 | 410,887 |
| Management fee[1] | 385,576 | 356,871 | 1,158,316 | 981,011 |
| Incentive fee[1] | 22,046 | — | 180,923 | — |
| Administration fee[1] | 183,605 | 180,722 | 574,842 | 489,510 |
| General and administrative expenses | 356,513 | 314,933 | 1,196,204 | 1,049,001 |
| Operating expenses before credits from Adviser | 2,663,340 | 1,915,900 | 7,596,221 | 5,797,198 |
| Credits to fees from Adviser[1] | — | — | — | (320,905) |
| Total operating expenses, net of credits to fees | 2,663,340 | 1,915,900 | 7,596,221 | 5,476,293 |
| OPERATING INCOME | 1,805,834 | 1,167,653 | 4,800,071 | 3,016,838 |
| OTHER INCOME (EXPENSE): | | | | |
| Other income | 2,354 | 26,688 | 105,638 | 47,711 |
| Interest expense | (1,554,668) | (1,064,369) | (4,296,336) | (2,961,100) |
| Distributions attributable to mandatorily-redeemable preferred stock | (218,919) | — | (218,919) | — |
| Property and casualty recovery, net | — | 76,423 | — | 97,232 |
| Total other expense | (1,771,233) | (961,258) | (4,409,617) | (2,816,157) |
| NET INCOME | 34,601 | 206,395 | 390,454 | 200,681 |
| Less net income attributable to non-controlling interests | (2,718) | — | (16,342) | — |
| NET INCOME ATTRIBUTABLE TO THE COMPANY | $ 31,883 | $ 206,395 | $ 374,112 | $ 200,681 |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic and diluted | $ — | $ 0.02 | $ 0.04 | $ 0.02 |
| WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING: | | | | |
| Basic and diluted | 10,018,331 | 9,060,314 | 10,001,466 | 8,422,748 |

(1) Refer to Note 6, “Related-Party Transactions,” for additional information.

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**GLADSTONE LAND CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**
***(UNAUDITED)***

| | Common Stock | | | | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Par Value | Additional Paid-in Capital | Accumulated Deficit | Non-Controlling Interests | Total Equity |
| **Balance at December 31, 2014** | **7,753,717** | **$ 7,754** | **$ 65,366,309** | **$ (5,404,735)** | **$ —** | **$ 59,969,328** |
| Net income | — | — | — | 568,545 | — | 568,545 |
| Proceeds from issuance of common stock, net | 2,239,224 | 2,239 | 21,525,786 | — | — | 21,528,025 |
| Distributions | — | — | — | (4,059,179) | — | (4,059,179) |
| **Balance at December 31, 2015** | **9,992,941** | **$ 9,993** | **$ 86,892,095** | **$ (8,895,369)** | **$ —** | **$ 78,006,719** |
| Net income | — | — | — | 374,112 | 16,342 | 390,454 |
| Proceeds from issuance of common stock | 31,934 | 32 | 360,440 | — | — | 360,472 |
| Offering costs | — | — | (10,372) | — | (55,467) | (65,839) |
| Distributions | — | — | — | (3,676,091) | (233,804) | (3,909,895) |
| Issuance of OP Units as consideration in real estate acquisitions, net | — | — | — | — | 11,763,144 | 11,763,144 |
| Adjustment to non-controlling interests resulting from changes in ownership of the Operating Partnership | — | — | 2,132,828 | — | (2,132,828) | — |
| **Balance at September 30, 2016** | **10,024,875** | **$ 10,025** | **$ 89,374,991** | **$ (12,197,348)** | **$ 9,357,387** | **$ 86,545,055** |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**GLADSTONE LAND CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
***(UNAUDITED)***

| | For the Nine Months Ended September 30, | |
|---|---|---|
| | **2016** | **2015** |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 390,454 | $ 200,681 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 3,743,529 | 2,312,880 |
| Amortization of deferred financing costs | 135,310 | 74,191 |
| Amortization of deferred rent assets and liabilities, net | (128,825) | (161,466) |
| Property and casualty recovery, net | — | (97,232) |
| Allowance for doubtful accounts | 71,517 | — |
| Changes in operating assets and liabilities: | | |
| Other assets | (152,562) | 284,864 |
| Accounts payable, accrued expenses and due to related parties | (273,200) | 258,613 |
| Other liabilities | 3,425,657 | 1,430,977 |
| Net cash provided by operating activities | 7,211,880 | 4,303,508 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of new real estate | (69,174,387) | (64,885,127) |
| Capital expenditures on existing real estate | (10,125,475) | (3,044,851) |
| Proceeds from sale of real estate | 155,799 | — |
| Decrease in restricted cash | — | 132,741 |
| Deposits on future acquisitions | (100,000) | — |
| Deposits applied against real estate investments | (716,725) | (1,000,000) |
| Deposits refunded | 200,000 | 100,000 |
| Insurance proceeds received capitalized as real estate additions | — | 97,232 |
| Net cash used in investing activities | (79,760,788) | (68,600,005) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of equity | 360,472 | 14,895,206 |
| Offering costs | (241,845) | (1,027,986) |
| Borrowings from mortgage notes payable | 28,953,000 | 53,190,476 |
| Repayments on mortgage note payable | (2,606,030) | (522,443) |
| Net borrowings from (repayments on) line of credit | 22,400,000 | 1,000,000 |
| Proceeds from issuance of mandatorily-redeemable preferred stock | 28,750,000 | — |
| Payment of financing fees | (1,292,464) | (222,560) |
| Distributions paid on common and preferred stock | (3,676,091) | (2,934,088) |
| Distributions paid to non-controlling interests in operating partnership | (233,804) | — |
| Net cash provided by financing activities | 72,413,238 | 64,378,605 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (135,670) | 82,108 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 2,532,522 | 2,619,342 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 2,396,852 | $ 2,701,450 |
| NON-CASH INVESTING AND FINANCING INFORMATION: | | |
| Issuance of non-controlling interests in operating partnership in conjunction with acquisitions | $ 11,763,144 | $ — |
| Real estate additions included in Accounts payable, accrued expenses and due to related parties | 389,542 | 642,934 |
| Real estate additions included in Other liabilities | 809,188 | 700,000 |
| Real estate additions removed from Other liabilities | 700,000 | — |
| Common stock offering and OP Unit issuance costs included in Accounts payable, accrued expenses and due to related parties | 31,224 | 179,575 |
| Financing fees included in Accounts payable, accrued expenses and due to related parties | 58,740 | 30,756 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**GLADSTONE LAND CORPORATION AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
***(UNAUDITED)***

## NOTE 1. BUSINESS

### Business

Gladstone Land Corporation is a real estate investment trust ("REIT") that was re-incorporated in Maryland on March 24, 2011, having been previously re-incorporated in Delaware on May 25, 2004, and having been originally incorporated in California on June 14, 1997. We are primarily in the business of owning and leasing farmland, and we conduct substantially all of our operations through a subsidiary, Gladstone Land Limited Partnership (the "Operating Partnership"), a Delaware limited partnership. The Company owned 89.2% and 100.0% of the limited partnership interests in the Operating Partnership ("OP Units") as of September 30, 2016, and December 31, 2015, respectively (see Note 7, "Equity," for additional discussion regarding OP Units).

Subject to certain restrictions and limitations, and pursuant to contractual agreements, our business is managed by Gladstone Management Corporation (the "Adviser"), a Delaware corporation, and administrative services are provided to us by Gladstone Administration, LLC (the "Administrator"), a Delaware limited liability company. Our Adviser and Administrator are both affiliates of ours.

All further references herein to "we," "us," "our" and the "Company" refer, collectively, to Gladstone Land Corporation and its consolidated subsidiaries, except where indicated otherwise.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Interim Financial Information

Our interim financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q in accordance with Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of our management, all adjustments, consisting solely of normal recurring accruals, necessary for the fair presentation of financial statements for the interim period have been included. The interim financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the U.S. Securities and Exchange Commission (the "SEC") on February 23, 2016 (the "Form 10-K"). The results of operations for the three and nine months ended September 30, 2016, are not necessarily indicative of the results that may be expected for other interim periods or for the full fiscal year.

### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

### Reclassifications

Certain line items on the Condensed Consolidated Balance Sheet as of December 31, 2015, and the Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2015, have been reclassified to conform to the current period's presentation. These reclassifications had no impact on previously-reported stockholders' equity or net income.

### Non-controlling Interests

Non-controlling interests are interests in the Operating Partnership not owned by us. We evaluate whether non-controlling interests are subject to redemption features outside of our control. As of September 30, 2016, the non-controlling interests in the Operating Partnership are redeemable for cash or, at our option, shares of our common stock and thus are reported in the equity section of the Condensed Consolidated Balance Sheet but separate from stockholders' equity. The amount reported for non-controlling interests on the Condensed Statement of Operations represents the portion of income from the Operating Partnership not attributable to us.

**Critical Accounting Policies**

The preparation of financial statements in accordance with GAAP requires management to make judgments that are subjective in nature in order to make certain estimates and assumptions, and the application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties. A summary of our significant accounting policies is provided in Note 2 to our consolidated financial statements included in our Form 10-K. There were no material changes to our significant accounting policies during the nine months ended September 30, 2016.

**Recently-Issued Accounting Pronouncements**

In April 2015, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2015-03, "Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"), which simplifies the presentation of debt issuance costs. ASU 2015-03 requires the presentation of debt issuance costs on the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred financing cost. ASU 2015-03 is effective for annual periods beginning after December 15, 2015, and we adopted this provision during the three months ended March 31, 2016. As of both September 30, 2016, and December 31, 2015, we had unamortized deferred financing costs related to mortgage notes and bonds payable of approximately $1.1 million, which costs have been reclassified from Deferred financing costs, net, as reported on the Consolidated Balance Sheet as of December 31, 2015, in the Form 10-K, to Mortgage notes and bonds payable, net on the accompanying Condensed Consolidated Balance Sheets. All periods presented have been retroactively adjusted.

The following table summarizes the retrospective adjustment and the overall impact on the previously-reported consolidated financial statements:

| | As of December 31, 2015 | |
|---|---|---|
| | As Previously Reported | Retrospective Application |
| Deferred financing costs related to mortgage notes and bonds payable[1] | $ 1,054,222 | $ — |
| Mortgage notes and bonds payable, net | 142,633,157 | 141,578,935 |

(1) Included as part of Deferred financing costs, net, as reported on the *Consolidated Balance Sheet* in the Form 10-K.

In August 2015, the FASB issued ASU No. 2015-15, "Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" ("ASU 2015-15"), which codifies an SEC staff announcement that entities are permitted to defer and present debt issuance costs related to line of credit arrangements as assets. ASU 2015-15 was effective immediately. As of each September 30, 2016, and December 31, 2015, we had unamortized deferred financing costs of approximately $0.1 million related to our line of credit, and we will continue to present debt issuance costs related to line of credit arrangements as an asset on the accompanying Condensed Consolidated Balance Sheets.

On January 1, 2016, we adopted accounting guidance under Accounting Standards Codification ("ASC") Topic 810, "Consolidations: Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities," ("ASC 810"), which modifies the analysis we must perform to determine whether we should consolidate certain types of legal entities. The guidance does not amend the existing disclosure requirements for variable interest entities ("VIEs") or voting interest model entities, but it modifies the requirements to qualify as a voting interest model entity. Under the revised guidance, our Operating Partnership will qualify as a VIE; however, as we already consolidate the Operating Partnership in our balance sheets, the identification of our Operating Partnership as a VIE has no impact on our consolidated financial statements. There were no other legal entities qualifying under the scope of the revised guidance that were consolidated as a result of the adoption of this guidance. In addition, there were no other voting interest model entities under prior existing guidance determined to be VIEs under the revised guidance.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842): An Amendment of the FASB Accounting Standards Codification" ("ASU 2016-02"). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the leases is effectively a financed purchase by the lessee, which classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis, respectively, over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months, regardless of the classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 supersedes the previous leasing standard, ASC 840, "Leases," and is effective on January 1, 2019, with

early adoption permitted. We are currently evaluating the overall impact of ASU 2016-02. We expect our legal expenses to increase marginally, as the new standard requires us to expense indirect leasing costs that were previously capitalized; however, we do not expect ASU 2016-02 to materially impact our consolidated financial statements, as we do not currently have any lease arrangements for which we are the lessee.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the FASB Emerging Issues Task Force)" ("ASU 2016-15"), which is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. ASU 2016-15 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. We are currently assessing the impact of ASU 2016-15 and do not anticipate a material impact on our financial position, results of operations or cash flows.

In October 2016, the FASB issued ASU 2016-17, "Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control" ("ASU 2016-17"), which amends the consolidation guidance in ASU 2015-02 regarding the treatment of indirect interests held through related parties that are under common control. ASU 2016-17 is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those years, with early adoption permitted. We are currently assessing the impact of ASU 2016-17 and do not anticipate a material impact on our financial position, results of operations or cash flows.

**NOTE 3. REAL ESTATE AND INTANGIBLE ASSETS**

All of our properties are wholly owned on a fee-simple basis. The following table provides certain summary information about our 56 farms as of September 30, 2016:

| Property Name | Location | Date Acquired | No. of Farms | Total Acres | Farm Acres | Lease Expiration Date | | Net Cost Basis[1] | Encumbrances[2] | |
|---|---|---|---|---|---|---|---|---|---|---|
| San Andreas | Watsonville, CA | 6/16/1997 | 1 | 307 | 238 | 12/31/2020 | | $ 4,756,950 | $ 7,702,672 | |
| West Gonzales | Oxnard, CA | 9/15/1998 | 1 | 653 | 502 | 6/30/2020 | | 12,066,248 | 30,017,766 | |
| West Beach | Watsonville, CA | 1/3/2011 | 3 | 196 | 195 | 12/31/2023 | | 9,277,502 | 6,717,183 | |
| Dalton Lane | Watsonville, CA | 7/7/2011 | 1 | 72 | 70 | 10/31/2020 | | 2,675,171 | 1,590,375 | |
| Keysville Road | Plant City, FL | 10/26/2011 | 2 | 61 | 56 | 6/30/2020 | | 1,239,430 | 897,600 | |
| Colding Loop | Wimauma, FL | 8/9/2012 | 1 | 219 | 181 | 8/4/2017 | | 3,865,019 | 2,640,000 | |
| Trapnell Road | Plant City, FL | 9/12/2012 | 3 | 124 | 110 | 6/30/2017 | (3) | 3,837,986 | 2,389,500 | |
| 38th Avenue | Covert, MI | 4/5/2013 | 1 | 119 | 89 | 4/4/2020 | | 1,246,393 | 759,506 | |
| Sequoia Street | Brooks, OR | 5/31/2013 | 1 | 218 | 206 | 5/31/2028 | | 3,082,764 | 1,755,757 | |
| Natividad Road | Salinas, CA | 10/21/2013 | 1 | 166 | 166 | 10/31/2024 | | 8,923,059 | 3,964,611 | |
| 20th Avenue | South Haven, MI | 11/5/2013 | 3 | 151 | 94 | 11/4/2018 | | 1,832,760 | 1,132,746 | |
| Broadway Road | Moorpark, CA | 12/16/2013 | 1 | 60 | 46 | 12/15/2023 | | 2,873,371 | 1,699,119 | |
| Oregon Trail | Echo, OR | 12/27/2013 | 1 | 1,895 | 1,640 | 12/31/2023 | | 13,993,354 | 7,929,221 | |
| East Shelton | Willcox, AZ | 12/27/2013 | 1 | 1,761 | 1,320 | 2/29/2024 | | 7,730,123 | 4,717,887 | |
| Collins Road | Clatskanie, OR | 5/30/2014 | 2 | 200 | 157 | 9/30/2024 | | 2,341,601 | 1,529,207 | |
| Spring Valley | Watsonville, CA | 6/13/2014 | 1 | 145 | 110 | 9/30/2022 | | 5,731,872 | 3,922,133 | |
| McIntosh Road | Dover, FL | 6/20/2014 | 2 | 94 | 78 | 6/30/2017 | (4) | 2,441,053 | 1,439,640 | |
| Naumann Road | Oxnard, CA | 7/23/2014 | 1 | 68 | 66 | 7/31/2017 | | 6,773,068 | 3,902,310 | |
| Sycamore Road | Arvin, CA | 7/25/2014 | 1 | 326 | 322 | 10/31/2024 | | 6,829,362 | 4,379,762 | |
| Wauchula Road | Duette, FL | 9/29/2014 | 1 | 808 | 590 | 9/30/2024 | | 13,450,170 | 7,433,100 | |
| Santa Clara Avenue | Oxnard, CA | 10/29/2014 | 2 | 333 | 331 | 7/31/2017 | | 24,135,194 | 14,159,324 | |
| Dufau Road | Oxnard, CA | 11/4/2014 | 1 | 65 | 64 | 11/3/2017 | | 6,016,522 | 3,675,000 | |
| Espinosa Road | Salinas, CA | 1/5/2015 | 1 | 331 | 329 | 10/31/2020 | | 16,111,013 | 10,178,000 | |
| Parrish Road | Duette, FL | 3/10/2015 | 1 | 419 | 412 | 6/30/2025 | | 4,141,521 | 2,374,680 | |
| Immokalee Exchange | Immokalee, FL | 6/25/2015 | 2 | 2,678 | 1,644 | 6/30/2020 | | 15,467,267 | 9,360,000 | |
| Holt County | Stuart, NE | 8/20/2015 | 1 | 1,276 | 1,052 | 12/31/2018 | | 5,423,218 | 3,301,000 | |
| Rock County | Bassett, NE | 8/20/2015 | 1 | 1,283 | 1,049 | 12/31/2018 | | 5,406,522 | 3,301,000 | |
| Bear Mountain | Arvin, CA | 9/3/2015 | 3 | 854 | 841 | 1/9/2031 | | 26,828,964 | 12,559,887 | |
| Corbitt Road | Immokalee, FL | 11/2/2015 | 1 | 691 | 390 | 12/31/2021 | | 3,755,637 | 3,714,880 | |
| Reagan Road | Willcox, AZ | 12/22/2015 | 1 | 1,239 | 875 | 12/31/2025 | | 5,750,597 | 3,639,000 | |
| Gunbarrel Road | Alamosa, CO | 3/3/2016 | 3 | 6,191 | 4,730 | 2/28/2021 | | 25,015,493 | 15,303,500 | |
| Calaveras Avenue | Coalinga, CA | 4/5/2016 | 1 | 453 | 435 | 10/31/2025 | | 15,290,013 | 9,282,000 | |
| Orange Avenue | Fort Pierce, FL | 7/1/2016 | 1 | 401 | 400 | 6/30/2023 | | 5,113,269 | 3,091,761 | |
| Lithia Road | Lithia, FL | 8/11/2016 | 1 | 72 | 55 | 5/31/2021 | | 1,700,469 | 1,020,000 | |
| Baca County | Edler, CO | 9/1/2016 | 5 | 7,384 | 6,785 | 12/31/2020 | | 6,385,779 | — | (5) |
| Diego Ranch | Stanislaus, CA | 9/14/2016 | 1 | 1,357 | 1,309 | 11/15/2019 | | 13,997,610 | — | (5) |
| Nevada Ranch | Merced, CA | 9/14/2016 | 1 | 1,130 | 1,021 | 11/15/2019 | | 13,231,638 | — | (5) |
| | | | **56** | **33,800** | **27,958** | | | **$ 308,737,982** | **$ 191,480,127** | |

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs associated with the properties, and adjusted for accumulated depreciation and amortization. Includes Investments in real estate, net (excluding improvements paid for by the tenant) and Lease intangibles, net; plus net above-market lease values included in Other assets; and less net below-market lease values, deferred revenue and unamortized tenant improvements included in Other liabilities, each as shown on the accompanying Condensed Consolidated Balance Sheet.

(2) Excludes approximately $1.1 million of deferred financing costs related to mortgage notes and bonds payable included in Mortgage notes and bonds payable, net on the accompanying Condensed Consolidated Balance Sheet.

(3) There are three agricultural leases and one commercial lease on this property. Each of the agricultural leases expires on June 30, 2017, and the commercial lease expires on June 30, 2018.

(4) There are two leases in place on this property, one expiring on June 30, 2017, and the other expiring on June 30, 2019.

(5) Pledged as collateral under the MetLife Facility subsequent to September 30, 2016. See Note 10, "Subsequent Events," for further discussion.

**Real Estate**

The following table sets forth the components of our investments in tangible real estate assets as of September 30, 2016, and December 31, 2015:

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| Real estate: | | |
| Land and land improvements | $ 251,906,593 | $ 192,020,381 |
| Irrigation systems | 33,355,718 | 21,849,508 |
| Buildings | 14,670,759 | 11,184,647 |
| Horticulture | 14,281,209 | 1,490,695 |
| Other improvements | 4,804,376 | 1,872,606 |
| Real estate, at cost | 319,018,655 | 228,417,837 |
| Accumulated depreciation | (9,781,651) | (6,634,412) |
| **Real estate, net** | **$ 309,237,004** | **$ 221,783,425** |

Real estate depreciation expense on these tangible assets was $1,224,612 and $3,161,434 for the three and nine months ended September 30, 2016, respectively, and $595,539 and $1,647,177 for the three and nine months ended September 30, 2015, respectively.

Included in the figures above are amounts related to improvements on certain of our properties paid for by our tenants but owned by us, or tenant improvements. As of September 30, 2016, and December 31, 2015, we recorded tenant improvements, net of accumulated depreciation, of $1,882,114 and $1,302,009, respectively. We recorded both depreciation expense and additional rental revenue related to these tenant improvements of $30,753 and $98,225 during the three and nine months ended September 30, 2016, respectively, and $14,780 and $27,502 for the three and nine months ended September 30, 2015, respectively.

**Intangible Assets and Liabilities**

The following table summarizes the carrying values of lease intangible assets and the related accumulated amortization as of September 30, 2016, and December 31, 2015:

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| Lease intangibles: | | |
| In-place leases | $ 1,727,483 | $ 1,225,955 |
| Leasing costs | 1,086,846 | 677,112 |
| Tenant relationships | 886,743 | 886,743 |
| Lease intangibles, at cost | 3,701,072 | 2,789,810 |
| Accumulated amortization | (1,585,987) | (1,026,269) |
| **Lease intangibles, net** | **$ 2,115,085** | **$ 1,763,541** |

Total amortization expense related to these lease intangible assets was $207,234 and $582,095 for the three and nine months ended September 30, 2016, respectively, and $193,621 and $645,448 for the three and nine months ended September 30, 2015, respectively.

The following table summarizes the carrying values of certain lease intangible assets or liabilities included in Other assets and Other liabilities, respectively, on the accompanying Condensed Consolidated Balance Sheets and the related accumulated amortization or accretion, respectively, as of September 30, 2016, and December 31, 2015.

| | September 30, 2016 | | December 31, 2015 | |
|---|---|---|---|---|
| Intangible Asset or Liability | Deferred Rent Asset (Liability) | Accumulated (Amortization) Accretion | Deferred Rent Asset (Liability) | Accumulated (Amortization) Accretion |
| Above-market lease values[1] | $ 19,528 | $ (12,422) | $ 19,528 | $ (7,540) |
| Below-market lease values and deferred revenue[2] | (785,917) | 46,818 | (202,579) | 23,205 |
| | **$ (766,389)** | **$ 34,396** | **$ (183,051)** | **$ 15,665** |

(1) Above-market lease values are included as part of Other assets in the accompanying Condensed Consolidated Balance Sheets, and the related amortization is recorded as a reduction of rental income.

(2) Below-market lease values and deferred revenue are included as a part of Other liabilities in the accompanying Condensed Consolidated Balance Sheets, and the related accretion is recorded as an increase to rental income.

Total amortization related to above-market lease values and deferred revenue was $1,627 and $4,882 for the three and nine months ended September 30, 2016, respectively, and $4,496 and $15,286 for the three and nine months ended September 30, 2015, respectively. Total accretion related to below-market lease values and deferred revenue was $8,951 and $23,613 for the three and nine months ended September 30, 2016, respectively, and $52,591 and $160,324 for the three and nine months ended September 30, 2015, respectively.

**New Real Estate Activity**

Certain acquisitions during the periods presented were accounted for as business combinations in accordance with ASC 805, as there was a prior leasing history on the property. As such, the fair value of all assets acquired and liabilities assumed were determined in accordance with ASC 805, and all acquisition-related costs were expensed as incurred, other than those costs directly related to reviewing or assigning leases that we assumed upon acquisition, which were capitalized as part of leasing costs. For acquisitions accounted for as asset acquisitions under ASC 360, all acquisition-related costs were capitalized and included as part of the fair value allocation of the identifiable tangible assets acquired, other than those costs that directly related to originating new leases we executed upon acquisition, which were capitalized as part of leasing costs.

In addition, total consideration for acquisitions may include a combination of cash and equity securities, such as OP Units. When OP Units are issued in connection with acquisitions, we determine the fair value of the OP Units issued based on the number of units issued multiplied by the closing price of the Company's common stock on the date of acquisition.

***2016 New Real Estate Activity***

During the nine months ended September 30, 2016, we acquired 13 new farms in seven separate transactions, which are summarized in the table below.

| Property Name | Property Location | Acquisition Date | Total Acreage | No. of Farms | Primary Crop(s) | Lease Term | Renewal Options | Total Purchase Price | Acquisition Costs | Annualized Straight-line Rent[1] | Net Long-term Debt Issued |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gunbarrel Road [2] | Alamosa, CO | 3/3/2016 | 6,191 | 3 | Organic Potatoes | 5 years | 1 (5 years) | $ 25,735,815 | $ 119,085 [3] | $ 1,590,614 | $ 15,531,000 |
| Calaveras Avenue | Coalinga, CA | 4/5/2016 | 453 | 1 | Pistachios | 10 years | 1 (5 years) | 15,470,000 | 38,501 [4] | 773,500 [5] | 9,282,000 |
| Orange Avenue | Fort Pierce, FL | 7/1/2016 | 401 | 1 | Vegetables | 7 years | 2 (7 years) | 5,100,000 | 37,615 [4] | 291,173 | 3,120,000 |
| Lithia Road | Plant City, FL | 8/11/2016 | 72 | 1 | Strawberries | 5 years | None | 1,700,000 | 38,296 [3] | 97,303 | 1,020,000 |
| Baca County[6] | Edler, CO | 9/1/2016 | 7,384 | 5 | Grass Hay and Alfalfa | 4 years | 1 (5 years) | 6,322,853 | 72,340 [4] | 383,734 | — |
| Diego Ranch[7] | Stanislaus, CA | 9/14/2016 | 1,357 | 1 | Almonds | 3 years | 3 (5 years) & 1 (3 years) | 13,996,606 | 63,114 [3] | 621,115 | — |
| Nevada Ranch | Merced, CA | 9/14/2016 | 1,130 | 1 | Almonds | 3 years | 3 (5 years) & 1 (3 years) | 13,231,832 | 40,833 [3] | 574,274 | — |
| | | | **16,988** | **13** | | | | **$ 81,557,106** | **$ 409,784** | **$ 4,331,713** | **$ 28,953,000** |

(1) Annualized straight-line amount is based on the minimum cash rental payments guaranteed under the lease, as required under GAAP.

(2) As partial consideration for the acquisition of this property, we issued 745,879 OP Units, constituting an aggregate fair value of approximately $6.5 million as of the acquisition date. We incurred $25,500 of legal costs in connection with the issuance of these OP Units.

(3) Acquisition accounted for as a business combination under ASC 805. In aggregate, $9,520 of these costs related to direct leasing costs incurred in connection with these acquisitions.

(4) Acquisition accounted for as an asset acquisition under ASC 360.

(5) Lease provides for a variable rent component based on the gross crop revenues earned on the property. The figure above represents only the minimum cash rents guaranteed under the lease.

(6) As partial consideration for the acquisition of this property, we issued 125,677 OP Units, constituting an aggregate fair value of approximately $1.5 million as of the acquisition date. We incurred approximately $8,235 of legal costs in connection with the issuance of these OP Units.

(7) As partial consideration for the acquisition of this property, we issued 343,750 OP Units, constituting an aggregate fair value of approximately $3.9 million as of the acquisition date. We incurred approximately $21,732 of legal costs in connection with the issuance of these OP Units.

The preliminary allocation of the purchase price for the farms acquired during the nine months ended September 30, 2016, are as follows:

| Property Name | Land and Land Improvements | Buildings | Irrigation Systems | Other Improvements | Horticulture | In-place Leases | Leasing Costs | Above (Below)-Market Lease | Total Purchase Price |
|---|---|---|---|---|---|---|---|---|---|
| Gunbarrel Road | $ 16,755,814 | $ 3,438,291 | $ 2,830,738 | $ 2,079,102 | $ — | $ 381,977 | $ 249,893 | — | $ 25,735,815 |
| Calaveras Avenue | 3,615,436 | — | 424,112 | — | 11,430,452 | — | — | — | 15,470,000 |
| Orange Avenue | 4,135,741 | 29,777 | 934,482 | — | — | — | — | — | 5,100,000 |
| Lithia Road | 1,461,090 | 10,656 | 213,325 | — | — | 7,739 | 16,265 | (9,075) | 1,700,000 |
| Baca County | 6,111,287 | 211,566 | — | — | — | — | — | — | 6,322,853 |
| Diego Ranch | 14,136,135 | — | 45,535 | — | — | 58,535 | 73,337 | (316,936) | 13,996,606 |
| Nevada Ranch | 12,863,790 | — | 505,196 | — | — | 53,276 | 66,895 | (257,325) | 13,231,832 |
| | **$ 59,079,293** | **$ 3,690,290** | **$ 4,953,388** | **$ 2,079,102** | **$ 11,430,452** | **$ 501,527** | **$ 406,390** | **$ (583,336)** | **$ 81,557,106** |

The allocation of the purchase price for the property acquired during the nine months ended September 30, 2016, is preliminary and may change during the measurement period if we obtain new information regarding the assets acquired or liabilities assumed at the acquisition date.

Below is a summary of the total operating revenues and earnings recognized on the properties acquired during the three and nine months ended September 30, 2016:

| | | For the three months ended September 30, 2016 | | For the nine months ended September 30, 2016 | |
|---|---|---|---|---|---|
| Property Name | Acquisition Date | Operating Revenues | Earnings[1] | Operating Revenues | Earnings[1] |
| Gunbarrel Road | 3/3/2016 | $ 397,654 | $ (28,515) | $ 919,306 | $ (180,491) |
| Calaveras Avenue | 4/5/2016 | 193,375 | (8,478) | 377,240 | (11,321) |
| Orange Avenue | 7/1/2016 | 72,793 | 15,884 | 72,793 | 15,884 |
| Lithia Road | 8/11/2016 | 13,601 | (28,607) | 13,601 | (28,607) |
| Baca County | 9/1/2016 | 31,978 | 30,799 | 31,978 | 30,799 |
| Diego Ranch | 9/14/2016 | 31,056 | (10,070) | 31,056 | (10,070) |
| Nevada Ranch | 9/14/2016 | 28,714 | (12,921) | 28,714 | (12,921) |
| | | **$ 769,171** | **$ (41,908)** | **$ 1,474,688** | **$ (196,727)** |

(1) In aggregate, includes $128,161 and $229,476 of non-recurring acquisition-related costs during the three and nine months ended September 30, 2016, respectively.

***2015 New Real Estate Activity***

During the nine months ended September 30, 2015, we acquired nine new farms in six separate transactions, which are summarized in the table below.

| Property Name | Property Location | Acquisition Date | Total Acreage | No. of Farms | Primary Crop(s) | Lease Term | Renewal Options | Total Purchase Price | Acquisition Costs | | Annualized Straight-line Rent[1] | Net Long-term Debt Issued |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Espinosa Road[2] | Salinas, CA | 1/5/2015 | 331 | 1 | Strawberries | 1.8 years | None | $ 16,905,500 | $ 89,885 | (3) | $ 778,342 | $ 10,178,000 |
| Parrish Road | Duette, FL | 3/10/2015 | 419 | 1 | Strawberries | 10.3 years | 2 (5 years) | 3,913,280 | 103,610 | (3) | 251,832 | 2,374,680 |
| Immokalee Exchange | Immokalee, FL | 6/25/2015 | 2,678 | 2 | Misc. Vegetables | 5.0 years | 2 (5 years) | 15,757,700 | 152,571 | (3) | 960,104 | 9,360,000 |
| Holt County | Stuart, NE | 8/20/2015 | 1,276 | 1 | Misc. Vegetables | 3.4 years | None | 5,504,000 | 27,589 | (3) | 289,815 | 3,301,000 |
| Rock County | Bassett, NE | 8/20/2015 | 1,283 | 1 | Misc. Vegetables | 3.4 years | None | 5,504,000 | 27,589 | (3) | 289,815 | 3,301,000 |
| Bear Mountain | Arvin, CA | 9/3/2015 | 854 | 3 | Almonds | 15.4 years | 1 (10 years) | 18,922,500 | 117,742 | (4) | 1,115,992 | 21,138,196 |
| | | | **6,841** | **9** | | | | **$ 66,506,980** | **$ 518,986** | | **$ 3,685,900** | **$ 49,652,876** |

(1) Annualized straight-line amount is based on the minimum cash rental payments guaranteed under the lease.

(2) In connection with this acquisition, our Adviser earned a finder's fee of $320,905, which the Adviser fully credited back to us during the nine months ended September 30, 2015. See Note 6, "Related-Party Transactions" for further discussion on this fee.

(3) Acquisition accounted for as a business combination under ASC 805. In aggregate, $11,825 of these costs related to direct leasing costs incurred in connection with these acquisitions.

(4) Acquisition accounted for as an asset acquisition under ASC 360.

The allocation of the purchase price for the farms acquired during the thenine months ended September 30, 2015, were as follows:

| Property Name | Land and Land Improvements | Buildings and Improvements | Irrigation System | In-place Leases | Leasing Costs | Tenant Relationships | Total Purchase Price |
|---|---|---|---|---|---|---|---|
| Espinosa Road | $ 15,852,466 | $ 84,478 | $ 497,401 | $ 246,472 | $ 43,894 | $ 180,789 | $ 16,905,500 |
| Parrish Road | 2,403,064 | 42,619 | 1,299,851 | 54,405 | 77,449 | 35,892 | 3,913,280 |
| Immokalee Exchange | 14,410,840 | 273,107 | 515,879 | 229,406 | 148,691 | 179,777 | 15,757,700 |
| Holt County | 4,690,369 | 56,253 | 729,884 | — | 27,494 | — | 5,504,000 |
| Rock County | 4,862,313 | 72,232 | 540,589 | — | 28,866 | — | 5,504,000 |
| Bear Mountain | 18,428,247 | — | 494,253 | — | — | — | 18,922,500 |
| | **$ 60,647,299** | **$ 528,689** | **$ 4,077,857** | **$ 530,283** | **$ 326,394** | **$ 396,458** | **$ 66,506,980** |

Below is a summary of the total operating revenues and earnings recognized on the properties acquired during thethree and nine months ended September 30, 2015:

| | | For the three months ended September 30, 2015 | | For the nine months ended September 30, 2015 | |
|---|---|---|---|---|---|
| Property Name | Acquisition Date | Operating Revenues | Earnings[1] | Operating Revenues | Earnings[1] |
| Espinosa Road | 1/5/2015 | $ 194,586 | $ (2,922) | $ 575,387 | $ (53,281) |
| Parrish Road | 3/10/2015 | 62,958 | (10,175) | 140,133 | (106,362) |
| Immokalee Exchange | 6/25/2015 | 240,026 | 94,302 | 240,026 | (60,045) |
| Holt County | 8/20/2015 | 33,500 | (6,075) | 33,500 | (6,075) |
| Rock County | 8/20/2015 | 33,500 | (7,927) | 33,500 | (7,927) |
| Bear Mountain | 9/3/2015 | 64,430 | 59,023 | 64,430 | 59,023 |
| | | **$ 629,000** | **$ 126,226** | **$ 1,086,976** | **$ (174,667)** |

(1) In aggregate, includes $75,293 and $413,374 of non-recurring acquisition-related costs during the three and nine months ended September 30, 2015, respectively.

***Acquired Intangibles and Liabilities***

The following table shows the weighted-average amortization period, in years, for the intangible assets acquired and liabilities assumed in connection with new real estate acquired as part of business combinations during the nine months ended September 30, 2016 and 2015:

| | Weighted-Average Amortization Period (in Years) | |
|---|---|---|
| Intangible Assets and Liabilities | 2016 | 2015 |
| In-place leases | 8.7 | 4.1 |
| Leasing costs | 10.6 | 5.5 |
| Tenant relationships | — | 9.5 |
| Below-market lease values and deferred revenue | 20.9 | — |
| **All intangible assets and liabilities** | **14.0** | **6.2** |

***Pro-Forma Financials***

During each of the nine months ended September 30, 2016 and 2015, we acquired six farms in transactions that qualified as business combinations. The following table reflects pro-forma consolidated financial information as if each farm acquired as part of a business combination was acquired on January 1 of the respective prior fiscal year. In addition, pro-forma earnings have been adjusted to assume that acquisition-related costs related to these farms were incurred at the beginning of the previous fiscal year.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* | *(Unaudited)* |
| **Operating Data:** | | | | |
| Total operating revenue | $ 4,718,052 | $ 3,460,986 | $ 13,285,819 | $ 8,864,148 |
| Net income attributable to the company | $ 211,822 | $ (176,949) | $ 593,599 | $ 914,580 |
| **Share and Per-share Data:** | | | | |
| Earnings per share of common stock – basic and diluted | $ 0.02 | $ (0.02) | $ 0.06 | $ 0.10 |
| Weighted-average common shares outstanding – basic and diluted | 10,018,331 | 9,060,314 | 10,001,466 | 9,060,314 |

The pro-forma consolidated results are prepared for informational purposes only. They are not necessarily indicative of what our consolidated financial condition or results of operations actually would have been assuming the acquisitions had occurred at the beginning of the respective previous periods, nor do they purport to represent our consolidated financial position or results of operations for future periods.

**Significant Existing Real Estate Activity**

On February 1, 2016, we completed certain irrigation improvements on Sycamore Road to increase overall water availability at a total cost of $993,319. As stipulated in the lease agreement with our tenant, we will earn additional rent on the total cost commensurate with the annual yield on the farmland, which will result in additional straight-line rental income of $53,550 per year throughout the remaining lease term.

On February 8, 2016, we renewed the lease with the tenant occupying one of our McIntosh Road farms, which was set to expire on June 30, 2016. The lease was renewed for an additional three years, through June 30, 2019, with annualized, straight-line rental income of $63,000, representing a 17.9% increase over that of the previous lease.

On April 5, 2016, we reimbursed the tenant occupying Wauchula Road for $569,607 of costs incurred to construct certain irrigation improvements on the farm. As stipulated in the lease, as of April 1, 2016, we began earning an additional $92,634 of annualized, straight-line rental income on this farm throughout the remaining lease term.

On April 5, 2016, we reimbursed the tenant occupying Parrish Road for $500,000 of our portion of the costs incurred to construct certain irrigation improvements on the farm. As stipulated in the lease, as of April 1, 2016, we began earning an additional $139,073 of annualized, straight-line rental income on this farm throughout the remaining lease term. In addition, in connection with our acquisition of Parrish Road in March 2015, we committed to providing $745,000 as additional compensation and reimbursements of certain costs, contingent upon the approval by a local water management district of increases in certain water permits on the property. These water permits were approved on June 28, 2016, and we remitted $745,000 to the tenant, who was also the seller of the property, on June 30, 2016.

On July 5, 2016, we received payment of approximately $164,000 (including $4,000 of accrued interest) from the California Department of Transportation ("CalTrans") in connection with the settlement of the eminent domain lawsuit for 4.5 acres of nonfarmable land on Espinosa Road. The portion of this payment allocated to our cost basis of the 4.5 nonfarmable acres was approximately $156,000, which was previously included in Investments in real estate, net on our Condensed Consolidated Balance Sheet.

On July 15, 2016, we terminated the lease with the tenant occupying Colding Loop prior to its expiration, and, on August 5, 2016, we entered into a new lease with a new tenant to occupy the property. The new lease is scheduled to expire on August 4, 2017, and provides for minimum rental payments of $72,400 over its term. In connection with the early termination of the previous lease, we wrote off $20,697 and $84,600 of deferred rent asset balances to bad debt expense during thethree and nine

months ended September 30, 2016, respectively. In addition, during the three months ended September 30, 2016, we expensed $8,635 of unamortized leasing costs associated with the previous lease.

On August 25, 2016, we renewed the lease with the tenant occupying Espinosa Road, which was originally set to expire on October 31, 2016. The lease was renewed for an additional four years, through October 31, 2020, with annualized, straight-line rental income of $997,017, representing a 28.1% increase over that of the previous lease. In connection with the renewal, we also assumed the responsibility for the property taxes on Espinosa Road, which were the tenant's responsibility under the old lease. Property taxes on Espinosa Road are approximately $144,000 for the property tax assessment year ending June 30, 2017.

**Portfolio Diversification and Concentrations**

***Diversification***

The following table summarizes the geographic locations, by state, of our properties with leases in place as of September 30, 2016 and 2015:

| | As of and For the Nine Months Ended September 30, 2016 | | | | | As of and For the Nine Months Ended September 30, 2015 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| State | Number of Farms | Total Acres | % of Total Acres | Rental Revenue | % of Total Rental Revenue | Number of Farms | Total Acres | % of Total Acres | Rental Revenue | % of Total Rental Revenue |
| California | 21 | 6,516 | 19.3% | $ 6,986,099 | 56.4% | 18 | 3,576 | 24.0% | $ 5,652,357 | 66.6% |
| Florida | 15 | 5,567 | 16.5% | 2,407,893 | 19.4% | 12 | 4,401 | 29.6% | 1,458,433 | 17.2% |
| Colorado | 8 | 13,575 | 40.1% | 951,285 | 7.7% | — | — | — | — | —% |
| Oregon | 4 | 2,313 | 6.8% | 877,547 | 7.1% | 4 | 2,313 | 15.6% | 876,244 | 10.3% |
| Arizona | 2 | 3,000 | 8.9% | 543,642 | 4.4% | 1 | 1,761 | 11.8% | 243,953 | 2.9% |
| Nebraska | 2 | 2,559 | 7.6% | 434,722 | 3.5% | 2 | 2,559 | 17.2% | 67,000 | 0.8% |
| Michigan | 4 | 270 | 0.8% | 187,115 | 1.5% | 4 | 270 | 1.8% | 185,036 | 2.2% |
| | **56** | **33,800** | **100.0%** | **$ 12,388,303** | **100.0%** | **41** | **14,880** | **100.0%** | **$ 8,483,023** | **100.0%** |

***Concentrations***

*Credit Risk*

As of September 30, 2016, our farms were leased to 39 different, third-party tenants, with certain tenants leasing more than one farm. Dole Food Company ("Dole") leases two of our farms, and aggregate rental revenue attributable to Dole accounted for approximately $2.2 million, or 17.8% of the rental revenue recorded during the nine months ended September 30, 2016. If Dole fails to make rental payments or elects to terminate its leases, and the properties cannot be re-leased on satisfactory terms, there could be a material adverse effect on our financial performance and ability to continue operations. No other individual tenant represented greater than 10.0% of the total rental revenue recorded during the nine months ended September 30, 2016.

*Geographic Risk*

21 of our 56 farms owned as of September 30, 2016, are located in California, and 15 farms are located in Florida. As of September 30, 2016, our farmland in California accounted for 6,516 acres, or 19.3% of the total acreage we owned. Furthermore, these farms accounted for approximately $7.0 million, or 56.4% of the rental revenue recorded during the nine months ended September 30, 2016. However, these farms are spread across three of the many different growing regions within California. As of September 30, 2016, our farmland in Florida accounted for 5,567 acres, or 16.5% of the total acreage we owned, and these farms accounted for approximately $2.4 million, or 19.4%, of the rental revenue recorded during the nine months ended September 30, 2016. Though we seek to continue to further diversify geographically, as may be desirable or feasible, should an unexpected natural disaster occur where our properties are located, there could be a material adverse effect on our financial performance and ability to continue operations. No other single state accounted for more than 10.0% of the total rental revenue recorded during the nine months ended September 30, 2016.

## NOTE 4. BORROWINGS

Our borrowings as of September 30, 2016, and December 31, 2015, are summarized below:

| | | | | | As of September 30, 2016 | | | As of December 31, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Issuer | Type of Issuance | Date(s) of Issuance | Initial Commitment | Maturity Date(s) | Principal Outstanding | Stated Interest Rate(1) | Undrawn Commitment | Principal Outstanding | Stated Interest Rate(1) | Undrawn Commitment |
| MetLife[2] | Mortgage Note Payable | 5/9/2014 | $ 100,000,000 | 1/5/2029 [3] | $ 85,939,466 | 3.35% | $ 12,529,806 [4] | $ 87,470,194 | 3.35% | $ 12,529,806 |
| MetLife[2] | Line of Credit | 5/9/2014 | 25,000,000 | 4/5/2024 | 22,500,000 | 2.90% | 2,500,000 [4] | 100,000 | 2.58% | 24,900,000 |
| Farm Credit[5] | Mortgage Notes Payable | 9/19/2014-7/1/2016 | 34,587,880 | 11/1/2017-11/1/2040 | 33,263,161 | 3.50% [6] | — | 21,456,963 | 3.42% [6] | — |
| Farmer Mac | Bonds Payable | 12/11/2014-8/22/2016 | 125,000,000 | 12/22/2016-8/22/2023 [7] | 49,777,500 | 2.94% | 74,743,000 [8] | 33,706,000 | 2.87% | 41,294,000 |
| Total outstanding principal | | | | | 191,480,127 | | | 142,733,157 | | |
| Debt issuance costs | | | | | (1,100,503) | | | (1,054,222) | | |
| **Total mortgage notes and bonds payable, net** | | | | | **$ 190,379,624** | | | **$ 141,678,935** | | |

(1) Where applicable, represents the weighted-average, blended rate on the respective borrowings as of each September 30, 2016, and December 31, 2015.

(2) The MetLife Facility (as defined below) was amended subsequent to September 30, 2016. See Note 10, "Subsequent Events," for further discussion on the amendment.

(3) As of September 30, 2016, if the facility was not fully utilized by December 31, 2017, MetLife had the option to be relieved of its obligations to disburse the additional funds under the loan. Subsequent to September 30, 2016, our ability to draw under this facility was extended to December 31, 2018. See Note 10, "Subsequent Events," for further discussion.

(4) Based on the properties that were pledged as collateral under the MetLife Facility, as of September 30, 2016, the maximum additional amount we could draw under the facility was approximately $0.6 million. Our availability under this facility was increased by approximately $28.3 million subsequent to September 30, 2016. See Note 10, "Subsequent Events," for further discussion.

(5) Includes borrowings from Farm Credit CFL and Farm Credit West, each as defined below.

(6) Rate is before interest patronage. 2015 interest patronage (as described below) received resulted in a 16.1% reduction to the stated interest rate on such borrowings.

(7) If facility is not fully utilized by December 11, 2018, Farmer Mac has the option to be relieved of its obligations to purchase additional bonds under the facility.

(8) As of September 30, 2016, there was no additional availability to draw under this facility, as no additional properties had been pledged as collateral.

The weighted-average interest rate charged on all of our borrowings, excluding the impact of deferred financing costs and before any interest patronage, or refunded interest, was 3.29% and 3.08% for the three and nine months ended September 30, 2016, respectively, and 3.41% and 3.51% for the three and nine months ended September 30, 2015, respectively. 2015 interest patronage from all Farm Credit Notes Payable (as defined below), which patronage was received during the three months ended March 31, 2016, resulted in a 16.1% reduction to the stated interest rates on such borrowings. We are unable to estimate the amount of patronage to be received, if any, related to interest accrued during 2016 on our Farm Credit Notes Payable.

### MetLife Facility

On May 9, 2014, we closed on a facility with Metropolitan Life Insurance Company ("MetLife") that consists of a$100.0 million long-term note payable that is scheduled to mature on January 5, 2029 (the "2015 MetLife Term Note"), and a $25.0 million revolving equity line of credit that is scheduled to mature onApril 5, 2024 (the "2015 MetLife Line of Credit" and, together with the 2015 MetLife Term Note, the "MetLife Facility"). As amended on September 3, 2015, advances under the 2015 MetLife Term Note bear interest at a fixed rate of 3.35% per annum, plus an unused line fee of0.20% on undrawn amounts, and interest rates for subsequent disbursements will be based on prevailing market rates at the time of such disbursements. The interest rates on advances and subsequent disbursements will be subject to adjustment every five years, with the next interest rate adjustment date scheduled to occur on August 31, 2020. If the full commitment amount of $100.0 million is not drawn by December 31, 2017, MetLife has the option to be relieved of its obligation to disburse the additional funds under this loan. Advances under the 2015 MetLife Line of Credit bear interest at a variable rate equal to the three-month LIBOR plus a spread of 2.25%, with a minimum annualized rate of2.50%, plus an unused fee of0.20% on undrawn amounts. The interest rate spread on borrowings under the 2015 MetLife Line of Credit will be subject to adjustment on April 5, 2017. As of September 30, 2016, we were in compliance with all covenants under the MetLife Facility.

Subsequent to September 30, 2016, we amended the MetLife Facility. See Note 10, "Subsequent Events," for further discussion of this amendment.

**Farm Credit Notes Payable**

***Farm Credit CFL Notes Payable***

From time to time since September 19, 2014, we, through certain subsidiaries of our Operating Partnership, have entered into various loan agreements with Farm Credit of Central Florida, FLCA ("Farm Credit CFL"). During the nine months ended September 30, 2016, we entered into the following loan agreement with Farm Credit CFL:

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms [1] | Use of Proceeds |
|---|---|---|---|---|---|
| 7/1/2016 | $ 3,120,000 | 6/1/2023 | 36.0 years | 3.78% fixed throughout term | [2] |

[1] Rate represents the stated interest rate, before interest patronage.
[2] Proceeds from this note were used in the acquisition of Orange Avenue.

As of September 30, 2016, we have approximately $24.0 million of aggregate borrowings outstanding to Farm Credit CFL that bear interest (before interest patronage) at a weighted-average rate of 3.49% per annum. 2015 interest patronage from Farm Credit CFL borrowings resulted in a 16.1% reduction to the stated interest rates on such borrowings. As of September 30, 2016, we were in compliance with all covenants applicable to these borrowings.

***Farm Credit West Note Payable***

During the nine months ended September 30, 2016, we entered into the following loan agreement with Farm Credit West, FLCA ("Farm Credit West"):

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms [1] | Use of Proceeds |
|---|---|---|---|---|---|
| 4/4/2016 | $ 9,282,000 | 11/1/2040 | 24.5 years | 3.54% fixed through 4/30/2021, variable thereafter | [2] |

[1] Rate represents the stated interest rate, before interest patronage.
[2] Proceeds from this note were used in the acquisition of Calaveras Avenue.

As of September 30, 2016, we have approximately $9.3 million of aggregate borrowings outstanding to Farm Credit West that bear interest (before interest patronage) at a rate of 3.54% per annum. As of September 30, 2016, we were in compliance with all covenants applicable to these borrowings.

Subsequent to September 30, 2016, we closed on an additional loan from Farm Credit West for approximately $3.9 million. See Note 10, "Subsequent Events," for further discussion of this loan.

**Farmer Mac Facility**

On December 5, 2014, we, through certain subsidiaries of our Operating Partnership, entered into a bond purchase agreement (the “Bond Purchase Agreement”) with Federal Agricultural Mortgage Corporation (“Farmer Mac”) and Farmer Mac Mortgage Securities Corporation (the “Bond Purchaser”), for a secured note purchase facility that provides for bond issuances up to an aggregate principal amount of $75.0 million (the “Farmer Mac Facility”). On June 16, 2016, we amended the facility to increase the maximum borrowing capacity from $75.0 million to $125.0 million and extend the term of the Bond Purchase Agreement by two years, to December 11, 2018.

During the nine months ended September 30, 2016, we issued the following bonds under the Farmer Mac Facility:

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms | Use of Proceeds |
|---|---|---|---|---|---|
| 3/3/2016 | $ 11,100,000 | 2/24/2023 | None | 3.08% fixed throughout term | [1] |
| 3/3/2016 | 4,431,000 | 2/24/2023 | 9.7 years | 2.98% fixed throughout term | [1] |
| 8/22/2016 | 1,020,000 | 8/22/2023 | None | 2.87% fixed throughout term | [2] |

[1] Proceeds from this bond were used in the acquisition of Gunbarrel Road.
[2] Proceeds from this note were used in the acquisition of Lithia Road.

As of September 30, 2016, the aggregate amount of bonds issued under the Farmer Mac Facility was approximately $49.8 million. As of September 30, 2016, we were in compliance with all covenants under the Farmer Mac Facility.

**Debt Service – Aggregate Maturities**

Scheduled principal payments of our aggregate mortgage notes and bonds payable as of September 30, 2016, for the succeeding years are as follows:

| Period | | Scheduled Principal Payments |
|---|---|---|
| For the remaining three months ending December 31: | 2016 | $ 717,096 |
| For the fiscal years ending December 31: | 2017 | 5,981,018 |
| | 2018 | 20,480,231 |
| | 2019 | 8,105,632 |
| | 2020 | 17,796,920 |
| | Thereafter | 115,899,230 |
| | | **$ 168,980,127** |

**Fair Value**

As of September 30, 2016, the aggregate fair value of our long-term, fixed-rate mortgage notes and bonds payable was approximately $170.1 million, as compared to an aggregate carrying value of $167.0 million. The fair value of our long-term, fixed-rate mortgage notes and bonds payable is valued using Level 3 inputs under the hierarchy established by ASC 820-10, “Fair Value Measurements and Disclosures,” and is calculated based on a discounted cash flow analysis, using discount rates based on management’s estimates of market interest rates on long-term debt with comparable terms. Due to their short-term nature and the lack of changes in market credit spreads, the aggregate fair value of our short-term, variable-rate mortgage notes and bonds payable as of September 30, 2016, is deemed to approximate their aggregate carrying value of approximately $1.9 million. Further, due to the revolving nature of the 2015 MetLife Line of Credit and the lack of changes in market credit spreads, its fair value as of September 30, 2016, is deemed to approximate its carrying value of $22.5 million.

**NOTE 5. MANDATORILY-REDEEMABLE PREFERRED STOCK**

On August 17, 2016, we completed a public offering of 1,000,000 shares of 6.375% Series A Cumulative Term Preferred Stock, par value $0.001 per share (the "Term Preferred Stock"), at a public offering price of $25.00 per share. Simultaneous with the closing of the offering and on the same terms and conditions, the underwriters exercised in full their option to purchase an additional 150,000 shares of the Term Preferred Stock to cover over-allotments. As a result of this offering, we issued a total of 1,150,000 shares of the Term Preferred Stock for gross proceeds of approximately $28.8 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $27.6 million. These proceeds were used to repay existing indebtedness, to fund new property acquisitions and for other general corporate purposes. The Term Preferred Stock is traded under the ticker symbol, "LANDP," on the NASDAQ Global Market. The Term Preferred Stock is not convertible into our common stock or any other securities.

Generally, we may not redeem shares of the Term Preferred Stock prior to September 30, 2018, except in limited circumstances to preserve our qualification as a REIT. On or after September 30, 2018, we may redeem the shares at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends to, but excluding, the date of redemption. The shares of the Term Preferred Stock have a mandatory redemption date of September 30, 2021. We incurred approximately $1.2 million in total offering costs related to this issuance, which have been recorded net of the Term Preferred Stock as presented on the Condensed Consolidated Balance Sheet, and we will amortize these costs over the redemption period, which ends on September 30, 2021.

The Term Preferred Stock is recorded as a liability on our Condensed Consolidated Balance Sheet in accordance with ASC 480, "Distinguishing Liabilities from Equity," which states that mandatorily redeemable financial instruments should be classified as liabilities. In addition, the related dividend payments are treated as a component of interest expense in the Condensed Consolidated Statement of Operations.

As of September 30, 2016, the fair value of our Term Preferred Stock was approximately $29.7 million, as compared to the carrying value, exclusive of offering costs, of $28.8 million. The fair value of our Term Preferred Stock is valued using Level 1 inputs under the hierarchy established by ASC 820-10, "Fair Value Measurements and Disclosures," and is calculated based on the closing share price as of September 30, 2016, of $25.80.

The dividends to preferred stockholders declared by our Board of Directors and paid by us during the nine months ended September 30, 2016, are reflected in the table below:

| Declaration Date | Record Date | Payment Date | Dividend per Preferred Share |
|---|---|---|---|
| September 12, 2016 | September 21, 2016 | September 30, 2016 | $ 0.190364583 (1) |

(1) Represents the cumulative dividend from (but excluding) the date of original issuance through the month ended September 30, 2016.

## NOTE 6. RELATED-PARTY TRANSACTIONS

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator, which collectively employ all of our personnel and pay their salaries, benefits and general expenses directly. Both our Adviser and Administrator are affiliates of ours, as their parent company is owned and controlled by David Gladstone, our chairman and chief executive officer. In addition, two of our executive officers, Mr. Gladstone and Terry Brubaker (our vice chairman and chief operating officer), serve as directors and executive officers of each of our Adviser and Administrator, and Michael LiCalsi, our general counsel and secretary, serves as our Administrator's president.

The current advisory agreement with our Adviser (the "Advisory Agreement") and the current administration agreement with our Administrator (the "Administration Agreement") became effective February 1, 2013. A summary of each of these agreements is provided in Note 4 to our consolidated financial statements included in our Form 10-K. There were no material changes to either agreement during the nine months ended September 30, 2016.

The following table summarizes the management fees, incentive fees and associated credits and the administration fees reflected in our accompanying Condensed Consolidated Statements of Operations:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Management fee(1)(2) | $ 385,576 | $ 356,871 | $ 1,158,316 | $ 981,011 |
| Incentive fee(1)(2) | 22,046 | — | 180,923 | — |
| Credits from voluntary, irrevocable waiver by Adviser's board of directors(2)(3) | — | — | — | (320,905 ) |
| **Net fees due to our Adviser** | **$ 407,622** | **$ 356,871** | **$ 1,339,239** | **$ 660,106** |
| **Administration fee(1)(2)** | **$ 183,605** | **$ 180,722** | **$ 574,842** | **$ 489,510** |

(1) Pursuant to the Advisory and Administration Agreements, accordingly, each of which became effective on February 1, 2013.

(2) Reflected as a line item on our accompanying Condensed Consolidated Statements of Operations.

(3) The credit received from our Adviser for the three months ended March 31, 2015, was attributable to a finder's fee earned by our Adviser in connection with a farm we acquired during the three months ended March 31, 2015, which fee was granted to us as a one-time, voluntary and irrevocable waiver to be applied against the fees we pay to our Adviser.

### Related-Party Fees Due

Amounts due to related parties on our accompanying Condensed Consolidated Balance Sheets as of September 30, 2016, and December 31, 2015, were as follows:

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| Management fee due to Adviser | $ 385,576 | $ 362,373 |
| Incentive fee due to Adviser | 22,046 | — |
| Other due to Adviser(1) | 51,281 | 13,140 |
| **Total due to Adviser** | 458,903 | 375,513 |
| Administration fee due to Administrator | 183,606 | 190,080 |
| Other due from Administrator(1) | (5,968 ) | — |
| **Total due to Administrator** | 177,638 | 190,080 |
| **Total due to related parties(2)** | **$ 636,541** | **$ 565,593** |

(1) Other fees due to or from related parties primarily relate to miscellaneous general and administrative expenses paid by our Adviser or Administrator on our behalf or by us on our Adviser's or Administrator's behalf.

(2) Reflected as a line item on our accompanying Condensed Consolidated Balance Sheets.

## NOTE 7. EQUITY

### Stockholders' Equity

As of September 30, 2016, there were 18,000,000 shares of common stock, par value $0.001 per share, authorized, with 10,024,875 shares issued and outstanding. As of December 31, 2015, there were 20,000,000 shares of common stock, par value $0.001 per share, authorized, with 9,992,941 shares issued and outstanding.

### Non-Controlling Interests in Operating Partnership

We consolidate our Operating Partnership, which is a majority-owned partnership. As of September 30, 2016, and December 31, 2015, we owned approximately 89.2% and 100.0%, respectively, of the outstanding OP Units.

On or after 12 months after becoming a holder of OP Units, each limited partner, other than the Company, has the right, subject to the terms and conditions set forth in the partnership agreement of the Operating Partnership, to require the Operating Partnership to redeem all or a portion of such units in exchange for cash or, at the Company's option, shares of our common stock on a one-for-one basis. The cash redemption per OP Unit would be based on the market price of our common stock at the time of redemption. A limited partner will not be entitled to exercise redemption rights if the delivery of common stock to the redeeming limited partner would breach restrictions on the ownership of common stock imposed under our charter and other limitations thereof.

Regardless of the rights described above, the Operating Partnership will not have an obligation to issue cash to a unitholder upon a redemption request if the Company elects to redeem the OP Units for shares of its common stock. When a non-Company unitholder redeems an OP Unit, non-controlling interest in the Operating Partnership is reduced, and stockholders' equity is increased.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

As of September 30, 2016, there were 1,215,306 OP Units held by non-controlling limited partners.

**Distributions**

The distributions to common stockholders declared by our Board of Directors and paid by us during the nine months ended September 30, 2016 and 2015 are reflected in the table below.

| Fiscal Year | Declaration Date | Record Date | Payment Date | Distributions per Common Share |
|---|---|---|---|---|
| **2016** | January 12, 2016 | January 22, 2016 | February 2, 2016 | $ 0.04000 |
| | January 12, 2016 | February 18, 2016 | February 29, 2016 | 0.04000 |
| | January 12, 2016 | March 21, 2016 | March 31, 2016 | 0.04000 |
| | April 12, 2016 | April 22, 2016 | May 2, 2016 | 0.04125 |
| | April 12, 2016 | May 19, 2016 | May 31, 2016 | 0.04125 |
| | April 12, 2016 | June 17, 2016 | June 30, 2016 | 0.04125 |
| | July 12, 2016 | July 22, 2016 | August 2, 2016 | 0.04125 |
| | July 12, 2016 | August 22, 2016 | August 31, 2016 | 0.04125 |
| | July 12, 2016 | September 21, 2016 | September 30, 2016 | 0.04125 |
| | | | **Nine Months Ended September 30, 2016** | **$ 0.36750** |
| | | | | |
| **2015** | January 13, 2015 | January 23, 2015 | February 3, 2015 | $ 0.03500 |
| | January 13, 2015 | February 18, 2015 | February 27, 2015 | 0.03500 |
| | January 13, 2015 | March 20, 2015 | March 31, 2015 | 0.03500 |
| | April 14, 2015 | April 24, 2015 | May 4, 2015 | 0.04000 |
| | April 14, 2015 | May 19, 2015 | May 28, 2015 | 0.04000 |
| | April 14, 2015 | June 19, 2015 | June 30, 2015 | 0.04000 |
| | July 14, 2015 | July 24, 2015 | August 4, 2015 | 0.04000 |
| | July 14, 2015 | August 20, 2015 | August 31, 2015 | 0.04000 |
| | July 14, 2015 | September 21, 2015 | September 30, 2015 | 0.04000 |
| | | | **Nine Months Ended September 30, 2015** | **$ 0.34500** |

The same amounts were paid as distributions on each OP Unit held by non-controlling limited partners of the Operating Partnership as of the above record dates.

We will provide information related to the federal income tax characterization of our 2016 distributions in an IRS Form 1099-DIV, which will be mailed to our stockholders in January 2017.

**Registration Statement**

We filed a universal registration statement on Form S-3 (File No. 333-194539) with the SEC on March 13, 2014, which the SEC declared effective on April 2, 2014. This universal registration statement permits us to issue up to an aggregate of $300.0 million in securities, consisting of common stock, senior common stock, preferred stock, subscription rights, debt securities and depository shares, including through separate, concurrent offerings of two or more of such securities. As of September 30, 2016, we have issued a total of 2,188,014 shares of common stock for gross proceeds of $23.6 million and 1,150,000 shares of preferred stock for gross proceeds of $28.8 million under this universal registration statement.

**At-the-Market Program**

On August 7, 2015, we entered into equity distribution agreements with Cantor Fitzgerald & Co. and Ladenburg Thalmann & Co., Inc. (each a "Sales Agent"), under which we may issue and sell, from time to time and through the Sales Agents, shares of our common stock up to $30.0 million (the "ATM Program"). During the nine months ended September 30, 2016, we issued and sold 31,934 shares of our common stock at an average sales price of $11.29 per share under the ATM Program for gross proceeds of $360,472 and net proceeds of $355,057. Through September 30, 2016, we have issued and sold a total of 64,561 shares of our common stock at an average sales price of $10.23 per share for gross proceeds of $660,176 and net proceeds of $650,266.

## NOTE 8. COMMITMENTS AND CONTINGENCIES

### Operating Obligations

In connection with the lease we executed upon our acquisition of Bear Mountain in September 2015, we agreed to fund the development of the property into an almond orchard. The development will include the removal of 274 acres of old grape vineyards, the installation of a new irrigation system, including the drilling ofthree new wells, and the planting of over 800 acres of new almond trees. The project is estimated to cost approximately $8.0 million and is expected to be completed during the three months ending December 31, 2016. As stipulated in the lease, we will earn additional rent on the total cost of the development project commensurate with the yield on the initial acquisition and based on the timing of related cash disbursement made by us. As of September 30, 2016, we have expended or accrued approximately $7.9 million related to this project; however, we are unable to estimate the total amount of additional rent to be earned related to this project at this time.

### Litigation

We are not currently subject to any material known or threatened litigation.

## NOTE 9. EARNINGS PER SHARE OF COMMON STOCK

The following table sets forth the computation of basic and diluted earnings per common share for thethree and nine months ended September 30, 2016 and 2015, computed using the weighted average number of shares outstanding during the respective periods. The non-controlling limited partners' outstanding OP Units (which may be redeemed for shares of common stock) have been excluded from the diluted earnings per share calculation, as there would be no effect on the amounts since the non-controlling limited partners' share of income would also be added back to net income. Net income figures are presented net of non-controlling interests in the earnings per share calculations.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Net income attributable to the Company | $ 31,883 | $ 206,395 | $ 374,112 | $ 200,681 |
| Weighted average number of common shares outstanding – basic and diluted | 10,018,331 | 9,060,314 | 10,001,466 | 8,422,748 |
| **Earnings per common share – basic and diluted** | **$ —** | **$ 0.02** | **$ 0.04** | **$ 0.02** |

For the three and nine months ended September 30, 2016, the weighted-average number of OP Units held by non-controlling limited partners was854,116 and 613,446, respectively. There were no OP Units held by anyone other than the Company during 2015.

## NOTE 10. SUBSEQUENT EVENTS

### Investing Activity

On October 13, 2016, we acquired an almond orchard comprised of 197 acres in Fresno County, California ("Central Avenue"), for $6.5 million. At closing, we executed a new 10-year, triple-net lease with a new tenant that includestwo, 5-year extension options. The lease consists of a fixed cash rent component plus a variable rent component based on gross crop revenues earned on the property and provides for minimum annualized, straight-line cash rents of approximately $325,000. We will account for this acquisition as an asset acquisition in accordance with ASC 360; however, the initial accounting for this transaction is not yet complete, making certain disclosures unavailable at this time.

### Financing Activity

*MetLife Facility*

On October 5, 2016, we entered into an agreement with MetLife to amend the MetLife Facility. Pursuant to the amendment, the MetLife Facility now consists of the 2015 MetLife Term Note, the 2015 MetLife Line of Credit, a $50.0 million long-term note payable (the "2016 MetLife Term Note") and a$25.0 million revolving equity line of credit (the "2016 MetLife Line of Credit").

The 2016 MetLife Term Note is scheduled to mature onJanuary 5, 2029, and advances will initially bear interest at a fixed rate of3.16% per annum, plus an unused fee of 0.20% on undrawn amounts. The interest rate for subsequent disbursements under

the 2016 MetLife Term Note will be based on prevailing market rates at the time of such disbursements. The interest rate on the initial advance and any subsequent disbursements will be subject to adjustment on January 5, 2027. If the full commitment of $50.0 million is not drawn by December 31, 2018, MetLife has the option to be relieved of its obligation to disburse the remaining funds under the 2016 MetLife Term Note.

The 2016 MetLife Line of Credit is scheduled to mature on April 5, 2024, and advances will initially bear interest at a variable rate equal to the three-month LIBOR plus a spread of 2.25%, with a minimum annualized rate of 2.50%, plus an unused fee of 0.20% on undrawn amounts. The interest rate spread on borrowings under the 2016 MetLife Line of Credit will be subject to adjustment on October 5, 2019.

As part of the amendment, we paid aggregate loan fees of $225,000. Simultaneous with the closing of the amendment, we drew approximately $21.6 million under the 2016 MetLife Term Note, with $21.0 million of the proceeds being used to repay the balance previously outstanding under the 2015 MetLife Line of Credit.

Among other changes, the amendment to the MetLife Facility:

- increased the overall loan-to-value ratio on the underlying properties pledged as collateral under the MetLife Facility from 58% to 60%;
- reduced the blended interest rate on all previously-disbursed amounts under the 2015 MetLife Term Note by 19 basis points, from 3.35% to 3.16%;
- extended the fixed-rate term of the 2015 MetLife Term Note by 76 months, through January 5, 2027; and
- extended the draw period under the 2015 MetLife Term Note by one year, through December 31, 2018.

All other material items of the MetLife Facility remained unchanged.

In addition, we updated the appraisals of certain properties that serve as collateral under the MetLife Facility, which resulted in increased overall valuations, and pledged three additional properties as collateral under the facility. In conjunction with the increase in the loan-to-value ratio on the underlying collateral, these events increased our overall availability under the MetLife Facility by approximately $28.3 million.

*Farm Credit West Note Payable*

On October 13, 2016, in connection with the acquisition of Central Avenue, we closed on a loan from Farm Credit West for approximately $3.9 million. The mortgage note is scheduled to mature on November 1, 2041, and will bear interest (before interest patronage) at a fixed rate of 3.94% per annum through September 30, 2026, thereafter converting to a variable rate determined by Farm Credit West, unless another fixed rate is established.

**Distributions**

On October 11, 2016, our Board of Directors declared the following monthly cash distributions to common stockholders and holders of our Term Preferred Stock:

| Record Date | Payment Date | Distribution per Common Share | Dividend per share of Term Preferred Stock |
|---|---|---|---|
| October 21 | October 31 | $ 0.04250 | $ 0.1328125 |
| November 17 | November 30 | 0.04250 | 0.1328125 |
| December 20 | December 30 | 0.04250 | 0.1328125 |
| **Total:** | | **$ 0.12750** | **$ 0.3984375** |

The same amounts paid to common stockholders will be paid as distributions on each OP Unit held by non-controlling limited partners of the Operating Partnership as of the above record dates.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*All statements contained herein, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may relate to, among other things, future events or our future performance or financial condition. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "believe," "will," "provided," "anticipate," "future," "could," "growth," "plan," "intend," "expect," "should," "would," "if," "seek," "possible," "potential," "likely" or the negative of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our business, financial condition, liquidity, results of operations, funds from operations or prospects to be materially different from any future business, financial condition, liquidity, results of operations, funds from operations or prospects expressed or implied by such forward-looking statements and include, but are not limited to:*

- *Changes in our industry, interest rates or the general economy;*
- *Natural disasters or climactic changes impacting the regions in which our tenants operate;*
- *The degree and nature of our competition;*
- *Failure to maintain our qualification as a REIT;*
- *Changes in our business strategy; and*
- *Loss of our key personnel.*

*For further information about these and other factors that could affect our future results, please see the caption titled "Risk Factors" in our Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2015, which we filed with the Securities and Exchange Commission (the "SEC") on February 23, 2016. We caution readers not to place undue reliance on any such forward-looking statements, which are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report on Form 10-Q (the "Quarterly Report"), except as required by law.*

*All references to "we," "our," "us" and the "Company" in this Quarterly Report mean Gladstone Land Corporation and its consolidated subsidiaries, except where it is made clear that the term refers only to Gladstone Land Corporation.*

### OVERVIEW

#### General

We are an externally-managed real estate investment trust ("REIT") that is engaged primarily in the business of owning and leasing farmland; we are not a grower, nor do we farm the properties we own. We currently own 57 farms comprised of 33,997 acres across seven states in the U.S. (Arizona, California, Colorado, Florida, Michigan, Nebraska and Oregon). We also own several farm-related facilities, such as cooling facilities, box barns, packinghouses, processing facilities and various storage facilities. These farms and facilities are currently leased to 40 different, unrelated tenants that are either independent or corporate farming operations. We intend to acquire more farmland in these and other states in our regions of focus that is already or will be leased to farmers, and we expect that most of our future tenants will also be independent or corporate farming operations that are unrelated to us. We also expect to acquire more property related to farming, such as cooling facilities, freezer buildings, packinghouses, box barns, silos, storage facilities, greenhouses, processing plants and distribution centers. We generally lease our properties on a triple-net basis, an arrangement under which, in addition to rent, the tenant is required to pay the related taxes, insurance costs (including drought insurance if we were to acquire properties that depend upon rainwater for irrigation), maintenance and other operating costs. We may also elect to sell farmland at certain times, such as when the land could be developed by others for urban or suburban uses.

We were incorporated in 1997, primarily for the purpose of operating strawberry farms through our former subsidiary, Coastal Berry Company, LLC ("Coastal Berry"), an entity that provided growing, packaging, marketing and distribution of fresh berries and other agricultural products. We operated Coastal Berry as our primary business until 2004, when it was sold to Dole Food Company ("Dole"). Since 2004, our operations have consisted of leasing our farms to third-party tenants. We do not currently intend to enter into the business of growing, packing or marketing farmed products; however, if we do so in the future, we expect that it would be through a taxable REIT subsidiary ("TRS").

We conduct substantially all of our investment activities through, and all of our properties are held, directly or indirectly, by, Gladstone Land Limited Partnership (the "Operating Partnership"). Gladstone Land Corporation controls the Operating

Partnership as its sole general partner and currently owns approximately89.2% of the units of limited partnership interest in the Operating Partnership ("OP Units").

We intend to continue to lease our farms and farm-related facilities to independent or corporate farming operations that sell their products through national corporate marketers-distributors. We expect to continue to earn rental and interest income from our investments.

Gladstone Management Corporation (our "Adviser") manages our real estate portfolio pursuant to an advisory agreement, and Gladstone Administration, LLC (our "Administrator") provides administrative services to us pursuant to an administration agreement. Our Adviser and our Administrator collectively employ all of our personnel and pay directly their salaries, benefits and general expenses.

**Leases**

***General***

Most of our agricultural leases are on a triple-net basis and have original terms ranging from3 to 10 years for farms growing row crops and5 to 15 years for farms growing permanent crops, often with options to extend the lease further. Rent is generally payable to us up front on either an annual or semi-annual basis. Further, most of our leases contain provisions that provide for annual increases in the rental amounts payable by the tenants, often referred to as escalation clauses. The escalation clauses may specify fixed dollar amount or percentage increases each year, or it may be variable, based on standard cost of living or inflation indices. In addition, some leases that are longer-term in nature may require a regular survey of comparable land rents, with the rent owed per the lease being adjusted to reflect then-current market rents. We also have leases that include variable rents based on the success of the harvest each year. In these types of agreements, we will generally require the lease to include the guarantee of a minimum amount of rental income that satisfies our investment return criteria. Currently, our 57 farms are leased under agricultural leases with original terms ranging from3 to 15 years, with 39 farms leased on a pure triple-net basis, and18 farms leased on a partial-net basis, with the landlord responsible for all or a portion of the related property taxes. Additionally, five of our farms are leased under agreements that include a variable rent component.

We monitor our tenants' credit quality on an ongoing basis by, among other things, periodically conducting site visits of the properties to ensure farming operations are taking place and to assess the general maintenance of the properties. To date, we have not identified any changes to credit quality of our tenants, and all tenants continue to pay pursuant to the terms of their respective leases.

***Lease Expirations***

Farm leases are often short-term in nature, so in any given year, we may have multiple leases up for renewal or extension. As of January 1, 2016, we had two agricultural leases that were originally due to expire in 2016. One lease was on a farm in Florida, and we renewed the lease for an additional three years at an annualized, straight-line rental rate representing an increase of 17.9% over that of the previous lease. The second lease was on a farm in California, and we renewed the lease for an additional four years at an annualized, straight-line rental rate representing an increase of 28.1% over that of the previous lease. However, in connection with the renewal of the lease on our California farm, we also assumed the responsibility for the property taxes on the property, which were the tenant's responsibility under the old lease. Factoring in the additional property tax expense with the increased rental rate, the expected overall increase in annualized net income from the property under the term of the new lease is expected to be 9.0% higher than that under the old lease.

We have begun negotiations with the existing tenants on our farms that have leases scheduled to expire in 2017, and we anticipate being able to renew each of the leases prior to their respective expirations. However, there can be no assurance that we will be able to renew the leases at rates favorable to us, if at all, or be able to find replacement tenants, if necessary.

The following table summarizes the lease expirations by year for our properties with leases in place as of September 30, 2016:

| Year | Number of Expiring Leases | Expiring Leased Acreage | % of Total Acreage | Rental Revenue for the Nine Months Ended September 30, 2016 | % of Total Revenue |
|---|---|---|---|---|---|
| 2016 | 1 (1) | — | —% | $ 24,048 | 0.2% |
| 2017 | 10 | 866 | 2.6% | 1,701,626 | 13.7% |
| 2018 | 4 | 2,710 | 8.0% | 619,114 | 5.0% |
| 2019 | 3 | 2,524 | 7.5% | 105,446 | 0.9% |
| 2020 | 8 | 11,605 | 34.3% | 3,830,056 | 30.9% |
| 2021 | 4 | 6,954 | 20.6% | 1,121,681 | 9.1% |
| Thereafter | 16 | 9,141 | 27.0% | 4,986,332 | 40.2% |
| **Totals** | **46** | **33,800** | **100.0%** | **$ 12,388,303** | **100.0%** |

(1) Includes a surface area lease on a portion of one property leased to an oil company that is renewed on a year-to-year basis.

## Recent Developments

### *Investment, Leasing and Other Portfolio Activity*

*Property Acquisitions*

Since July 1, 2016, through the date of this filing, we have acquired ten farms in six separate transactions, which are summarized in the table below:

| Property Name | Property Location | Acquisition Date | Total Acreage | Number of Farms | Primary Crop(s) | Lease Term | Renewal Options | Total Purchase Price | Acquisition Costs | Annualized Straight-line Rent(1) |
|---|---|---|---|---|---|---|---|---|---|---|
| Orange Avenue | Fort Pierce, FL | 7/1/2016 | 401 | 1 | Vegetables | 7 years | 2 (7 years) | $ 5,100,000 | $ 37,615 (2) | $ 291,173 |
| Lithia Road | Plant City, FL | 8/11/2016 | 72 | 1 | Strawberries | 5 years | None | 1,700,000 | 38,296 (3) | 97,303 |
| Baca County(4) | Edler, CO | 9/1/2016 | 7,384 | 5 | Grass Hay and Alfalfa | 4 years | 1 (5 years) | 6,322,853 | 72,340 (2) | 383,734 |
| Diego Ranch(5) | Stanislaus, CA | 9/14/2016 | 1,357 | 1 | Almonds | 3 years | 3 (5 years) & 1 (3 years) | 13,996,606 | 63,114 (3) | 621,115 |
| Nevada Ranch | Merced, CA | 9/14/2016 | 1,130 | 1 | Almonds | 3 years | 3 (5 years) & 1 (3 years) | 13,231,832 | 40,833 (3) | 574,274 |
| Central Avenue | Kerman, CA | 10/13/2016 | 197 | 1 | Almonds | 10 years | 2 (5 years) | 6,500,000 | 4,438 (2) | 325,000 (6) |
| | | | **10,541** | **10** | | | | **$ 46,851,291** | **$ 256,636** | **$ 2,292,599** |

(1) Annualized straight-line amount is based on the minimum cash rental payments guaranteed under the lease, as required under GAAP.
(2) Acquisition accounted for as an asset acquisition under ASC 360. As such, all acquisition-related costs were capitalized and allocated among the identifiable assets acquired. The figures above represent only the costs paid or accrued for as of the date of this filing.
(3) Acquisition accounted for as a business combination under ASC 805. As such, all acquisition-related costs were expensed as incurred, other than direct leasing costs, which were capitalized. In aggregate, we incurred $4,850 of direct leasing costs in connection with these acquisitions.
(4) As partial consideration for the acquisition of this property, we issued 125,677 OP Units, constituting an aggregate fair value of approximately $1.5 million as of the acquisition date. We incurred approximately $8,235 of legal costs in connection with the issuance of these OP Units.
(5) As partial consideration for the acquisition of this property, we issued 343,750 OP Units, constituting an aggregate fair value of approximately $3.9 million as of the acquisition date. We incurred approximately $21,732 of legal costs in connection with the issuance of these OP Units.
(6) Lease also provides for a variable rent component based on the gross crop revenues earned on the property. The figure above represents only the minimum cash rents guaranteed under the lease.

*Existing Properties*

Since July 1, 2016, the following significant events occurred with regard to our already-existing properties:

- *Espinosa Road:*
  - On July 5, 2016, we received payment of approximately $164,000 (including $4,000 of accrued interest) from the California Department of Transportation ("CalTrans") in connection with the settlement of an eminent domain lawsuit for 4.5 acres of nonfarmable land on Espinosa Road (the "CalTrans Settlement"). The portion of this payment allocated to our cost basis of the 4.5 nonfarmable acres was approximately $156,000.
  - On August 25, 2016, we renewed the lease with the tenant occupying Espinosa Road, which was originally set to expire on October 31, 2016. The lease was renewed for an additional four years, through October 31, 2020, with annualized, straight-line rental income of $997,017, representing 28.1% increase over that of the previous lease. In connection with the renewal, we also assumed responsibility for the property taxes on Espinosa Road, which were the tenant's responsibility under the old lease. Factoring in the additional property tax

expense with the increased rental rate, the expected overall increase in annualized net income from the property over the term of the new lease is expected to be 9.0% higher than that under the old lease.

*Colding Loop.* On July 15, 2016, we terminated the lease with the tenant occupying Colding Loop and subsequently entered into a new lease with a new tenant to occupy the property on August 5, 2016. The new lease is scheduled to expire on August 4, 2017, and provides for minimum rental payments of $72,400 over its term. In connection with the early termination of the previous lease, we wrote off $20,697 and $84,600 of deferred rent asset balances to bad debt expense during thethree and nine months ended September 30, 2016, respectively. In addition, during the three months ended September 30, 2016, we expensed $8,635 of unamortized leasing costs associated with the previous lease.

***Financing Activity***

*MetLife Facility*

On October 5, 2016, we closed on an amendment to our credit facility with Metropolitan Life Insurance Company (“MetLife”), which previously consisted of a$100.0 million long-term note payable (the "2015 MetLife Term Note") and a $25.0 million revolving equity line of credit (the "2015 MetLife Line of Credit" and, together with the 2015 MetLife Term Note, the "MetLife Facility"). Pursuant to the amendment, the MetLife Facility now consists of the 2015 MetLife Term Note, the 2015 MetLife Line of Credit, a $50.0 million long-term note payable (the "2016 MetLife Term Note") and a$25.0 million revolving equity line of credit (the "2016 MetLife Line of Credit"). Simultaneous with the closing of the amendment, we drew approximately $21.6 million under the 2016 MetLife Term Note, with $21.0 million of the proceeds being used to repay the balance previously outstanding under the 2015 MetLife Line of Credit.

The 2016 MetLife Term Note is scheduled to mature onJanuary 5, 2029, and bears interest at a fixed rate of3.16% per annum (which rate is fixed until January 5, 2027), plus an unused fee of 0.20% on undrawn amounts. The 2016 MetLife Line of Credit is scheduled to mature on April 5, 2024, and bears interest at a variable rate equal to the three-month LIBOR plus a spread of 2.25%, with a minimum annualized rate of2.50%, plus an unused fee of0.20% on undrawn amounts.

Among other changes, the amendment to the MetLife Facility:

- increased the overall loan-to-value ratio on the underlying properties pledged as collateral under the MetLife Facility from58% to 60%;
- reduced the blended interest rate on all previously-disbursed amounts under the 2015 MetLife Term Note by19 basis points, from 3.35% to 3.16%;
- extended the fixed-rate term of the 2015 MetLife Term Note by76 months, through January 5, 2027; and
- extended the draw period under the 2015 MetLife Term Note byone year, through December 31, 2018.

All other material items of the MetLife Facility remained unchanged.

In addition, we updated the appraisals of certain properties that serve as collateral under the MetLife Facility, which resulted in increased overall valuations, and pledged three additional properties as collateral under the facility. In conjunction with the increase in the loan-to-value ratio on the underlying collateral, these events increased our overall availability under the MetLife Facility by approximately $28.3 million.

*Farm Credit*

Farm Credit CFL

During the three months ended March 31, 2016, we received interest patronage, or refunded interest, from Farm Credit of Central Florida, FLCA (“Farm Credit CFL”), representing a 16.1% refund of the interest accrued on all borrowings from Farm Credit CFL during the year endedDecember 31, 2015. This interest patronage reduced the interest rates on our borrowings from Farm Credit CFL during the year ended December 31, 2015, from a weighted-average stated interest rate of3.42% to a weighted-average effective interest rate of 2.87%. We are unable to estimate the amount of interest patronage to be received, if any, related to interest accrued during 2016 on our Farm Credit CFL borrowings.

On July 1, 2016, in connection with the acquisition of Orange Avenue, we closed on a loan from Farm Credit CFL for approximately$3.1 million. Terms of this note are summarized in the following table:

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms [1] |
|---|---|---|---|---|
| 7/1/2016 | $ 3,120,000 | 6/1/2023 | 36 years | 3.78% fixed throughout term |

[1] Rate represents the stated interest rate, before interest patronage.

Farm Credit West

On October 13, 2016, in connection with the acquisition of Central Avenue, we closed on a loan from Farm Credit West, FLCA ("Farm Credit West"), for approximately $3.9 million. Terms of this note are summarized in the following table:

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms [1] |
|---|---|---|---|---|
| 10/13/2016 | $ 3,900,000 | 11/1/2041 | 26 years | 3.94% fixed through 9/30/2026, variable thereafter |

(1) Rate represents the stated interest rate, before interest patronage.

*Farmer Mac*

Pursuant to a bond purchase agreement we entered into with Federal Agricultural Mortgage Corporation ("Farmer Mac") and Farmer Mac Mortgage Securities Corporation, a wholly-owned subsidiary of Farmer Mac, for a secured note purchase facility that provides for bond issuances up to an aggregate principal amount of $125.0 million (the "Farmer Mac Facility"), we issued one bond on August 22, 2016, in connection with the acquisition of Lithia Road on August 11, 2016. The terms of the bond issuance are summarized in the following table:

| Date of Issuance | Amount | Maturity Date | Principal Amortization | Interest Rate Terms [1] |
|---|---|---|---|---|
| 8/22/2016 | $ 1,020,000 | 8/22/2023 | None | 2.87% fixed throughout term |

*Term Preferred Stock*

On August 17, 2016, we completed a public offering of 6.375% Series A Cumulative Term Preferred Stock, par value $0.001 per share (the "Term Preferred Stock"), at a public offering price of $25.00 per share. As a result of this offering, including the exercise of the underwriters' over-allotment option, we issued a total of 1,150,000 shares of the Term Preferred Stock for gross proceeds of approximately $28.8 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $27.6 million. These proceeds were used to repay existing indebtedness, to fund new property acquisitions and for other general corporate purposes. The Term Preferred Stock is traded under the ticker symbol, "LANDP," on the NASDAQ Global Market. The Term Preferred Stock is not convertible into our common stock or any other securities.

Generally, we may not redeem shares of the Term Preferred Stock prior to September 30, 2018, except in limited circumstances to preserve our qualification as a REIT. On or after September 30, 2018, we may redeem the shares at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends to but excluding the date of redemption. The shares of the Term Preferred have a mandatory redemption date of September 30, 2021. We incurred approximately $1.2 million in total offering costs related to this issuance, which have been recorded net of the Term Preferred Stock as presented on the Condensed Consolidated Balance Sheet, and we will amortize these costs over the redemption period, which ends on September 30, 2021.

During the three and nine months ended September 30, 2016, we paid aggregate distributions on our Term Preferred Stock of $218,919, or approximately $0.19 per share.

*At-the-Market Program*

On August 7, 2015, we entered into equity distribution agreements with Cantor Fitzgerald & Co. and Ladenburg Thalmann & Co., Inc. (each a “Sales Agent”), under which we may issue and sell, from time to time and through the Sales Agents, shares of our common stock up to $30.0 million (the “ATM Program”). During the nine months ended September 30, 2016, we issued and sold 31,934 shares of our common stock at an average sales price of $11.29 per share under the ATM Program for gross proceeds of $360,472 and net proceeds of $355,057. To date, we have sold 64,561 shares of our common stock at an average sales price of $10.23 per share under the ATM Program for gross proceeds of $660,176 and net proceeds of $650,266.

**Portfolio Diversity**

Since our initial public offering in January 2013 (the "IPO"), we have expanded our original portfolio of 12 farms leased to 7 different, unrelated tenants to a current portfolio of 57 farms leased to 40 different, unrelated tenants. While our focus remains in farmland suitable for growing fresh produce annual row crops, such as berries and vegetables, we have also begun to diversify our portfolio into farmland suitable for other crop types, including permanent crops, consisting primarily of almonds, pistachios and blueberries, and certain commodity crops, consisting primarily of corn and beans. The following table summarizes the different sources of revenues for our properties with leases in place as of and for the nine months ended September 30, 2016 and 2015:

| | As of and For the Nine Months Ended September 30, 2016 | | | | As of and For the Nine Months Ended September 30, 2015 | | | | Annualized GAAP Rental Revenue as of September 30, 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Source | Total Farmable Acres | % of Total Farmable Acres | Rental Revenue | % of Total Revenue | Total Farmable Acres | % of Total Farmable Acres | Rental Revenue | % of Total Revenue | Total Rental Revenue | % of Total Revenue |
| Annual row crops – fresh produce[1] | 9,768 | 34.9% | $ 8,302,989 | 67.0% | 7,104 | 59.4% | $ 6,729,753 | 79.3% | $ 11,786,062 | 60.9% |
| Annual row crops – commodity crops[2] | 14,132 | 50.6% | 1,205,774 | 9.8% | 3,570 | 29.9% | 398,472 | 4.7% | 2,009,133 | 10.4% |
| **Subtotal – Total annual row crops** | 23,900 | 85.5% | 9,508,763 | 76.8% | 10,674 | 89.3% | 7,128,225 | 84.0% | 13,795,195 | 71.3% |
| Permanent crops[3] | 4,058 | 14.5% | 1,587,471 | 12.8% | 1,284 | 10.7% | 488,161 | 5.8% | 3,688,099 | 19.1% |
| **Subtotal – Total crops** | 27,958 | 100.0% | 11,096,234 | 89.6% | 11,958 | 100.0% | 7,616,386 | 89.8% | 17,483,294 | 90.4% |
| Facilities and other[4] | — | — | 1,292,069 | 10.4% | — | — | 866,637 | 10.2% | 1,855,535 | 9.6% |
| **Total** | **27,958** | **100.0%** | **$ 12,388,303** | **100.0%** | **11,958** | **100.0%** | **$ 8,483,023** | **100.0%** | **$ 19,338,829** | **100.0%** |

(1) Includes berries and other fruits, such as melons, raspberries and strawberries, and vegetables, such as cabbage, carrots, celery, cilantro, cucumbers, edamame, green beans, lettuce, mint, onions, peas, peppers, potatoes, radicchio, spinach and tomatoes.

(2) Includes alfalfa, barley, corn, edible beans, grass, popcorn, soybeans and wheat.

(3) Includes almonds, avocados, blueberries, lemons and pistachios.

(4) Consists primarily of rental revenue from: (i) farm-related facilities, such as coolers, packinghouses, distribution centers, residential houses for tenant farmers and other farm-related buildings; (ii) a surface area lease with an oil company on a small parcel of one of our properties; and (iii) unimproved or nonfarmable acreage on certain of our farms.

Our acquisition of 45 farms since our IPO has also allowed us to further diversify our portfolio geographically. The following table summarizes the different geographic locations of our properties with leases in place as of and for the nine months ended September 30, 2016 and 2015:

| | As of and For the Nine Months Ended September 30, 2016 | | | | As of and For the Nine Months Ended September 30, 2015 | | | | Annualized GAAP Rental Revenue as of September 30, 2016[1] | |
|---|---|---|---|---|---|---|---|---|---|---|
| State | Total Acres | % of Total Acres | Rental Revenue | % of Total Rental Revenue | Total Acres | % of Total Acres | Rental Revenue | % of Total Rental Revenue | Total Rental Revenue | % of Total Rental Revenue |
| California | 6,516 | 19.3% | $ 6,986,099 | 56.4% | 3,576 | 24.0% | $ 5,652,357 | 66.6% | $ 11,072,700 | 57.3% |
| Florida | 5,567 | 16.5% | 2,407,893 | 19.4% | 4,401 | 29.6% | 1,458,433 | 17.2% | 3,542,938 | 18.3% |
| Colorado | 13,575 | 40.1% | 951,285 | 7.7% | — | — | — | — | 1,974,348 | 10.2% |
| Oregon | 2,313 | 6.8% | 877,547 | 7.1% | 2,313 | 15.6% | 876,244 | 10.3% | 1,177,363 | 6.1% |
| Arizona | 3,000 | 8.9% | 543,642 | 4.4% | 1,761 | 11.8% | 243,953 | 2.9% | 742,363 | 3.8% |
| Nebraska | 2,559 | 7.6% | 434,722 | 3.5% | 2,559 | 17.2% | 67,000 | 0.8% | 579,630 | 3.0% |
| Michigan | 270 | 0.8% | 187,115 | 1.5% | 270 | 1.8% | 185,036 | 2.2% | 249,487 | 1.3% |
| | **33,800** | **100.0%** | **$ 12,388,303** | **100.0%** | **14,880** | **100.0%** | **$ 8,483,023** | **100.0%** | **$ 19,338,829** | **100.0%** |

(1) Annualized GAAP rental revenue is based on the minimum rental payments required per the leases in place as of September 30, 2016, and includes the amortization of any above-market lease values or accretion of any below-market lease values, deferred revenue and tenant improvements.

**Our Adviser and Administrator**

We are externally managed pursuant to a contractual investment advisory arrangement (the "Advisory Agreement") with our Adviser, under which our Adviser directly employs certain of our personnel and pays their payroll, benefits and general expenses directly, and our Administrator provides administrative services to us pursuant to a separate administration agreement with our Administrator (the "Administration Agreement"). Both our Adviser and Administrator are affiliates of ours, as their parent company is owned and controlled by Mr. David Gladstone, our chairman and chief executive officer. In addition, two of our executive officers, Mr. Gladstone and Mr. Terry Brubaker (our vice chairman and chief operating officer), serve as directors and executive officers of each of our Adviser and Administrator. Mr. Michael LiCalsi, our general counsel and secretary, also serves as our Administrator's president. A summary of each of these agreements is provided in Note 4 to our consolidated financial statements in our 2015 Form 10-K. There were no material changes to either of these agreements during the nine months ended September 30, 2016.

**Critical Accounting Policies**

The preparation of our financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make judgments that are subjective in nature to make certain estimates and assumptions. Application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties, and, as a result, actual results could materially differ from these estimates. A summary of our significant accounting policies is provided in Note 2 to our consolidated financial statements in our 2015 Form 10-K. There were no material changes to our critical accounting policies during the nine months ended September 30, 2016.

**RESULTS OF OPERATIONS**

**A comparison of our operating results for the three and nine months ended September 30, 2016 and 2015 is below:**

| | For the Three Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change |
| Operating revenues: | | | | |
| Rental revenues | $ 4,467,217 | $ 3,080,240 | $ 1,386,977 | 45.0% |
| Tenant recovery revenue | 1,957 | 3,313 | (1,356) | (40.9)% |
| Total operating revenues | 4,469,174 | 3,083,553 | 1,385,621 | 44.9% |
| Operating expenses: | | | | |
| Depreciation and amortization | 1,431,846 | 809,445 | 622,401 | 76.9% |
| Property operating expenses | 160,913 | 191,739 | (30,826) | (16.1)% |
| Acquisition-related expenses | 122,841 | 62,190 | 60,651 | 97.5% |
| Management and incentive fees, net of fee credits | 407,622 | 356,871 | 50,751 | 14.2% |
| Administration fee | 183,605 | 180,722 | 2,883 | 1.6% |
| General and administrative | 356,513 | 314,933 | 41,580 | 13.2% |
| Total operating expenses | 2,663,340 | 1,915,900 | 747,440 | 39.0% |
| Operating income | 1,805,834 | 1,167,653 | 638,181 | 54.7% |
| Other income (expense) | | | | |
| Other income | 2,354 | 26,688 | (24,334) | (91.2)% |
| Interest expense | (1,554,668) | (1,064,369) | (490,299) | 46.1% |
| Distributions attributable to mandatorily redeemable preferred stock | (218,919) | — | (218,919) | NM |
| Property and casualty recovery, net | — | 76,423 | (76,423) | (100.0)% |
| Total other expense | (1,771,233) | (961,258) | (809,975) | 84.3% |
| Net income | 34,601 | 206,395 | (171,794) | (83.2)% |
| Less net income attributable to non-controlling interests | (2,718) | — | (2,718) | NM |
| Net income attributable to the Company | $ 31,883 | $ 206,395 | $ (174,512) | (84.6)% |

*NM = Not Meaningful*

| | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change |
| Operating revenues: | | | | |
| Rental revenues | $ 12,388,303 | $ 8,483,023 | $ 3,905,280 | 46.0% |
| Tenant recovery revenue | 7,989 | 10,108 | (2,119) | (21.0)% |
| Total operating revenues | 12,396,292 | 8,493,131 | 3,903,161 | 46.0% |
| Operating expenses: | | | | |
| Depreciation and amortization | 3,743,529 | 2,312,880 | 1,430,649 | 61.9% |
| Property operating expenses | 499,694 | 553,909 | (54,215) | (9.8)% |
| Acquisition-related expenses | 242,713 | 410,887 | (168,174) | (40.9)% |
| Management and incentive fees, net of fee credits | 1,339,239 | 660,106 | 679,133 | 102.9% |
| Administration fee | 574,842 | 489,510 | 85,332 | 17.4% |
| General and administrative | 1,196,204 | 1,049,001 | 147,203 | 14.0% |
| Total operating expenses | 7,596,221 | 5,476,293 | 2,119,928 | 38.7% |
| Operating income | 4,800,071 | 3,016,838 | 1,783,233 | 59.1% |
| Other income (expense) | | | | |
| Other income | 105,638 | 47,711 | 57,927 | 121.4% |
| Interest expense | (4,296,336) | (2,961,100) | (1,335,236) | 45.1% |
| Distributions attributable to mandatorily redeemable preferred stock | (218,919) | — | (218,919) | NM |
| Property and casualty recovery, net | — | 97,232 | (97,232) | (100.0)% |
| Total other expense | (4,409,617) | (2,816,157) | (1,593,460) | 56.6% |
| Net income | 390,454 | 200,681 | 189,773 | 94.6% |
| Less net income attributable to non-controlling interests | (16,342) | — | (16,342) | NM |
| Net income attributable to the Company | $ 374,112 | $ 200,681 | $ 173,431 | 86.4% |

*NM = Not Meaningful*

For the purposes of the following discussions on certain operating revenues and expenses, with regard to each of the comparisons between the three months ended September 30, 2016 versus 2015 and the nine months ended September 30, 2016 versus 2015:

- Same-property basis represents properties that were owned as of June 30, 2015, and December 31, 2014, respectively, and were not vacant at any point during either period presented.
- Properties acquired during the prior-year periods are properties acquired during the three months ended September 30, 2015, and the nine months ended September 30, 2015, respectively.
- Properties acquired subsequent to prior-year period are properties acquired subsequent to September 30, 2015;
- Properties with vacancy represent properties that were vacant at any point during either period. We had one property that was vacant for a portion of the three months ended September 30, 2016.

***Operating Revenues***

*Same-property Analysis*

| Rental Revenues | For the Three Months Ended September 30, | | | | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change | 2016 | 2015 | $ Change | % Change |
| Same-property basis | $ 3,124,431 | $ 2,917,460 | $ 206,970 | 7.1% | $ 7,668,354 | $ 7,301,997 | $ 366,356 | 5.0% |
| Properties acquired during prior-year periods | 418,956 | 131,430 | 287,525 | 218.8% | 2,748,001 | 1,086,976 | 1,661,025 | 152.8% |
| Properties acquired subsequent to prior-year periods | 912,542 | — | 912,542 | NM | 1,903,533 | — | 1,903,533 | NM |
| Properties with vacancy | 11,288 | 31,350 | (20,062) | (64.0)% | 68,415 | 94,050 | (25,635) | (27.3)% |
| | **$ 4,467,217** | **$ 3,080,240** | **$ 1,386,975** | **45.0%** | **$ 12,388,303** | **$ 8,483,023** | **$ 3,905,279** | **46.0%** |

*NM = Not Meaningful*

Rental revenues on a same-property basis increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily due to our ability to renew existing leases at higher rates and earn additional revenue on capital improvements constructed on certain properties. Rental revenues from acquired properties increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, due to the additional revenues recorded from owning the 5 and 9 new farms we acquired during the three and nine months ended September 30, 2015, respectively, for the full three- and nine-month periods in 2016, coupled with the additional revenues earned from the 15 new farms we acquired subsequent to September 30, 2015 (through September 30, 2016). Rental revenues from properties with vacancy decreased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, due to one property that was vacant during a portion of the three months ended September 30, 2016. The previous lease on this property was terminated early, and we entered into a new, one-year lease agreement with a new tenant at a lower rental rate than the previous lease. While we expect to be able to renew the new lease on the property at an increase to the current rental rate upon its expiration, there can be no assurance that we will be able to renew the lease at a rate favorable to us, if at all, or be able to find a replacement tenant, if necessary.

*Other Operating Revenues*

Tenant recovery revenue represents real estate taxes and insurance premiums paid on certain of our properties that, per the leases, are required to be reimbursed by the tenant. Corresponding amounts were also recorded as property operating expenses during the respective periods.

***Operating Expenses***

*Same-property Analysis*

| Depreciation and amortization: | For the Three Months Ended September 30, | | | | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | **2016** | **2015** | **$ Change** | **% Change** | **2016** | **2015** | **$ Change** | **% Change** |
| Same-property basis | $ 766,284 | $ 755,668 | $ 10,616 | 1.4% | $ 1,659,578 | $ 1,782,711 | $ (123,133) | (6.9)% |
| Properties acquired during prior-year periods | 119,008 | 25,574 | 93,434 | 365.3% | 841,410 | 445,759 | 395,651 | 88.8% |
| Properties acquired subsequent to prior-year periods | 510,654 | — | 510,654 | NM | 1,150,234 | — | 1,150,234 | NM |
| Properties with vacancy | 35,900 | 28,203 | 7,697 | 27.3% | 92,307 | 84,410 | 7,896 | 9.4% |
| | **$ 1,431,846** | **$ 809,445** | **$ 622,401** | **76.9%** | **$ 3,743,529** | **$ 2,312,880** | **$ 1,430,648** | **61.9%** |

*NM = Not Meaningful*

Depreciation and amortization expense on a same-property basis increased for the three months ended September 30, 2016, as compared to the respective prior-year period, primarily due to additional depreciation on site improvements completed on certain properties subsequent to September 30, 2015, and decreased for the nine months ended September 30, 2016, as compared to the respective prior-year period, primarily as a result of certain lease intangible amortization periods expiring subsequent to September 30, 2015. Depreciation and amortization expenses from acquired properties increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, due to the additional depreciation and amortization expense recorded from owning the 5 and 9 new farms we acquired during the three and nine months ended September 30, 2015, respectively, for the full three- and nine-month periods in 2016, coupled with the additional depreciation and amortization expense incurred on the 15 new farms we acquired subsequent to September 30, 2015 (through September 30, 2016). Depreciation and amortization expense on properties with vacancy increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily due to the write-off of approximately $9,000 of unamortized leasing costs during the three months ended September 30, 2016, as a result of an early lease termination.

| Property operating expenses: | For the Three Months Ended September 30, | | | | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change | 2016 | 2015 | $ Change | % Change |
| Same-property basis | $ 142,381 | $ 188,856 | $ (46,475) | (24.6)% | $ 406,227 | $ 526,317 | $ (120,090) | (22.8)% |
| Properties acquired subsequent to prior-year periods | 15,255 | — | 15,255 | NM | 26,122 | — | 26,121 | NM |
| Properties acquired during prior-year periods | — | — | — | NM | 59,167 | 20,336 | 38,831 | 190.9% |
| Properties with vacancy | 3,277 | 2,883 | 394 | 13.7% | 8,178 | 7,256 | 923 | 12.7% |
| | **$ 160,913** | **$ 191,739** | **$ (30,826)** | **(16.1)%** | **$ 499,694** | **$ 553,909** | **$ (54,215)** | **(9.8)%** |

*NM = Not Meaningful*

Property operating expenses consist primarily of real estate taxes, insurance expense and other overhead expenses paid for certain of our properties. Property operating expenses on a same-property basis decreased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily due to a decrease in aggregate property tax expense on those properties, as two partial-net leases converted to pure, triple-net leases during the three months ended December 31, 2015, and, beginning in 2016, certain other properties were entered into land conservation contracts under the California Land Conservation Act, restricting the land to agricultural use and reducing the property tax assessments on those properties. Property operating expenses on acquired properties increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily due to additional property taxes owed on certain of the new farms we acquired during the three and nine months ended September 30, 2015, and subsequent to September 30, 2015. On our overall portfolio, for the three and nine months ended September 30, 2016, we accrued approximately $111,000 and $355,000, respectively, of aggregate real estate taxes related to certain of our farms, which included the recognition of certain prior-period supplemental taxes as a result of stepped-up tax assessments of those properties after our acquisitions of them, as compared to approximately $153,000 and $438,000 during the respective prior-year periods.

*Other Operating Expenses*

Acquisition-related expenses generally consist of legal fees and fees incurred for third-party reports prepared in connection with potential acquisitions and the related due diligence analyses. Acquisition-related expenses increased for the three months ended September 30, 2016, as compared to the prior-year period, primarily due to the differences in accounting treatment (i.e., as an asset acquisition under ASC 360 versus a business combination under ASC 805) of such expenses incurred in connection with the properties acquired during each of the respective periods, as well as due to acquiring farms in larger transaction sizes during the current-year period. During the three months ended September 30, 2016, we acquired three new farms that qualified as business combinations under ASC 805 for an aggregate purchase price of approximately $28.9 million, as compared to two farms for approximately $11.0 million in the prior-year period. Acquisition-related expenses decreased for the nine months ended September 30, 2016, as compared to the prior-year period, primarily due to additional state document stamp taxes on deed transfers incurred in connection with the acquisition of certain properties during the prior-year period.

The aggregate net fees to our Adviser, including both the management and incentive fees, increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods. For the three and nine months ended September 30, 2016, the gross management fee increased by approximately $29,000 and $177,000, respectively, primarily due to additional common equity raised over the prior 12 months. Since September 30, 2015, we have raised approximately $8.1 million of net proceeds from follow-on common stock offerings, increasing the base (the book value of our common stockholders' equity) on which the management fee is calculated. In addition, on a net basis, the net management fee increased for the nine months ended September 30, 2016, as compared to the prior-year period, as a result of a finder's fee of approximately $321,000 earned by our Adviser in connection with one of our acquisitions during the three months ended March 31, 2015, which the Adviser applied as a credit to the management fee for the three months ended March 31, 2015. Our Adviser also earned an incentive fee of approximately $22,000 and $181,000 during the three and nine months ended September 30, 2016, due to our pre-incentive fee funds from operations exceeding the required hurdle rate of our total stockholders' equity at the end of the quarter, as stipulated in our Advisory Agreement. The increase in our pre-incentive fee funds from operations was primarily due to an increase in rental revenues earned on properties acquired during and subsequent to the nine months ended September 30, 2015, coupled with a decrease in operating expenses other than depreciation and amortization expense. No incentive fee was earned in either prior-year period.

The administration fee paid to our Administrator remained relatively flat for the three months ended September 30, 2016, and increased for the nine months ended September 30, 2016, as compared to the respective prior-year periods. The increase for the nine months ended September 30, 2016, was primarily due to higher overall costs incurred by our Administrator and us using a higher share of our Administrator’s resources in relation to those used by other funds serviced by our Administrator during the three months ended March 31, 2016.

General and administrative expenses increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily as a result of additional legal costs incurred related to obtaining certain permits on one of our California properties and completing the CalTrans Settlement on Espinosa Road, increased accounting fees related to a higher volume of acquisitions during the current-year periods, additional costs associated with updating the valuations of certain of our farms and additional advertising and marketing expenses incurred during the current-year periods. These increases were partially offset by lower overhead insurance expense. In addition, during the three and nine months ended September 30, 2016, we wrote off approximately $21,000 and $85,000, respectively, of deferred rent asset balances related to a lease on one of our properties that was terminated prior to its expiration and subsequently re-leased to a new tenant.

***Other Income (Expense)***

Other income, which consists primarily of interest earned on short-term investments, state income tax refunds and interest patronage received from Farm Credit CFL, decreased for the three months ended September 30, 2016, primarily due to state income tax refunds from prior years that were received during the three month ended September 30, 2015, and increased for the nine months ended September 30, 2016, primarily due to additional interest patronage received from Farm Credit CFL. During the three months ended March 31, 2016, we received approximately $94,000 from Farm Credit CFL of interest patronage related to interest accrued during 2015, compared to $15,000 of interest patronage received during the prior-year period. The receipt of this interest patronage resulted in a 16.1% decrease in our effective interest rate on our aggregate borrowings from Farm Credit CFL during the year ended December 31, 2015.

Interest expense increased for both the three and nine months ended September 30, 2016, as compared to the respective prior-year periods, primarily due to increased overall borrowings. The weighted-average principal balance of our aggregate borrowings for the three and nine months ended September 30, 2016, was approximately $181.1 million and $179.9 million, respectively, as compared to $121.2 million and $109.8 million, respectively, for the respective prior-year periods. Including interest patronage received on our Farm Credit CFL borrowings, the overall effective interest rate charged on our aggregate borrowings, excluding the impact of deferred financing costs, was 3.3% and 3.0% for the three and nine months ended September 30, 2016, respectively, as compared to 3.4% and 3.5% for the respective prior-year periods.

During both the three and nine months ended September 30, 2016, we paid aggregate distributions on our Term Preferred Stock, which distributions are treated as a component of interest expense, of approximately $219,000. There was no Term Preferred Stock outstanding during 2015.

During the nine months ended September 30, 2015, we received additional insurance proceeds as a result of a fire on one of our properties in California. This claim was closed during the three months ended September 30, 2015.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

Since our IPO in January 2013, we have invested approximately $271.8 million into 45 new farms, and we have expended or accrued an additional $15.5 million for capital improvements on existing properties. Our current short- and long-term sources of funds include cash and cash equivalents, cash flows from operations, borrowings, including the undrawn commitments available under the MetLife Facility and the Farmer Mac Facility, and issuances of additional equity securities. Our current available liquidity is approximately $30.7 million, consisting of $3.0 million in cash and, based on the current level of collateral pledged, $27.7 million of availability under the MetLife Facility, subject to compliance with covenants.

As of September 30, 2016, our total-debt-to-total-capitalization ratio (including our Term Preferred Stock as debt), at book value, was 71.6%, which is up from 64.7% as of December 31, 2015. However, using the fair value basis of our farmland portfolio, our total-debt-to-total capitalization ratio (including our Term Preferred Stock as debt) as of September 30, 2016, was 58.9%, which is up from 50.2% as of December 31, 2015 (see "Non-GAAP Financial Information—Net Asset Value" below for an explanation of our fair value process). We are currently exploring additional options for further access to capital.

### Future Capital Needs

Our short- and long-term liquidity requirements consist primarily of making distributions to stockholders (including non-controlling OP Unitholders) to maintain our qualification as a REIT, funding our general operating costs, making principal and interest payments on outstanding borrowings, making dividend payments on our Term Preferred Stock and funding new farmland acquisitions and other investments consistent with our investment strategy. We intend to use a significant portion of our available liquidity to purchase additional farms and farm-related properties. Our pipeline of potential acquisitions remains healthy, as we continue to actively seek and evaluate acquisitions of additional farms that satisfy our investment criteria. We

currently have one property under a signed purchase and sale agreement for a proposed purchase price of approximately$13.1 million, which we expect to be consummated during the three months ending December 31, 2016, and we have properties constituting an aggregate proposed purchase price of approximately $54.0 million under signed, non-binding letters of intent that we expect to be consummated during the three months ending March 31, 2017. We currently have the capital required to complete these transactions for the proposed purchase price amounts, a portion of which is expected to be paid in OP Units. We also have many other properties that are in various other stages of our due diligence process. However, all potential acquisitions will be subject to our due diligence investigation of such properties, and there can be no assurance that we will be successful in identifying or acquiring any properties in the future.

We believe that our current and short-term cash resources will be sufficient to fund our distributions to stockholders (including non-controlling OP Unitholders), service our debt, pay dividends on our Term Preferred Stock and fund our current operating costs in the near term. We expect to meet our long-term liquidity requirements through various sources of capital, including future equity issuances (including OP Units through our Operating Partnership as consideration for future acquisitions), long-term mortgage indebtedness and bond issuances and other secured and unsecured borrowings.

**Cash Flow Resources**

The following table summarizes total cash flows for operating, investing and financing activities for thenine months ended September 30, 2016 and 2015:

| | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change |
| Net change in cash from: | | | | |
| Operating activities | $ 7,211,880 | $ 4,303,508 | $ 2,908,372 | 67.6% |
| Investing activities | (79,760,788) | (68,600,005) | (11,160,783) | 16.3% |
| Financing activities | 72,413,238 | 64,378,605 | 8,034,633 | 12.5% |
| Net change in Cash and cash equivalents | $ (135,670) | $ 82,108 | $ (217,778) | (265.2)% |

***Operating Activities***

The majority of cash from operating activities is generated from the rental payments we receive from our tenants, which is first used to fund our property-level operating expenses, with any excess cash being primarily used for principal and interest payments on our borrowings, management fees to our Adviser, administrative fees to our Administrator and other corporate-level expenses. The increase in cash provided by operating activities during the nine months ended September 30, 2016, as compared to the prior-year period, was primarily due to additional rental payments received from farms we have acquired during the past 12 months, particularly prepaid rent received on the 13 farms acquired during the nine months ended September 30, 2016. This increase was partially offset by increases in certain operating expenses as a result of increased acquisition activity, as well as an increase in cash paid for interest due to increased borrowings and distributions paid on our Term Preferred Stock (which distributions are treated as a component of interest expense) during the nine months ended September 30, 2016.

***Investing Activities***

The increase in cash used in investing activities during the nine months ended September 30, 2016, as compared to the prior-year period, was primarily due to additional capital improvements made on existing properties, as well as an increase in the cash paid for acquisitions of new farms during the nine months ended September 30, 2016, which, in aggregate, exceeded that of the prior-year period by approximately $12.0 million.

***Financing Activities***

The increase in cash provided by financing activities during thenine months ended September 30, 2016, as compared to the prior-year period, was due to the$27.6 million of net proceeds received from the issuance of our Term Preferred Stock. This increase was partially offset by the following: (i) during the nine months ended September 30, 2015, we received approximately $13.8 million of net proceeds from a public offering of our common stock; (ii) net borrowings for thenine months ended September 30, 2016, was approximately $4.9 million less than that during the prior-year period; and (iii) distributions paid on our common stock and OP Units held outside of the Company during the nine months ended September 30, 2016, exceeded that of the prior year by approximately$1.0 million, primarily due to an increased distribution run rate declared by our Board of Directors, as well as additional OP Units being issued as partial consideration in connection with certain properties we acquired during the nine months ended September 30, 2016.

**Debt Capital**

***MetLife Facility***

As amended on October 5, 2016, in aggregate, the MetLife Facility consists of $150.0 million of term notes and $50.0 million of revolving equity lines of credit. In aggregate, we currently have approximately $107.5 million outstanding under the term notes that bear interest at a fixed rate of 3.16% per annum (which rate is fixed until January 5, 2027) and approximately $4.2 million outstanding under the lines of credit that bear interest at a variable rate of 3.11%. While approximately $86.8 million of the full commitment amount under the MetLife Facility remains undrawn, based on the current level of collateral pledged, we currently have approximately $27.7 million of availability under the facility.

***Farm Credit Notes Payable***

*Farm Credit CFL Notes Payable*

Since September 19, 2014, we have closed on nine separate loans with Farm Credit CFL for an aggregate amount of approximately $25.3 million (the "Farm Credit CFL Notes Payable"). We currently have approximately $23.9 million outstanding under the Farm Credit CFL Notes Payable that bear interest at an expected weighted-average effective rate (net of expected interest patronage) of 2.92% and have a weighted-average maturity date of March 2030. While we do not currently have any additional availability under our program with Farm Credit CFL based on the properties currently pledged as collateral, we may enter into additional borrowing agreements with Farm Credit CFL in connection with certain potential new acquisitions.

*Farm Credit West Note Payable*

Since April 4, 2016, we have closed on two separate loans with Farm Credit West for an aggregate amount of approximately $13.2 million (the "Farm Credit West Notes Payable"). We currently have approximately $13.1 million outstanding under the Farm Credit West Notes Payable that bear interest at an expected weighted-average effective interest rate (net of expected interest patronage) of 2.91% and have a weighted-average maturity date of February 2041. While we do not currently have any additional availability under our program with Farm Credit West based on the property currently pledged as collateral, we expect to enter into additional borrowing agreements with Farm Credit West in connection with certain potential new acquisitions.

***Farmer Mac Facility***

As amended on June 16, 2016, our agreement with Farmer Mac provides for bond issuances up to an aggregate amount of $125.0 million. To date, we have issued aggregate bonds of approximately $50.3 million under the facility, and we currently have $49.7 million outstanding that bear interest at a weighted-average interest rate of 2.94% and have a weighted-average maturity date of October 2020. While approximately $74.7 million of the full commitment balance remains undrawn, we currently have no additional availability under the Farmer Mac Facility based on the current level of collateral pledged. However, we expect to pledge certain potential new property acquisitions as collateral under the Farmer Mac Facility to utilize some or all of this remaining commitment balance. If we have not issued bonds such that the aggregate bond issuances total $125.0 million by December 11, 2018, Farmer Mac has the option to be relieved of its obligation to purchase additional bonds under this facility.

***Term Preferred Stock***

On August 17, 2016, we raised $27.6 million in net proceeds through the issuance of 1,150,000 shares of our Term Preferred Stock. These proceeds were used to repay existing indebtedness, fund new property acquisitions and for other general corporate purposes, and all proceeds from this issuance have been exhausted.

**Equity Capital**

Including approximately $29.3 million reserved for issuance under our ATM Program, we currently have the ability to raise up to $247.6 million of additional equity capital through the sale and issuance of securities that are registered under our registration statement on Form S-3 (File No. 333-194539) in one or more future offerings. However, in the future, we may be limited in the amount of securities we may sell on Form S-3 should the market value of our common stock held by non-affiliates decrease below $75.0 million, as has been the case at certain times during the past 12 months. As we are currently above the $75.0 million threshold, this limitation will not impact us until the next measurement period, which will be when we file our 2016 Annual Report on Form 10-K. However, there can be no assurance that we will be above the $75.0 million threshold at that time.

In addition, we have the ability to, and may in the future, issue additional OP Units to third parties as consideration in future property acquisitions.

**Off-Balance Sheet Arrangements**

As of September 30, 2016, we did not have any material off-balance sheet arrangements.

## NON-GAAP FINANCIAL INFORMATION

**Funds from Operations, Core Funds from Operations and Adjusted Funds from Operations**

The National Association of Real Estate Investment Trusts ("NAREIT") developed funds from operations ("FFO") as a relative non-GAAP supplemental measure of operating performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the same basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. We further present core FFO ("CFFO") and adjusted FFO ("AFFO") as additional non-GAAP financial measures, as we believe both CFFO and AFFO improve comparability on a period-over-period basis and are more useful supplemental metrics for investors to use in assessing our operational performance on a more sustainable basis than FFO. We believe that net income is the most directly-comparable GAAP measure to each of FFO, CFFO and AFFO.

We calculate CFFO by adjusting FFO for the following items:

- *Acquisition-related expenses.* Acquisition-related expenses (i.e., due diligence costs) are incurred for investment purposes and do not correlate with the ongoing operations of our existing portfolio. Further, due to the inconsistency in which these costs are incurred and how they are treated for accounting purposes, we believe the exclusion of these expenses improves comparability of our results on a period-to-period basis.
- *Acquisition-related accounting fees*. Certain auditing and accounting fees we incur are directly related to acquisitions and vary depending on the number and complexity of acquisitions completed during a period. Due to the inconsistency in which these costs are incurred, we believe the exclusion of these expenses improves comparability of our results on a period-to-period basis.
- *Other adjustments.* We will adjust for certain non-recurring charges and receipts and will explain such adjustments accordingly.

Further, we calculate AFFO by adjusting CFFO for the following items:

- *Cash rent adjustment.* This adjustment removes the effects of straight-lining rental income, as well as the amortization related to above-market lease values and accretion related to below-market lease values, deferred revenue and tenant improvements, resulting in rental income reflected on a modified accrual cash basis. In addition to these adjustments, beginning with the three months ended June 30, 2015, we modified our calculation in our definition of AFFO to provide greater consistency and comparability due to the period-to-period volatility in which cash rents are received. To coincide with our tenants' harvest seasons, our leases typically provide for cash rents to be paid at various points throughout the lease year, usually annually or semi-annually. As a result, cash rents received during a particular period may not necessarily be comparable to other periods or represent the cash rents indicative of a given lease year. Therefore, we have adjusted AFFO to normalize the cash rent received pertaining to a lease year over that respective lease year on a straight-line basis, resulting in cash rent being recognized ratably over the period in which the cash rent is earned. We will apply the same modified definition of AFFO for all prior-year periods presented to provide consistency and better comparability.
- *Amortization of deferred financing costs.* The amortization of costs incurred to obtain financing is excluded from AFFO, as it is a non-cash expense item that is not directly related to the performance of our properties.

The following table provides a reconciliation of our FFO, CFFO and AFFO for thethree and nine months ended September 30, 2016 and 2015 to the most directly-comparable GAAP measure, net income (loss), and a computation of diluted FFO, CFFO and AFFO per share, computed using the weighted-average number of total shares (including shares of our common stock and OP Units held by non-controlling limited partners) outstanding during the respective periods.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| **Net income** | **$ 34,601** | **$ 206,395** | **$ 390,454** | **$ 200,681** |
| Plus: Real estate and intangible depreciation and amortization | 1,431,846 | 809,445 | 3,743,529 | 2,312,880 |
| **FFO available to common stockholders and OP Unit holders** | **1,466,447** | **1,015,840** | **4,133,983** | **2,513,561** |
| Plus: Acquisition-related expenses | 122,841 | 62,190 | 242,713 | 410,887 |
| Plus: Acquisition-related accounting fees | 50,500 | 17,740 | 77,900 | 66,490 |
| (Minus) plus: Other one-time (receipts) charges, net[1] | — | (76,423) | — | (408,172) |
| **CFFO available to common stockholders and OP Unit holders** | **1,639,788** | **1,019,347** | **4,454,596** | **2,582,766** |
| Net adjustment for cash rents | (146,192) | (119,056) | (315,555) | (374,101) |
| Plus: Amortization of deferred financing costs | 65,584 | 30,263 | 135,310 | 74,191 |
| **AFFO available to common stockholders and OP Unit holders** | **$ 1,559,180** | **$ 930,554** | **$ 4,274,351** | **$ 2,282,856** |
| | | | | |
| Weighted-average common shares outstanding – basic and diluted | 10,018,331 | 9,060,314 | 10,001,466 | 8,422,748 |
| Weighted-average OP Units outstanding[2] | 854,116 | — | 613,446 | — |
| Weighted-average total shares outstanding | 10,872,447 | 9,060,314 | 10,614,912 | 8,422,748 |
| | | | | |
| Diluted FFO per weighted-average total share | $ 0.13 | $ 0.11 | $ 0.39 | $ 0.30 |
| Diluted CFFO per weighted-average total share | $ 0.15 | $ 0.11 | $ 0.42 | $ 0.31 |
| Diluted AFFO per weighted-average total share | $ 0.14 | $ 0.10 | $ 0.40 | $ 0.27 |

(1) 2015 adjustments consist of the removal of (i) a credit we received from our Advisor related to a new property acquisition during the three months ended March 31, 2015, (ii) repairs incurred as a result of a fire that were expensed during the three months ended March 31, 2015, and (iii) insurance proceeds received during the three and nine months ended September 30, 2015, as a result of the same fire.

(2) Includes only OP Units held by third parties. As of September 30, 2016, there were 1,215,306 OP Units held by non-controlling limited partners, representing 10.8% of all OP Units issued and outstanding. There were no OP Units held by anyone other than the Company during 2015.

FFO, CFFO and AFFO do not represent cash flows from operating activities in accordance with GAAP, which, unlike FFO, CFFO and AFFO, generally reflects all cash effects of transactions and other events in the determination of net income, and should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions. Comparisons of FFO, CFFO and AFFO, using the NAREIT definition for FFO and the definitions above for CFFO and AFFO, to similarly-titled measures for other REITs may not necessarily be meaningful due to possible differences in the definitions used by such REITs.

Diluted funds from operations ("Diluted FFO"), diluted core funds from operations ("Diluted CFFO") and diluted adjusted funds from operations ("Diluted AFFO") per share are FFO, CFFO and AFFO, respectively, divided by the weighted-average number of total shares (including shares of our common stock and OP Units held by non-controlling limited partners) outstanding on a fully-diluted basis during a period. We believe that diluted earnings per share is the most directly-comparable GAAP measure to each of Diluted FFO, CFFO and AFFO per share.

We believe that FFO, CFFO and AFFO and Diluted FFO, CFFO and AFFO per share are useful to investors because they provide investors with a further context for evaluating our FFO, CFFO and AFFO results in the same manner that investors use net income and EPS in evaluating net income. In addition, because many REITs provide FFO, CFFO and AFFO and Diluted FFO, CFFO and AFFO per share information to the investment community, we believe these are useful supplemental measures when comparing us to other REITs.

**Net Asset Value**

Real estate companies are required to record real estate using the historical cost basis of the real estate, adjusted for accumulated depreciation and amortization, and, as a result, the carrying value of the real estate does not typically change as the fair value of the assets change. Thus, a difficulty in owning shares of an asset-based company is determining the fair value

of the assets so that stockholders can see the value of the assets increase or decrease over time. For this reason, we believe determining the fair value of our real estate assets is useful to our investors.

***Determination of Fair Value***

Our Board of Directors reviews and approves the valuations of our properties pursuant to a valuation policy approved by our Board of Directors (the "Valuation Policy"). Such review and approval occurs in three phases: (i) prior to its quarterly meetings, the Board of Directors receives written valuation recommendations and supporting materials that are provided by professionals of the Adviser and Administrator, with oversight and direction from the chief valuation officer, who is also employed by the Administrator (collectively, the "Valuation Team"); (ii) the valuation committee of the Board of Directors (the "Valuation Committee"), which is comprised entirely of independent directors, meets to review the valuation recommendations and supporting materials; and (iii) after the Valuation Committee concludes its meeting, it and the chief valuation officer present the Valuation Committee's findings to the entire Board of Directors so that the full Board of Directors may review and approve the fair values of our properties in accordance with the Valuation Policy. Further, on a quarterly basis, the Board of Directors reviews the Valuation Policy to determine if changes thereto are advisable and also reviews whether the Valuation Team has applied the Valuation Policy consistently.

Per the Valuation Policy, our valuations are derived based on the following:

- For properties acquired within 12 months prior to the date of valuation, the purchase price of the property will generally be used as the current fair value unless overriding factors apply. In situations where OP Units are issued as partial or whole consideration in connection with the acquisition of a property, the fair value of the property will generally be the lower of: (i) the agreed-upon purchase price between the seller and the buyer (as shown in the purchase and sale agreement or contribution agreement and using the agreed-upon pricing of the OP Units, if applicable), or (ii) the value as determined by an independent, third-party appraiser.
- For real estate we acquired more than one year prior to the date of valuation, we determine the fair value either by relying on estimates provided by independent, third-party appraisers or through an internal valuation process. In addition, if significant capital improvements take place on a property, we will typically have those properties reappraised upon completion of the project by an independent, third-party appraiser. In any case, we intend to have each property valued by an independent, third-party appraiser at least once every three years, with interim values generally being determined by our internal valuation process.

Various methodologies were used, both by the appraisers and in our internal valuations, to determine the fair value of our real estate on a fee simple, "As Is" basis, including the sales comparison, income capitalization (or a discounted cash flow analysis) and cost approaches of valuation. In performing their analyses, the appraisers (i) performed site visits to the properties, (ii) discussed each property with our Adviser and reviewed property-level information, including, but not limited to, property operating data, prior appraisals (as available), existing lease agreements, farm acreage, location, access to water and water rights, potential for future development and other property-level information, and (iii) reviewed information from a variety of sources about regional market conditions applicable to each of our properties, including, but not limited to, recent sale prices of comparable farmland, market rents for similar farmland, estimated marketing and exposure time, market capitalization rates and the current economic environment, among others. In performing our internal valuations, we will consider the most recent appraisal available and use similar methodologies in determining an updated fair value. We will also obtain updated market data related to the property, such as updated sales and market rent comparisons and market capitalization rates, and perform an updated assessment of the tenants' credit risk profiles, among others. Sources of this data may come from market inputs from recent acquisitions of our own portfolio of real estate, recent appraisals of properties we own that are similar in nature and in the same region (as applicable) as the property being valued, market conditions and trends we observe in our due diligence process and conversations with appraisers, brokers and farmers.

A breakdown of the methodologies used to value our properties and the aggregate value as ofSeptember 30, 2016, determined by each method is shown in the table below:

| Valuation Method | Number of Farms | Total Acres | Farm Acres | Net Cost Basis[1] | Current Fair Value | | % of Total Fair Value |
|---|---|---|---|---|---|---|---|
| Purchase Price | 15 | 18,918 | 16,000 | $ 90,240,505 | $ 91,114,991 | | 24.0% |
| Internal Valuation | 14 | 6,131 | 4,563 | 59,808,030 | 65,985,000 | [2] | 17.4% |
| Third-party Appraisal[3] | 27 | 8,751 | 7,395 | 158,689,447 | 222,884,000 | | 58.6% |
| **Total** | **56** | **33,800** | **27,958** | **$ 308,737,982** | **$ 379,983,991** | | **100.0%** |

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs paid for by the Company that were associated with the properties, and adjusted for accumulated depreciation and amortization.

(2) 97.9% of this valuation, or approximately $64.6 million, is supported by values as determined by third-party appraisals performed between April 2014 and July 2015. The difference of $1.4 million represents the net appreciation of those properties since the time of such appraisals, as determined according to our Valuation Policy.

(3) Appraisals performed between October 2015 and July 2016.

Some of the significant assumptions used by appraisers and the Valuation Team in valuing our portfolio as ofSeptember 30, 2016, include land values per farmable acre, market rental rates per farmable acre and capitalization rates, among others. These assumptions were applied on a farm-by-farm basis and were selected based on several factors, including comparable land sales, surveys of both existing and current market rates, discussions with other brokers and farmers, soil quality, size, location and other factors deemed appropriate. A summary of these significant assumptions is provided in the following table:

| | Appraisal Assumptions | | Internal Valuation Assumptions | |
|---|---|---|---|---|
| | Range *(Low - High)* | Weighted Average | Range *(Low - High)* | Weighted Average |
| **Land Value (per farmable acre)** | $4,630 – $105,000 | $ 57,579 | $4,655 – $100,000 | $ 34,600 |
| **Market Rent (per farmable acre)** | $260 – $4,864 | $ 2,589 | $274 – $4,500 | $ 1,620 |
| **Market Capitalization Rate** | 2.52% – 5.50% | 3.95% | 3.58% – 5.25% | 4.71% |

The table above applies only to the farmland portion of our portfolio and exclude assumptions made relating to farm-related property, such as cooling facilities and box barns, and other structures on our properties, including residential housing and horticulture, as their aggregate value was considered to be insignificant in relation to that of the farmland.

Our Valuation Team reviews the appraisals, including the significant assumptions and inputs used in determining the appraised values, and considers any developments that may have occurred since the time the appraisals were performed. Developments considered that may have an impact on the fair value of our real estate include, but are not limited to, changes in tenant credit profiles; changes in lease terms, such as expirations and notices of non-renewals or to vacate; and potential asset sales, particularly those at prices different from the appraised values of our properties.

Management believes that the purchase prices of the farms acquired during the previous 12 months, the most recent appraisals available for the farms acquired prior to the previous 12 months that were not valued internally and the farms that were valued internally during the previous 12 months fairly represent the current market values of the properties as of September 30, 2016, and, accordingly, did not make any adjustment to these values.

A quarterly roll-forward of the change in our portfolio value for thethree months ended September 30, 2016, from the prior value basis as of December 31, 2015, is provided in the table below:

| | | |
|---|---|---|
| **Total portfolio fair value as of June 30, 2016** | | **$ 337,171,991** |
| Plus: Acquisition of 9 new farms during the three months ended September 30, 2016 | | 40,300,000 |
| *Plus net value appreciation (depreciation) during the three months ended September 30, 2016:* | | |
| 5 farms valued internally | $ 787,000 | |
| 13 farms valued via third-party appraisals | 1,725,000 | |
| Total net appreciation for the three months ended September 30, 2016 | | 2,512,000 |
| **Total portfolio fair value as of September 30, 2016** | | **$ 379,983,991** |

Management also determined fair values of all of its long-term borrowings. Using a discounted cash flow analysis, management determined that the fair value of all long-term encumbrances on our properties as of September 30, 2016, was approximately $170.1 million, as compared to a carrying value (excluding unamortized related debt issuance costs) of $167.0 million. In addition, using the closing stock price as of September 30, 2016, the fair value of the Term Preferred stock was

determined to be approximately $29.7 million, as compared to a carrying value (excluding unamortized related issuance costs) of $28.8 million.

***Calculation of Estimated Net Asset Value***

To provide our stockholders with an estimate of the fair value of our real estate assets, we intend to estimate the fair value of our farm properties, expressed in terms of net asset value ("NAV"), and provide that to our stockholders on a quarterly basis. NAV is a non-GAAP, supplemental measure of financial position of an equity REIT and is calculated as total equity, adjusted for the increase or decrease in fair value of our real estate assets and long-term borrowings (including any preferred stock required to be treated as debt for GAAP purposes) relative to their respective costs bases. Further, we calculate NAV per common share by dividing NAV by our total common shares outstanding (consisting of our common stock and OP Units held by non-controlling limited partners). A reconciliation of NAV to total equity, which the Company believes is the most directly-comparable GAAP measure, is provided below.

*The fair values presented above and their usage in the calculation of net asset value per share presented below have been prepared by, and is the responsibility of, management. PricewaterhouseCoopers, LLP, has neither examined, compiled nor performed any procedures with respect to the fair values or the calculation of net asset value per common share, which utilizes information that is not disclosed within the financial statements, and, accordingly, does not express an opinion or any other form of assurance with respect thereto.*

As of September 30, 2016, we estimate our NAV per common share to be $13.68, as detailed below:

| | | |
|---|---|---|
| Total equity per balance sheet | | $ 86,545,055 |
| *Fair value adjustment for long-term assets:* | | |
| Less: net cost basis of tangible and intangible real estate holdings[1] | $ (308,737,982) | |
| Plus: estimated fair value of real estate holdings[2] | 379,983,991 | |
| Net fair value adjustment for real estate holdings | | 71,246,009 |
| *Fair value adjustment for long-term liabilities:* | | |
| Plus: book value of aggregate long-term indebtedness[3] | 195,797,127 | |
| Less: fair value of aggregate long-term indebtedness[3][4] | (199,780,193) | |
| Net fair value adjustment for long-term indebtedness | | (3,983,066) |
| **Estimated NAV** | | **$ 153,807,998** |
| Common shares outstanding[5] | | 11,240,181 |
| **Estimated NAV per common share** | | **$ 13.68** |

(1) Per Net Cost Basis as presented in the table above.
(2) Per Current Fair Value as presented in the table above.
(3) Includes the principal balances outstanding of all long-term borrowings (consisting of mortgage notes and bonds payable) and the Term Preferred Stock.
(4) Long-term mortgage notes and bonds payable were valued using a discounted cash flow model. The Term Preferred Stock was valued based on its closing stock price as of September 30, 2016.
(5) Includes 1,215,306 OP Units held by non-controlling limited partners, representing 10.8% of all OP Units issued and outstanding.

A quarterly roll-forward in the estimated NAV per common share for the three months ended September 30, 2016, is provided below:

| | | |
|---|---|---|
| **Estimated NAV per common share as of June 30, 2016** | | **$ 13.68** |
| Plus net income | | — |
| *Plus change in valuations:* | | |
| Net change in unrealized appreciation of farmland portfolio[1] | $ 0.25 | |
| Net change in unrealized fair value of long-term indebtedness | (0.02) | |
| Net change in valuations | | 0.23 |
| Less distributions | | (0.12) |
| Less dilutive effect of equity issuances[2] | | (0.11) |
| **Estimated NAV per common share as of September 30, 2016** | | **$ 13.68** |

(1) The net change in unrealized appreciation of farmland portfolio consists of three components: (i) an increase of $0.22 due to the net appreciation in value of 18 farms that were valued during the three months ended September 30, 2016, (ii) an increase of $0.13 due to the aggregate depreciation and amortization expense recorded during the three months ended September 30, 2016, and (iii) a decrease of $0.10 due to capital improvements made on certain properties that have not been considered in the determination of the respective properties' estimated fair values.
(2) Includes common shares issued under the ATM Program and OP Units issued in connection with the acquisition of new farms.

Comparison of estimated NAV and estimated NAV per common share, using the definitions above, to similarly-titled measures for other REITs, may not necessarily be meaningful due to possible differences in the calculation or application of the definition of NAV used by such REITs. In addition, the trading price of our common shares may differ significantly from our most recent estimated NAV per common share calculation. For example, while we estimated the NAV per share as of September 30, 2016, to be $13.68 per the calculation above, the closing price of our common stock onSeptember 30, 2016, was $10.59, and it has subsequently traded between$9.51 and $10.92 per share.

While management believes the values presented reflect current market conditions, the ultimate amount realized on any asset will be based on the timing of such dispositions and the then-current market conditions. There can be no assurance that the ultimate realized value upon disposition of an asset will approximate the estimated fair value above.

We intend to report any adjustments to the estimated NAV, as well as to the values of our properties, in this section on a quarterly basis, but in no case less than annually. However, the determination of estimated NAV is subjective and involves a number of assumptions, judgments and estimates, and minor adjustments to these assumptions, judgments or estimates may have a material impact on our overall portfolio valuation. In addition, many of the assumptions used are sensitive to market conditions and can change frequently. Changes in the market environment and other events that may occur during our ownership of these properties may cause the values reported above to vary from the actual fair value that may be obtained in the open market.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. The primary market risk that we believe we are and will be exposed to is interest rate risk. Certain of our existing leases contain escalations based on market indices, and certain of our existing borrowings are subject to variable interest rates. Further, the interest rates on certain of our fixed-rate borrowings are either fixed for a finite period before converting to variable rate or are subject to periodic adjustments. Although we seek to mitigate this risk by structuring certain provisions into many of our leases, such as escalation clauses or adjusting the rent to prevailing market rents at two- to three-year intervals, these features do not eliminate this risk. To date, we have not entered into any derivative contracts to attempt to manage our exposure to interest rate fluctuations.

As of September 30, 2016, the fair value of our fixed-rate borrowings outstanding, which accounted for approximately 87.2% of our total indebtedness, at cost, as of September 30, 2016, was approximately $170.1 million. However, interest rate fluctuations may affect the fair value of our fixed-rate borrowings. If market interest rates had been one percentage point lower or higher than those rates in place as of September 30, 2016, the fair value of our fixed-rate borrowings would have increased or decreased by approximately $6.6 million or $6.1 million, respectively.

There have been no material changes in the quantitative and qualitative market risk disclosures for the three months ended September 30, 2016, from that disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as filed with the SEC on February 23, 2016.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

As of September 30, 2016, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2016, in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of necessarily achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any such material legal proceedings threatened against us.

### Item 1A. Risk Factors

Our business is subject to certain risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. For a discussion of these risks, please refer to this section and the section captioned "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, filed by us with the U.S. Securities and Exchange Commission on February 23, 2016. The risks described below and in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially and adversely affect our business, financial condition and/or operating results in the future.

*We may enter into tax protection agreements in the future if we issue OP Units in connection with the acquisition of properties, which could limit our ability to sell or otherwise dispose of certain properties.*

Our Operating Partnership may enter into tax protection agreements in connection with issuing OP Units to acquire additional properties which could provide that if we dispose of any interest in the protected acquired property prior to a certain time, we will indemnify the other party for its tax liabilities attributable to the built-in gain that exists with respect to such property. Therefore, although it may be in our stockholders' best interests that we sell one of these properties, it may be economically prohibitive for us to do so if we are a party to such a tax protection agreement. While we do not currently have any of these tax protection agreements in place currently, we cannot guarantee that we will not enter into such agreements in the future.

*Our redemption of OP Units could result in the issuance of a large number of new shares of our common stock and/or force us to expend significant cash, which may limit our funds necessary to make distributions on our common stock.*

As of the date of this Quarterly Report, third parties owned approximately 10.81215685% of the outstanding OP Units. Following any contractual lock-up provisions, including the one-year mandatory holding period, a non-controlling limited partner of our Operating Partnership may require us to redeem the OP Units it holds for cash. At our election, we may satisfy the redemption through the issuance of shares of our common stock on a one-for-one basis. However, the limited partners' redemption right may not be exercised if and to the extent that the delivery of the shares upon such exercise would result in any person violating the ownership and transfer restrictions set forth in our charter. If a large number of OP Units were redeemed, it could result in the issuance of a large number of new shares of our common stock, which could dilute our existing stockholders' ownership. Alternatively, if we were to redeem a large number of OP Units for cash, we may be required to expend significant amounts to pay the redemption price, which may limit our funds necessary to make distributions on our common stock. Further, if we do not have sufficient cash on hand at the time the OP Units are tendered for redemption, we may be forced to sell additional shares of our common stock in order to raise cash, which could cause dilution to our existing stockholders and adversely affect the market price of our common stock.

*Holders of our Term Preferred Stock and future holders of any securities ranking senior to our common stock have dividend and/or liquidation rights that are senior to the rights of the holders of our common stock. Additional issuances of securities senior to our common stock may negatively impact the value of our common stock and further restrict the ability of holders of our common stock to receive dividends and/or liquidation rights.*

Our capital structure includes issuance of our Term Preferred Stock. In the future, we may attempt to increase our capital resources by making additional offerings of equity securities or issue debt securities. Upon liquidation, holders of our Term Preferred Stock and other preferred stock we may issue in the future, holders of our debt securities, if any, and lenders with respect to other borrowings, including our line of credit, would receive a distribution of our available assets in full prior to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our common stockholders bear the risk of our future offerings reducing the per share trading price of our common stock and diluting their interest in us. Further, holders of our Term Preferred Stock rank senior in priority of dividend payments, which may restrict our ability to declare and pay dividends to our common stock holders at the current rate or at all.

*We may not have sufficient earnings and profits in order for distributions on the Term Preferred Stock to be treated as dividends.*

The dividends payable by us on the Term Preferred Stock may exceed our current and accumulated earnings and profits, as calculated for U.S. federal income tax purposes, at the time of payment. If that were to occur, it would result in the amount of dividends that exceed our earnings and profits being treated first as a return of capital to the extent of the holder's adjusted tax basis in the Term Preferred Stock and then, to the extent of any excess over such adjusted tax basis, as capital gain.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

*Sales of Unregistered Securities*

As partial consideration in connection with the acquisition of 7,384 acres of farmland in Baca County, Colorado, on September 1, 2016, the Operating Partnership issued 125,677 OP Units, constituting an aggregate fair value of approximately $1.5 million as of the acquisition date, subject to adjustment pursuant to the related contribution agreement, to the seller upon consummation of the transaction.

As partial consideration in connection with the acquisition of an aggregate 2,487 acres of real property located in Stanislaus and Merced Counties, California, on September 14, 2016, the Operating Partnership issued 343,750 OP Units, constituting an aggregate fair value of approximately $3.9 million as of the acquisition date, subject to adjustment pursuant to the related contribution agreement, to the seller upon consummation of the transaction.

With regard to the OP Units issued in connection with each of the transactions described above, following a one-year holding period, the OP Units will be redeemable for cash or, at the Company's discretion, exchangeable for shares of the Company's common stock, in accordance with the terms of the Operating Partnership's partnership agreement.

The exchanges of the OP Units pursuant to the related contribution agreements were consummated without registration under the Securities Act in reliance upon the exemption from registration in Section 4(a)(2) of the Securities Act as transactions not involving any public offering. No sales commission or other consideration was paid in connection with either sale.

*Issuer Purchases of Equity Securities*

None.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Unregistered Sales of Equity Securities**

As partial consideration in connection with the acquisition of7,384 acres of farmland in Baca County, Colorado, on September 1, 2016, the Operating Partnership issued 125,677 OP Units, constituting an aggregate fair value of approximately$1.5 million as of the acquisition date, subject to adjustment pursuant to the related contribution agreement, to the seller upon consummation of the transaction. Following a one-year holding period, the OP Units will be redeemable for cash or, at the Company's discretion, exchangeable for shares of the Company's common stock, in accordance with the terms of the Operating Partnership's partnership agreement.

The exchange of the OP Units pursuant to the related contribution agreement was consummated without registration under the Securities Act in reliance upon the exemption from registration in Section 4(a)(2) of the Securities Act as transactions not involving any public offering. No sales commission or other consideration was paid in connection with such sale.

**Financial Statements and Exhibits**

***Explanatory Note***

Gladstone Land Corporation previously filed a Current Report on Form 8-K on September 19, 2016 (the "Original Form 8-K"), reporting the closing of its acquisition, through its wholly-owned operating partnership, Gladstone Land Limited Partnership (collectively, with Gladstone Land Corporation, the "Company"), of 2,487 total acres of real property located in Stanislaus and Merced Counties, California (the "Diego and Nevada Ranches").

The following information is being filed solely for the purposes of amending the Original Form 8-K to provide the financial information related to such acquisition on September 14, 2016, as required by Item 9.01 of Form 8-K in accordance with Rule 3-14 and Article 11 of Regulation S-X, respectively.

***Financial Statements and Exhibits.***

(a) *Financial Statement of Businesses Acquired.*

- Report of Independent Auditors
- Unaudited Historical Statement of Revenues for the Six Months Ended June 30, 2016, and Historical Statement of Revenues for the Year ended December 31, 2015
- Notes to Historical Statements of Revenues

(b) *Unaudited Pro-forma Condensed Consolidated Financial Information.*

- Unaudited Pro-forma Condensed Consolidated Balance Sheet as of June 30, 2016
- Unaudited Pro-forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2015
- Unaudited Pro-forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2016
- Notes to Unaudited Pro-forma Condensed Consolidated Financial Statements

**Report of Independent Auditors**

To the Shareholders of Gladstone Land Corporation

We have audited the accompanying Historical Statement of Revenues (the "Historical Statement") of the Diego and Nevada Ranches (the "Properties") for the year ended December 31, 2015.

***Management's Responsibility for the Financial Statement***

Management of Gladstone Land Corporation (the "Company") is responsible for the preparation and fair presentation of the Historical Statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Historical Statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Historical Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Historical Statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the Historical Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Historical Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the Historical Statement referred to above presents fairly, in all material respects, the revenues, as described in Note 2, of the Properties for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

***Other Matter***

The accompanying Historical Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 2 and is not intended to be a complete presentation of the Properties' revenues. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP
McLean, Virginia
November 14, 2016

**Diego and Nevada Ranches**
**Historical Statements of Revenues**

| | Six Months Ended June 30, 2016 | Year Ended December 31, 2015 |
|---|---|---|
| | *(Unaudited)* | |
| OPERATING REVENUES: | | |
| Rental income | $ 578,427 | $ 1,155,606 |
| TOTAL OPERATING REVENUES | $ 578,427 | $ 1,155,606 |

*The accompanying notes are an integral part of this financial statement.*

**Diego and Nevada Ranches**
**Notes to Statements of Revenues**

**Note 1. Business**

The accompanying historical statement of revenues relates to the operations of the Diego and Nevada Ranches (collectively, the "Property"), consisting of the revenue of 2,487 total acres of real property located in Stanislaus and Merced Counties, California. Gladstone Land Corporation, through its wholly-owned operating partnership, Gladstone Land Limited Partnership (the "Operating Partnership, and, collectively with Gladstone Land Corporation, the "Company"), acquired the Property from an unaffiliated party on September 14, 2016, for total consideration of (i) approximately $23.4 million in cash, and (ii) 343,750 units of limited partnership interests of the Operating Partnership ("OP Units"). The OP Units issued were valued at $11.21 per unit as of the acquisition date, resulting in total consideration paid for the Property of approximately $27.2 million, exclusive of closing costs, and subject to certain other credits and debits as set forth in the acquisition agreements.

**Note 2. Summary of Significant Accounting Policies**

The accompanying historical statements of revenues were prepared for the purpose of complying with Rule 3-14 of Regulation S-X, as promulgated by the Securities and Exchange Commission, in connection with the Company's acquisition of the Property. The historical statements are not representative of the actual operations of the Property for the periods presented, nor indicative of future operations; however, the Company is not aware of any material factors relating to the Property that would cause the reported financial information to not be indicative of future operating results. In addition, certain expenses, primarily amortization and interest expense, which may not be comparable to the expenses expected to be incurred by the Company in future operations of the Property, have been excluded. Additionally, the Company's lease with the tenant is structured in such a way that the tenant is responsible for substantially all of the Property's operating expenses. The Company does not expect to incur any significant operating expenses in the future operations of the Property, so those expenses have been excluded from this historical statement.

*Revenue Recognition*

The lease is accounted for as an operating lease, and revenue is recognized on a straight-line basis in accordance with the terms of the related lease.

*Use of Estimates*

The preparation of this historical statement in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue during the reporting period. Actual results may differ from these estimates.

**Note 3. Leases**

On August 7, 2012, the Property entered into two 7-year, triple-net lease agreements with a single tenant for the entire Property. Each lease is scheduled to expire on November 15, 2019, and includes three, 5-year extension options, followed by one, 3-year extension option.

As of December 31, 2015, aggregate future minimum rent payments to be received by the Property under the leases were as follows:

| Year | Minimum Lease Payments |
|---|---|
| 2016 | $ 1,162,600 |
| 2017 | 1,168,416 |
| 2018 | 1,168,416 |
| 2019 | 584,208 |
| Thereafter | — |
| Total | $ 4,083,640 |

*Major Tenant*

During the year ended December 31, 2015, the Property's total rental income of $1,155,606 was attributable to only one tenant.

**Note 4. Unaudited Interim Statements**

The historical statement of revenues for the six months ended June 30, 2016, is unaudited. As a result, this interim historical statement should be read in conjunction with the historical statement and notes included in the December 31, 2015, historical statement of revenues. The interim historical statement reflects all adjustments which management believes are necessary for the fair presentation of the historical statement of revenues for the interim period presented. These adjustments are of a normal recurring nature. The historical statement of revenues for such interim period is not necessarily indicative of the results of the entire year.

**Note 5. Subsequent Events**

The Company evaluated all events that have occurred subsequent to December 31, 2015, through November 14, 2016, the date the historical statement was issued.

**GLADSTONE LAND CORPORATION**
**UNAUDITED PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On September 14, 2016, Gladstone Land Corporation, through its wholly-owned operating partnership, Gladstone Land Limited Partnership (the "Operating Partnership, and, collectively with Gladstone Land Corporation, the "Company"), acquired approximately 2,487 total acres of real property located in Stanislaus and Merced Counties, California (the "Property"), for total consideration of (i) approximately $23.4 million in cash, and (ii) 343,750 units of limited partnership interests of the Operating Partnership ("OP Units"). The OP Units issued were valued at $11.21 per unit as of the acquisition date, resulting in total consideration of approximately$27.2 million, exclusive of acquisition-related costs of approximately $104,000. The Company funded this acquisition by drawing $21.0 million on its line of credit with Metropolitan Life Insurance Company ("MetLife") and by using approximately $2.4 million of proceeds from the issuance of its 6.375% Series A cumulative term preferred stock (the "Term Preferred Stock"), which issuance was completed in August 2016. In evaluating the Property as a potential acquisition and determining the appropriate amount of consideration to be paid, the Company considered a variety of factors, including location, water and soil quality, credit quality of the tenant, terms of the in-place lease, comparative land values, and comparative rents. At closing, the Company assumed the existing leases on the Property with a single tenant that has leased the Property for over four years. Each of the assumed leases expires on November 15, 2019, and includes three, 5-year extension options, followed by one, 3-year extension option. In aggregate, the leases provide for annualized, straight-line rents of approximately $1.2 million.

The pro-forma condensed consolidated balance sheet as of June 30, 2016, and the pro-forma condensed consolidated statements of operations for the year endedDecember 31, 2015, and the six months ended June 30, 2016, have been prepared to comply with Article 11 of Regulation S-X, as promulgated by the Securities and Exchange Commission. The pro-forma condensed consolidated balance sheet as of June 30, 2016, is presented as if the acquisition of the Property was completed on June 30, 2016. The pro-forma condensed consolidated statements of operations for the year ended December 31, 2015, and the six months ended June 30, 2016, are presented as if the acquisition of the Property was completed on January 1, 2015. The pro-forma condensed consolidated balance sheet as of June 30, 2016, and the pro-forma condensed consolidated statements of operations for the year ended December 31, 2015, and the six months ended June 30, 2016, are not necessarily indicative of what the actual financial position and operating results would have been had the Property acquired in the current year been acquired on June 30, 2016, and January 1, 2015, respectively, nor do they purport to represent the Company's future financial position or operating results.

The unaudited pro-forma condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of Gladstone Land Corporation and the accompanying notes thereto in its Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission on February 23, 2016, and the historical statements of revenues, filed in accordance with Rule 3-14 of Regulation S-X, of the Diego and Nevada Ranches, for the year ended December 31, 2015, and the six months ended June 30, 2016. In the Company's opinion, all adjustments necessary to reflect the effect of the Property acquired have been made.

**GLADSTONE LAND CORPORATION**
**PRO-FORMA CONDENSED CONSOLIDATED BALANCE SHEET**
**AS OF JUNE 30, 2016**
***(UNAUDITED)***

| | Historical | Pro-Forma Adjustments | | Pro-Forma |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Investments in real estate, net | $ 268,581,945 | $ 27,550,657 | A | $ 296,132,602 |
| Lease intangibles, net | 2,033,221 | 253,393 | A | 2,286,614 |
| Cash and cash equivalents | 2,077,250 | (39,786) | C | 2,037,464 |
| Deferred financing costs related to borrowings under line of credit, net | 124,410 | — | | 124,410 |
| Other assets, net | 2,368,283 | — | | 2,368,283 |
| **TOTAL ASSETS** | **$ 275,185,109** | **$ 27,764,264** | | **$ 302,949,373** |
| | | | | |
| **LIABILITIES AND EQUITY** | | | | |
| LIABILITIES | | | | |
| Borrowings under line of credit | 14,500,000 | 21,000,000 | B | 35,500,000 |
| Mortgage notes and bonds payable, net | 165,973,676 | — | | 165,973,676 |
| Series A cumulative term preferred stock, par value $0.001 per share; $25.00 per share liquidation preference; zero shares authorized and outstanding as of June 30, 2016, and 95,000 shares authorized and outstanding on a pro-forma basis | — | 2,375,000 | B | 2,375,000 |
| Accounts payable and accrued expenses | 3,945,411 | 64,161 | C | 4,009,572 |
| Due to related parties | 736,121 | — | | 736,121 |
| Other liabilities | 7,802,760 | 574,262 | A | 8,377,022 |
| **Total liabilities** | **192,957,968** | **24,013,423** | | **216,971,391** |
| | | | | |
| EQUITY | | | | |
| Stockholders' equity: | | | | |
| Common stock, $0.001 par value; 20,000,000 shares authorized; 9,992,941 shares issued and outstanding as of June 30, 2016 | 9,993 | — | | 9,993 |
| Additional paid in capital | 87,494,872 | 1,089,618 | D | 88,584,490 |
| Accumulated deficit | (10,988,919) | (80,865) | C | (11,069,784) |
| Total stockholders' equity | 76,515,946 | 1,008,753 | | 77,524,699 |
| Non-controlling interests in operating partnership | 5,711,195 | 2,742,088 | C,D | 8,453,283 |
| **Total equity** | **82,227,141** | **3,750,841** | | **85,977,982** |
| | | | | |
| **TOTAL LIABILITIES AND EQUITY** | **$ 275,185,109** | **$ 27,764,264** | | **$ 302,949,373** |

*The accompanying notes are an integral part of these consolidated financial statements.*

**GLADSTONE LAND CORPORATION**
**PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2015**
***(UNAUDITED)***

| | Historical | Pro-forma Adjustments | | Pro-Forma |
|---|---|---|---|---|
| OPERATING REVENUES: | | | | |
| Rental revenue | $ 11,888,091 | $ 1,182,730 | A | $ 13,070,821 |
| Tenant recovery revenue | 13,370 | — | | 13,370 |
| Total operating revenues | 11,901,461 | 1,182,730 | | 13,084,191 |
| OPERATING EXPENSES: | | | | |
| Depreciation and amortization | 3,113,492 | 37,917 | B | 3,151,409 |
| Property operating expenses | 729,036 | — | | 729,036 |
| Acquisition-related expenses | 467,048 | — | | 467,048 |
| Management fee | 1,343,384 | — | | 1,343,384 |
| Administration fee | 679,590 | — | | 679,590 |
| General and administrative expenses | 1,321,035 | — | | 1,321,035 |
| Operating expenses before credits from Adviser | 7,653,585 | 37,917 | | 7,691,502 |
| Credits to fees from Adviser | (320,905) | — | | (320,905) |
| Total operating expenses, net of credits to fees | 7,332,680 | 37,917 | | 7,370,597 |
| OPERATING INCOME | 4,568,781 | 1,144,813 | | 5,713,594 |
| OTHER INCOME (EXPENSE): | | | | |
| Other income | 48,531 | — | | 48,531 |
| Interest expense | (4,160,482) | (535,500) | C | (4,695,982) |
| Distributions attributable to mandatorily-redeemable preferred stock | — | (151,406) | D | (151,406) |
| Property and casualty recovery, net | 97,232 | — | | 97,232 |
| Gain on sale of real estate | 14,483 | — | | 14,483 |
| Total other expense | (4,000,236) | (686,906) | | (4,687,142) |
| NET INCOME | 568,545 | 457,907 | | 1,026,452 |
| Less net income attributable to non-controlling interests | — | (39,278) | E | (39,278) |
| NET INCOME ATTRIBUTABLE TO THE COMPANY | $ 568,545 | $ 418,629 | | $ 987,174 |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic and diluted | $ 0.07 | | | $ 0.11 |
| WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING: | | | | |
| Basic and diluted | 8,639,397 | | | 8,639,397 |

*The accompanying notes are an integral part of these financial statements.*

**GLADSTONE LAND CORPORATION**
**PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**
**SIX MOTNHS ENDED JUNE 30, 2016**
***(UNAUDITED)***

| | Historical | Pro-forma Adjustments | | Pro-Forma |
|---|---|---|---|---|
| OPERATING REVENUES: | | | | |
| Rental revenue | $ 7,921,085 | $ 591,988 | A | $ 8,513,073 |
| Tenant recovery revenue | 6,032 | — | | 6,032 |
| Total operating revenues | 7,927,117 | 591,988 | | 8,519,105 |
| OPERATING EXPENSES: | | | | |
| Depreciation and amortization | 2,311,683 | 18,958 | B | 2,330,641 |
| Property operating expenses | 338,781 | — | | 338,781 |
| Acquisition-related expenses | 119,872 | — | | 119,872 |
| Management fee | 772,740 | — | | 772,740 |
| Incentive fee | 158,877 | — | | 158,877 |
| Administration fee | 391,237 | | | 391,237 |
| General and administrative expenses | 839,691 | — | | 839,691 |
| Total operating expenses | 4,932,881 | 18,958 | | 4,951,839 |
| OPERATING INCOME | 2,994,236 | 573,030 | | 3,567,266 |
| OTHER INCOME (EXPENSE): | | | | |
| Other income | 103,284 | — | | 103,284 |
| Interest expense | (2,741,668) | (279,300) | C | (3,020,968) |
| Distributions attributable to mandatorily redeemable preferred stock | — | (75,703) | D | (75,703) |
| Total other expense | (2,638,384) | (355,003) | | (2,993,387) |
| NET INCOME | 355,852 | 218,027 | | 573,879 |
| Less net income attributable to non-controlling interests | (13,623) | (19,084) | E | (32,707) |
| NET INCOME ATTRIBUTABLE TO THE COMPANY | $ 342,229 | $ 198,943 | | $ 541,172 |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic and diluted | $ 0.03 | | | $ 0.05 |
| WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING: | | | | |
| Basic and diluted | 9,992,941 | | | 9,992,941 |

**GLADSTONE LAND CORPORATION**
**NOTES TO UNAUDITED PRO-FORMA**
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On September 14, 2016, Gladstone Land Corporation, through its wholly-owned operating partnership, Gladstone Land Limited Partnership (the "Operating Partnership," and, collectively with Gladstone Land Corporation, the "Company"), acquired approximately 2,487 total acres of farmland located in Stanislaus and Merced Counties, California (the "Property"), for total consideration of (i) approximately $23.4 million in cash, and (ii) 343,750 units of limited partnership interests of the Operating Partnership ("OP Units"). The OP Units issued were valued at $11.21 per unit as of the acquisition date, resulting in total consideration of approximately $27.2 million, exclusive of acquisition-related costs of approximately $104,000. The Company funded this acquisition by drawing $21.0 million on its line of credit with Metropolitan Life Insurance Company ("MetLife") and by using approximately $2.4 million of proceeds from the issuance of its 6.375% Series A cumulative term preferred stock (the "Term Preferred Stock"), which issuance was completed in August 2016. At closing, the Company assumed the existing leases on the Property with a single tenant that has leased the Property for over four years. Each of the assumed leases expires on November 15, 2019, and includes three, 5-year extension options, followed by one, 3-year extension option. In aggregate, the leases provide for annualized, straight-line rents of approximately $1.2 million.

**Adjustments to Unaudited Pro-forma Condensed Consolidated Balance Sheet**

The unaudited pro-forma condensed consolidated balance sheet as of June 30, 2016, reflects the following adjustments:

(A) The acquisition of the Property is reflected in the unaudited pro-forma condensed consolidated balance sheet of the Company at fair market value. A preliminary estimate of the values allocated to real estate and lease intangibles are shown in the table below. The allocation of the purchase price in the table below is based upon the Company's best estimates and is subject to change based upon the final determination of the fair value of the assets and liabilities acquired.

| | Diego & Nevada Ranch |
|---|---|
| Real estate: | |
| Land and land improvements | $ 26,999,925 |
| Irrigation system | 550,732 |
| Total real estate, net | 27,550,657 |
| Lease intangibles: | |
| In-place leases | 111,811 |
| Leasing costs | 140,232 |
| Total lease intangibles, net | 252,043 |
| Below-market lease values[1] | (574,262) |
| **Total** | **$ 27,228,438** |

[1] Included in Other liabilities on the Pro-forma Condensed Consolidated Balance Sheet

The value allocated to irrigation system improvements is depreciated over the estimated remaining useful lives, which range from 7 to 30 years. In-place lease values and leasing costs are amortized over the remaining, non-cancelable terms of the in-place leases, including that of any extension options expected to be exercised by the tenant. Below-market lease values are amortized as an increase to rental income over the remaining, non-cancelable terms of the in-place leases, including that of any fixed-price or below-market renewal options or any such extension options expected to be exercised by the tenant.

(B) In connection with the acquisition of the Property, the Company drew $21.0 million on its line of credit with MetLife and used approximately $2.4 million of proceeds received from the issuance of its Term Preferred Stock.

(C) In connection with the acquisition of these properties, the Company incurred total acquisition-related costs of approximately $104,000. Of this amount, approximately $22,000 was incurred in connection with the OP Units that were issued as partial consideration for the acquisition and is included as an adjustment to Non-controlling interests in operating partnership, and approximately $1,000 was incurred in connection with review of the in-place leases we assumed and was capitalized as an addition to Lease intangibles, net on the accompanying Pro-

forma Condensed Consolidated Balance Sheet. In addition, of the $104,000 of acquisition-related costs incurred in connection with acquiring the Property, approximately $40,000 was paid at closing and is reflected as an adjustment to Cash; the remaining $64,000 was included as an adjustment to Accounts payable and accrued expenses. No acquisition-related costs were incurred prior to June 30, 2016. These adjustments are not included as a pro-forma adjustment in the Pro-Forma Condensed Consolidated Statement of Operations.

(D) As of June 30, 2016, there were 9,992,941 shares of our common stock issued and outstanding, and there were 745,879 OP Units held by non-controlling limited partners. In connection with the acquisition of the Property, we issued 343,750 additional OP Units as partial consideration. On a pro-forma basis, the total amount of OP Units held by non-controlling limited partners represents approximately 9.8% of all OP Units outstanding as of December 31, 2016. Therefore, a rebalancing of approximately $1.1 million was necessary and was recorded as an adjustment to each of Additional paid in capital and Non-controlling interests in operating partnership.

**Adjustments to Unaudited Pro-forma Condensed Consolidated Statements of Operations**

The adjustments to the pro-forma condensed consolidated statement of operations for the year ended December 31, 2015, and the six months ended June 30, 2016, are as follows:

(A) The pro-forma adjustment to rental income for the year ended December 31, 2015, consists of two parts:

(i) $1,155,606 to reflect the revenues recognized on a straight-line basis in the historical period; and

(ii) An increase of $27,124 to reflect the accretion of the below-market lease value recorded in connection with the acquisition of the Property assuming the acquisition had occurred on January 1, 2015.

The pro-forma adjustment to rental income for the six months ended June 30, 2016, consists of two parts:

(i) $578,427 to reflect the revenues recognized on a straight-line basis in the historical period; and

(ii) An increase of $13,561 to reflect the accretion of the below-market lease value recorded in connection with the acquisition of the Property assuming the acquisition had occurred on January 1, 2015.

(B) The pro-forma adjustments to depreciation and amortization expense are the Company's estimates of the expenses that would have been recorded assuming the Property was acquired on January 1, 2015.

(C) The Company funded the acquisition, in part, with a $21.0 million draw on its line of credit with MetLife. The line of credit is scheduled to mature in April 2024 and bore interest at a rate of 2.75% and 2.86% per annum as of January 1, 2015 and 2016, respectively, plus an unused line fee of 0.20% on undrawn amounts. The pro-forma adjustments to interest expense are the Company's estimates of interest expense incurred on the line of credit disbursement, assuming the disbursement occurred on January 1, 2015.

(D) The Company funded the acquisition, in part, by using $2.4 million of proceeds from the issuance of its Term Preferred Stock, which issuance was completed in August 2016. The Term Preferred Stock has a mandatory redemption date of September 30, 2021, and pay cumulative dividends at a rate of 6.375% per annum. The pro-forma adjustments to distributions attributable to mandatorily-redeemable term preferred stock are the Company's estimates of distributions paid on the Term Preferred Stock used to acquire the Property.

(E) In connection with the acquisition of the Property, the Company issued 343,750 OP Units as partial consideration, which, assuming the acquisition and the issuance of these OP Units occurred on January 1, 2015, constitutes, on a weighted-average basis, 3.8% and 3.3% of all OP Units issued and outstanding during the year ended December 31, 2015, and six months ended June 30, 2016, respectively, including those owned by the Company. The pro-forma adjustments to net income attributable to non-controlling interests represent the Company's estimates of the portion of net income that would have been attributable to non-controlling interests, assuming the acquisition had occurred on January 1, 2015.

**Item 6. Exhibits**

**EXHIBIT INDEX**

| Exhibit Number | Exhibit Description |
|---|---|
| 3.1 | Articles of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 to Pre-Effective Amendment No. 2 to the Registration Statement on Form S-11 (File No. 333-183965), filed on November 2, 2012. |
| 3.2 | Amended and Restated Bylaws of the Registrant, incorporated by reference to Exhibit 3.2 to Pre-Effective Amendment No. 3 to the Registration Statement on Form S-11 (File No. 333-183965), filed on November 15, 2012. |
| 3.3 | Articles Supplementary 6.375% Series A Cumulative Term Preferred Stock, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35795), filed on August 11, 2016. |
| 4.1 | Form of Common Stock Certificate of the Registrant, incorporated by reference to Exhibit 4.1 to Pre-Effective Amendment No. 4 to the Registration Statement on Form S-11 (File No. 333-183965), filed December 27, 2012. |
| 4.2 | Form of Certificate for 6.375% Series A Cumulative Term Preferred Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35795), filed on August 11, 2016. |
| 10.1 | First Amendment to the First Amended and Restated Agreement of Limited Partnership of Gladstone Land Limited Partnership, including Exhibit SA thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35795), filed on August 11, 2016. |
| 10.2 | Real Property Purchase and Sale Agreement, and Joint Escrow Instructions, by and between Diego Ranch Stanislaus, LP, as buyer, and Washington San Joaquin Farms, LLC, as seller, dated September 13, 2016 (filed herewith). |
| 10.3 | Contribution Agreement, by and between Gladstone Land Limited Partnership, as recipient, and Washington San Joaquin Farms, LLC, as contributor, dated September 13, 2016 (filed herewith). |
| 10.4 | Real Property Purchase and Sale Agreement, and Joint Escrow Instructions, by and between Nevada Ranch Merced, LP, as buyer, and Washington San Joaquin Farms, LLC, as seller, dated September 13, 2016 (filed herewith). |
| 11 | Computation of Per Share Earnings from Operations (included in the notes to the unaudited financial statements contained in this Report). |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith). |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith). |
| 32.1 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). |
| 32.2 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). |
| 101.INS*** | XBRL Instance Document |
| 101.SCH*** | XBRL Taxonomy Extension Schema Document |
| 101.CAL*** | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB*** | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE*** | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF*** | XBRL Definition Linkbase |

*** Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of September 30, 2016, and December 31, 2015, (ii) the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016 and 2015, (iii) the Condensed Consolidated Statements of Equity for the nine months ended September 30, 2016, and the year ended December 31, 2015, (iv) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and 2015 and (v) the Notes to the Condensed Consolidated Financial Statements.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Gladstone Land Corporation**

Date: November 14, 2016

By: /s/ Lewis Parrish
Lewis Parrish
Chief Financial Officer and
Assistant Treasurer

Date: November 14, 2016

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

**REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS**

**(DIEGO RANCH)**

**by and between**

**SAN JOAQUIN FARMS, LLC,**
**a Washington limited liability company authorized**
**to do business in the State of California as**
**WASHINGTON SAN JOAQUIN FARMS, LLC,**

**"Seller,"**

**and**

**DIEGO RANCH STANISLAUS, LP,**
**a Delaware limited partnership**

**or its assignee(s) and/or nominee(s), collectively "Buyer,"**

**DATED SEPTEMBER 13, 2016**

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**REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS**

**(DIEGO RANCH)**

This REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is dated and effective as of this thirteenth (13th) day of September, 2016 (the "Effective Date"), between **SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Seller"), and **DIEGO RANCH STANISLAUS, LP,** a Delaware limited partnership, or its assignee(s) and/or nominee(s), (collectively "Buyer"), who agree and contract as described below. Seller and Buyer are referred to singularly as a "party" and collectively as the "parties" on a generic basis.

**Recitals**

This Agreement is made and entered into in reliance on the accuracy of the following facts and circumstances, which are acknowledged by the parties to be accurate, complete and true:

A. Seller is the owner in fee of that certain agricultural real property consisting of approximately one thousand three hundred fifty-eight assessed acres (1,358 assessed acs.), located in Stanislaus County, California, and identified as Stanislaus County Assessor's Parcel Nos. 020-008-012 and -013, and 020-010-003 and -004 (collectively the "Diego Ranch");

B. Seller, as the landlord, leases the Diego Ranch to **OLAM FARMING, INC.**, a Delaware corporation authorized to do business in the State of California ("Tenant"), pursuant to their "Agricultural Lease (Diego Ranch)" dated August 7, 2012, which also was memorialized by the "Memorandum of Agricultural Lease (Diego Ranch -- Stanislaus County)" between Seller and Tenant dated August 7, 2012, and recorded as Document No. 2012-0069972-00 in the Stanislaus County Official Records on August 7, 2012 (collectively the "Diego Ranch Lease");

C. That portion of the Diego Ranch consisting of approximately nine hundred fifty-eight assessed acres (958.00 assessed acs.), and identified as Stanislaus County Assessor's Parcel Nos. 020-008-012 and -013, and legally described in Exhibit "A" attached hereto and incorporated herein by reference as if fully set forth at length is hereinafter referred to as the "Land." The portion of the Diego Ranch Lease attributable to the Land is hereinafter referred to as the "Lease." The term "Property" means singularly or collectively, on a generic basis, the following: (i) the Land; (ii) the Appurtenant Rights (as defined in Section 2.3); (iii) the Lease; (iv) any and all oil, gas, minerals and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Property, and owned by Seller and not reserved in prior deeds of record, if any; and, (v) any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock in, relating to or concerning the Land, or within or underlying the Land, and owned by Seller and not reserved or excepted in prior deeds of record, if any, and which are assignable to and assumable by Buyer;

D. The Property does not include, and specifically excludes, any tangible personal property. The Property also does not include, and specifically excludes, any and all amenities, betterments, buildings, fixtures, structures and other improvements thereon, whether above-or belowground, if any, including, without limitation, almond trees, wells, pumps, motors, electrical panels, electrical hookups, water conveyance and discharge facilities, pipelines and irrigation systems (the "Excluded Improvements"). The significant Excluded Improvements are described in Exhibit "B," attached hereto and incorporated herein by reference as if fully set forth at length, and for the most part belong to the respective Tenant of the Property;

E. The Property is primarily planted to almond trees; and,

F. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, pursuant to the conditions, covenants, provisions and terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and of other good and valuable consideration, the receipt and sufficiency of which they expressly acknowledge, the parties agree and contract as follows:

## The Agreement

### ARTICLE I. THE PRIMARY TERMS

| The following terms shall have the meanings specified, when used in this Agreement: | |
|---|---|
| **1.1. PURCHASE PRICE AND ALLOCATION** | **1.1.1. Purchase Price.** The Purchase Price is the sum of Ten Million One Hundred Forty-Three Thousand One Hundred Sixty-Eight Dollars and No Cents ($10,143,168.00) payable in either cash, cashier's check, or by wire transfer to Seller. |
| | **1.1.2. Allocation.** The Purchase Price shall be allocated amongst the legal parcels of the Property pursuant to Section 3.4 |
| **1.2. THE DEPOSIT** | Buyer shall pay an initial deposit into Escrow in the amount of Ninety-Eight Thousand Dollars and No Cents ($98,000.00) (the "Deposit"). The Deposit shall be deposited into an interest bearing account proposed by Title Company and approved by the parties on or before one (1) business day after the Effective Date. At Closing, the Deposit shall be applicable to the Purchase Price. Subject to the terms and provisions of this Agreement, the Deposit shall be: (i) considered nonrefundable after the expiration of the Due Diligence Period (as defined in Section 1.3) if Buyer does not terminate this Agreement within the Due Diligence Period; (ii) returned to Buyer if it terminates this Agreement within the Due Diligence Period; or, (iii) returned to Buyer in the event of a Seller default pursuant to Section 7.2. Interest shall inure to the Buyer. |
| **1.3 DUE DILIGENCE PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016 ("Due Diligence Period")**. |

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| **1.4. TITLE REVIEW PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016** ("Title Review Period"). | |
| **1.5. CLOSING** | The consummation of the transaction contemplated by this Agreement and the Escrow that shall occur on the Closing Date (as defined in Section 1.6). | |
| **1.6. CLOSING DATE** | Subject to Section 3.6, if this Agreement is not terminated within the Due Diligence Period by Buyer, the Closing shall occur on **Tuesday, September 13, 2016.** | |
| **1.7. CLOSING COSTS**<br><br>**Closing costs shall be allocated and paid by the parties as follows:** | **Cost, Expense or Fee** | **Responsible Party** |
| | The Preliminary Title Report (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| | Premium for the Title Policy (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| | Premium for any costs of Title Policy attributable to ALTA Extended Coverage and any endorsements desired by Buyer, any inspection fee charged by the Title Company, tax certificates, municipal and utility lien certificates, and any other Title Company charges. | Buyer |
| | Premium for any costs of a lender's policy of title insurance required by any lender providing financing for Buyer's purchase of the Property, if any. | Buyer |
| | Costs of Survey and/or any revisions, modifications or re-certifications thereto. | Buyer |
| | Costs for UCC and other similar judgment or lien searches, if any. | Fifty percent (50%) by each party. |
| | Costs of recording the Grant Deed (as defined in Section 2.3), including recording fees and documentary transfer taxes, and costs of recording lien releases or reconveyances releasing Property as collateral for Seller's debts. | Fifty percent (50%) by each party. |
| | All other recording costs, expenses and fees, provided that each party shall pay its own attorney's fees. | Fifty percent (50%) by each party. |
| | Any escrow fee charged by Title Company for holding the Deposit (as defined in this Article I) or conducting the Closing. | Fifty percent (50%) by each party. |
| | All other closing charges, costs, expenses and fees. | Fifty percent (50%) by each party. |

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| **1.8. NOTICE ADDRESSES** | **Seller:** Mr. Neil Jehle<br>Asset Manager<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>Telephone No. (425) 296-5510<br>Telefax No. (425)803-0459<br>Email: neilj@cottonwoodag.com<br><br>With a copies to:<br><br>Scott R. Vokey, Esq.<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>&<br>P. O. Box 654<br>Kirkland, WA 98093<br>Telephone No. (425) 889-7947<br>Telefax No. (425) 803-0459<br>Emails: scottv@bmgigroup.com<br>juleep@bmgigroup.com<br>legal@bmgigroup.com<br><br>Charles D. Melton, Esq.<br>Partner<br>CLIFFORD & BROWN,<br>A PROFESSIONAL CORPORATION<br>1430 Truxtun Avenue, Suite 900<br>Bakersfield, California 93301-5230<br>Telephone No. (661) 322-6023, Ext. 118<br>Telefax No. (661) 322-3508<br>Email: cmelton@clifford-brownlaw.com |
| | **Buyer:** Mr. Bill Reiman<br>Managing Director<br>GLADSTONE LAND CORPORATION<br>1521 Westbranch Drive, Suite 100<br>McLean, Virginia 22102<br>Telephone No. (805) 263-4778<br>Telefax No. (_____) _____-_____<br>Email: bill.r@gladstoneland.com<br><br>Robert P. McDaniel, Jr.<br>BASS, BERRY & SIMS, PLC<br>100 Peabody Place, Suite 1300<br>Memphis, Tennessee 38103<br>Telephone No. (901) 543-5946<br>Telefax No. (888) 765-6437<br>Email: rmcdaniel@bassberry.com |

**Title Co.:** Melodie T. Rochelle
Chicago Title Insurance Company
5516 Falmouth St., Ste. 200
Richmond, VA 23230
Telephone No. (804) 521-5713
Telefax No. (804) 521-5756
Email: melodie.rochelle@fnf.com

ARTICLE II. CONSTRUCTION; DEFINITIONS

2.1. Generally. Unless the provisions or context otherwise require, Article I and this Article II shall govern the construction and interpretation of this Agreement and all documents executed and delivered pursuant to it. The captions of this Agreement's articles and sections do not define in any manner their scope, meaning or intent. All exhibits referred to in this Agreement or any documents executed and delivered pursuant to it are deemed to be incorporated by reference as if fully set forth at length. The present tense includes the past and future tenses, and the future tense includes the present tense. The masculine, feminine or neuter gender are deemed to include the other. The singular or plural number are deemed to include the other. The words "shall" and "agrees" are mandatory, and "may" is permissive. The term "person" includes individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written." Locative adverbs such as "herein," "hereto" and "hereunder" shall refer to this Agreement in its entirety and not to any particular paragraph, provision or section. The parties acknowledge, understand and agree that their respective agents and representatives executing this Agreement on behalf of each of the parties are learned and conversant in the English language, and that the English language shall control the construction, enforcement, governance, interpretation and performance of this Agreement. The parties acknowledge that each party and its counsel, if applicable, have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. The time in which any act under this Agreement is to be done shall be computed by excluding the first (1st) day and including the last day. If the last day of any time period shall fall on a Saturday, Sunday or a federal and/or State of California bank holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or a federal and/or State of California bank holiday. Unless preceded by the word "business," the word "day" shall mean a "calendar" day. The phrase "business day" shall mean a day that is not a Saturday, Sunday, or a federal and/or State of California bank holiday.

2.2. Opinions and Determinations; Approval in Writing . Where the conditions, provisions or terms of this Agreement provide for action to be based on the approval, certification, consent, determination, judgment, opinion or review, of any party, such conditions, provisions or terms are not intended to be and shall not be construed as permitting such approval, certification, consent, determination, judgment, opinion or review to be arbitrary, capricious or unreasonable, nor shall such approval, certification, consent, determination, opinion or review be unreasonably conditioned, delayed or withheld except as expressly set forth in this Agreement. Any document or condition requiring a party's approval shall be transmitted in writing to the other party.

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2.3. Definitions. Capitalized terms not otherwise defined below shall have the meanings provided in Article I.

Agreement. "Agreement" has the meaning defined in the opening paragraph of this Agreement.

Appurtenant Rights. "Appurtenant Rights" means singularly and collectively on a generic basis Seller's interest, right and title, if any, in the following intangible personal property concerning the Property:

a. Any existing permits for the Property, including all licenses, building, conditional use, site plan and other permits, certificates of occupancy and any other certificates, approvals or authorizations required by law or by any Governmental Agencies or private persons having jurisdiction over the Property or any part thereof, for the occupancy, use, operation or ownership thereof, if any, and only to the extent assignable;

b. Engineering work, plans, permits and other documentation or intangible personal property prepared or obtained in anticipation of developing and entitling the Property;

c. Architectural and engineering drawings, plans, renderings, specifications, surveys and studies, and other applications submitted to the Governmental Agencies (as defined below), including, without limitation, improvements drawings, plans, renderings and specifications;

d. Subject to Paragraphs "e" and "f" below, development approvals required or helpful to develop the Property, including, without limitation, the approvals, certifications, consents, declarations, easements, entitlements, fee credits, growth allocations, licenses, maps, permits, plans, reports, rights, rights of way, studies and zone changes required by any Governmental Agencies or private persons, all as may be required to develop the Property and construct thereon and obtain permits for its eventual marketing, construction and occupancy).

e. Subject to Paragraph "f" below, all fee credits and reimbursements, if any, applicable to the Property;

f. All rights of Seller pursuant to any covenants, conditions and restrictions relating to the Property (including, but not limited to all rights of Seller as declarant under any such documents;

g. Appurtenant easements and rights-of-way; and,

h. Sewer and utility rights connected with the Property.

The Appurtenant Rights do not include, and specifically exclude, any and all licenses or permits relating to the Crops and/or the Excluded Improvements.

Assignment. "Assignment" means the assignment between Seller, as the assignor, and Buyer, as the assignee, in substantially the same form attached hereto as Exhibit "C" and incorporated herein by reference as if fully set forth at length.

Buyer. "Buyer" has the meaning defined in the opening paragraph of this Agreement.

Cap. "Cap" has the meaning defined in Section 5.2.3.

C.F.R. "C.F.R." has the meaning defined in the definition of "Hazardous Materials" in this Section 2.3.

Closing. "Closing" means the event of the transfer of title to the Property from Seller to Buyer on or before the Closing Date.

Closing Costs. "Closing Costs" has the meaning defined in Section 1.7.

Closing Date. "Closing Date" has the meaning defined in Section 1.6.

Condemnation Action. "Condemnation Action" has the meaning defined in Section 4.4.2.

Conditions of Title. "Conditions of Title" means the following exceptions to title to the Property:

1. The lien for real property taxes and assessments not yet due and payable;

2. The lien for supplemental taxes, if any, assessed pursuant to the provisions of Revenue and Taxation Code Sections 75 through 75.80, inclusive, not yet due and payable;

3. All easements, licenses, rights-of-ways and similar agreements, of record as of the date of execution of this Agreement.

4. A Land Conservation Contract(s) under the California Land Conservation Act of 1965, as amended, contained at California Government Code Section 51200 et seq., commonly referred as the "Williamson Act;"

5. The Lease;

6. All applicable zoning Laws and building restrictions now and in effect as of the Closing;

7. Any exceptions to title created by Buyer; and,

8. Any other exceptions to title approved or deemed approved by Buyer pursuant to Section 4.2(b), or specifically waived in writing by Buyer.

Crops. "Crops" collectively means any and all of Tenant's right, title and interest in any and all crops currently growing, harvested, or to be grown upon the Land under the respective Lease, whether remaining located on the Land or in storage or other facilities and the proceeds of the sale or other disposition of the same. The Crops are owned solely and exclusively by Tenant.

Deed. “Deed” means the deed from Seller, as the grantor, to Buyer, as the grantee, in substantially the same form attached hereto as Exhibit “D” and incorporated herein by reference as if fully set forth at length.

Deposit. “Deposit” has the meaning defined in Section 1.2, and shall include all interest accrued thereon.

Diego Ranch. “Diego Ranch” has the meaning defined in Paragraph “A” of the “Recitals” portion of this Agreement.

Diego Ranch Lease. “Diego Ranch Lease” has the meaning defined in Paragraph “B” of the “Recitals” portion of this Agreement.

Due Diligence Period. “Due Diligence Period” has the meaning defined in Section 1.3.

Effective Date. “Effective Date” has the meaning defined in the opening paragraph of this Agreement.

Environmental Law. “Environmental Law” means any applicable Law (as defined in this Section 2.3) relating to the control, disposal, exposure to, generation, handling, regulation of, storage, treatment or transportation of Hazardous Materials (as defined in this Section 2.3).

Escrow. “Escrow” means the escrow opened at the Title Company to consummate the transaction contemplated by this Agreement pursuant to Section 6.2.

Escrow Instructions. “Escrow Instructions” collectively means this Agreement and the Title Company’s standard form escrow instructions consistent with this Agreement. The parties acknowledge and understand that the Escrow Instructions may be supplemented at the request of the Title Company. To the extent of any inconsistency between such standard form escrow instructions and this Agreement, this Agreement shall control, govern, take precedence and otherwise prevail.

Exchange Documents. “Exchange Documents” has the meaning defined in Section 7.18.

Excluded Improvements. “Excluded Improvements” has the meaning defined in Paragraph “D” of the “Recitals” portion of this Agreement.

Fax. “Fax” has the meaning defined in Section 7.6(iii).

Governmental Agency; Governmental Agencies. “Governmental Agency” means the **UNITED STATES GOVERNMENT**, the **STATE OF CALIFORNIA**, **COUNTY OF STANISLAUS** , a California political subdivision, and/or all other applicable courts, governmental authorities, public and quasi-public agencies, or rulemaking authorities having jurisdiction over the Property. “Governmental Agencies” is the plural of Governmental Agency.

Hazardous Materials. “Hazardous Materials” means and refers to any substance, material or waste which is or becomes: (i) regulated by any Governmental Agency as a hazardous waste; (ii) is defined as a “solid waste,” “sludge,” “hazardous waste,” “extremely hazardous waste,” “restricted hazardous waste,” “Non-RCRA hazardous waste,” “RCRA hazardous waste,” or “recyclable material,” under any federal, state or local statute, regulation, or ordinance, including, without limitation, California Health and Safety Code Sections 25115, 25117, 25117.9, 25120.2, 25120.5, 25122.7, 25140 or 25141; (iii) defined as a “Hazardous Substance” under California Health and Safety Code Section 25316; (iv) defined as a “Hazardous Material,” “Hazardous Substance” or “Hazardous Waste” under California Health and Safety Code Section 25501; (v) defined as a “Hazardous Substance” under California Health and Safety Code Section 25281; (vi) asbestos;

(vii) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil, and any fraction thereof, natural gas, natural gas liquefied, methane gas, natural gas, or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to any other applicable Law not referenced herein; (ix) pesticides, herbicides and fungicides; (x) polychlorinated biphenyls; (xi) defined as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 United States Code ["U.S.C."] Section 1251 et seq.); (xii) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., or 40 Code of Federal Regulations ("C.F.R.") Section 239 et seq.; (xiii) defined as a "Hazardous Substance" or "Mixed Waste" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and regulations promulgated thereunder; (xiv) defined as a "Hazardous Substance" pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. Section 116; (xv) defined as an "Extremely Hazardous Substance" pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 et seq. or 40 C.F.R. Section 300 et seq.; (xvi) defined as "medical waste" pursuant to California Health and Safety Code Section 25023.2; (xvii) defined as a "Hazardous Air Pollutant" pursuant to the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq.; (xviii) defined as likely to cause "unreasonable adverse effects on the environment" pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; or, (xix) defined as like to present an "unreasonable risk of injury to health or the environment" pursuant to Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq. For the purposes of this Agreement, used tires and asphalt shall not be considered Hazardous Materials.

Improvements. "Improvements" collectively means any and all of the following equipment, fixtures, improvements and tangible personal property, concerning the Land:

a. Permanent irrigation and water distribution system in, on or under the Property, including, without limitation, the following to the extent applicable:

   i. Permanently installed aboveground and belowground irrigation and water distribution equipment, including, without limitation, fixed irrigation equipment (including irrigation and return pumps), casings, risers, water well structures, culverts, irrigation and water pipelines, motors, pumps, pump house, utility power lines and valves, including, without limitation, filter stations and related systems and all related power and control units and systems; and,

   ii. Permanently installed ditches, ponds, lined and unlined reservoirs and weirs; and,

b. Amenities, appurtenances, betterments, buildings, fixtures, structures and other improvements in, on or under, or affixed to the Property, whether above-or belowground, including, without limitation, such fixtures that would be considered for a trade, manufacture, ornamental or domestic use pursuant and subject to California Civil Code Section 1019 including, without limitation, shops, storage sheds, and fuel and chemical storage tanks.

The Improvements do not include, and specifically exclude, the Crops and/or the Excluded Improvements.

Independent Contract Consideration. "Independent Contract Consideration" has the meaning defined in Section 3.5.

Land. “Land” has the meaning defined in Paragraph “C” of the “Recitals” portion of this Agreement.

Law; Laws. “Laws” collectively shall mean any and all acts, administrative or judicial precedents or authorities, including the interpretation or administration thereof by any governmental authority or entity charged with the enforcement, interpretation or administration thereof, agreements with, approvals, authorizations, awards, codes, consents, declarations, decrees, directed duties, directives, guideline documents, guidelines, edicts, exemptions, injunctions, judgments, laws, licenses, non-contractual restriction, orders, ordinances, permits, process, regulations, requests, requirements, rules, rulings, sanctions, standards, statutes, treatises, waivers and/or writs, now in force or as may be enacted or amended, changed, modified, promulgated, revised, or supplemented, of any and all Government Agencies. “Law” is the singular version of Laws.

Lease Assignment. “Lease Assignment” means the “Assignment and Assumption of Lease” conveying Seller’s interest in the Lease in substantially the same form attached hereto as Exhibit “E” and incorporated herein by reference as if fully set forth at length.

Lease. “Lease” has the meaning defined in Paragraph “C” of the “Recitals” portion of this Agreement.

Notice to Tenant. “Notice to Tenant” has the meaning defined in Section 6.11.

Opening of Escrow. “Opening of Escrow” shall mean the date that both an original of this Agreement signed by the parties has been deposited into Escrow, and Buyer has deposited the full amount of the Deposit into Escrow.

Party; Parties. “Party” and “parties” have the meanings defined in the opening paragraph of this Agreement.

Preliminary Title Report. “Preliminary Title Report” means the preliminary title report for the Land in an electronic/“ePre” format with hyperlinks to such title exception documents (collectively the “Title Documents”) and, if applicable, a colored map(s) with plotted easements issued by the Title Company at Seller’s sole cost and expense without right of reimbursement from Buyer pursuant to Section 4.1(c); provided, however, that any additional cost incurred to issue a preliminary title report precedent to issuance of an ALTA Owner’s Policy of Title Insurance with extended coverage, if elected by Buyer as provided in the definition of “Title Policy” in this Section 2.3, shall be borne by Buyer without right of reimbursement from Seller.

Property. “Property” has the meaning defined in Paragraph “C” of the “Recitals” portion of this Agreement. “Property” collectively means Seller’s interest in the following:

a. The Land;

b. The Appurtenant Rights

c. The Improvements;

d. The Lease;

e. Any and all oil, gas and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Land and owned by Seller and not reserved or excepted in prior deeds of record, if any; and,

f. Any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock concerning, or relating to the Land, or within or underlying the Land and owned by Seller and not reserved or excepted in prior deeds of record, if any, and that are assignable by Seller and assumable by Buyer.

The Property does not include, and specifically excludes, the Crop and the Excluded Improvements.

Property Documents. "Property Documents" has the meaning defined in Section 4.1(a).

Purchase Price. "Purchase Price" has the meaning defined in Section 1.1.1.

Seller. "Seller" has the meaning defined in the opening paragraph of this Agreement.

Seller Group. "Seller Group" has the meaning defined in Section 5.2.1

Taxes. "Taxes" has the meaning defined in Section 6.6.1.

Tenant. "Tenant" has the meaning defined in Paragraph "B" of the "Recitals" portion of this Agreement.

Tenant Estoppel Certificate. "Tenant Estoppel Certificate" means the "Tenant Estoppel Certificate" completed and then executed by Tenant in favor of Buyer in substantially the same form attached hereto as Exhibit "F" and incorporated herein by reference as if fully set forth at length.

Title Company. "Title Company" means **CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation.

Title Defect. "Title Defect" has the meaning defined in Section 4.2(b).

Title Documents. "Title Documents" has the meaning defined in the definition of "Preliminary Title Report" in this Section 2.3.

Title Policy. "Title Policy" means the respective CLTA Owner's Policy of Title Insurance for the Land in the amount of the Purchase Price, issued by the Title Company that insures that title to the Property is vested in Buyer subject only to the Conditions of Title. At the election of Buyer, Buyer may obtain an ALTA Owner's Policy of Title Insurance with extended coverage, together with any endorsements thereto as may be requested by Buyer, subject to Buyer's payment of the additional premium or cost therefor. Seller agrees to provide an owner's/seller's affidavit or declaration to the Title Company in order to provide it with the information necessary to comply with commitment requirements, to provide extended coverage (i.e., for the removal or modification of the pre-printed exceptions for parties in possession, mechanics' liens and notice of assessments), or otherwise give facts about ownership or title aspects of the Property.

Title Review Period. "Title Review Period" has the meaning defined in Section 1.4.

U.S.C. "U.S.C." has the defined in the definition of "Hazardous Materials" in this Section 2.3.

## ARTICLE III. PURCHASE AND SALE OF THE PROPERTY

3.1. Purchase and Sale; "AS IS"/"WITH ALL FAULTS" Condition . Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller upon and "AS IS"/"WITH ALL FAULTS"/"WHERE IS" basis and upon all other terms, covenants and conditions set forth in this Agreement. Except for and subject to Seller's express warranties and representations made in Section 5.1 or elsewhere in this Agreement, Buyer acknowledges and agrees that upon Closing, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller upon an "AS IS" / "WITH ALL FAULTS" / "WHERE IS" basis. Except for Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this Agreement, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any other express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (specifically including, without limitation, property information packages distributed with respect to the Property) made or furnished by Seller, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing, including, without limitation, statements, documents or other information provided by Tenant. Except for Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Buyer represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Buyer will conduct such inspections and investigations of the Property as Buyer deems necessary, including, without limitation, the physical and environmental conditions thereof, and, subject to Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, shall rely upon same. Buyer acknowledges that, if Seller complies with the conditions, provisions and terms of this Agreement, Seller shall have afforded Buyer a full opportunity to conduct such investigations of the Property as Buyer deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto other than such representations, warranties and covenants of Seller as are expressly set forth in this Agreement. Buyer also acknowledges that the Property has been operated as a commercial farm for many years, and that certain agricultural chemicals, some of which may be considered toxic or hazardous, have been used and stored thereon. Upon Closing but subject to Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Buyer shall assume the risk that adverse matters, including, without limitation, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Buyer's inspections and investigations. Buyer hereby represents and warrants to Seller that Buyer shall have had, by the Closing Date, adequate opportunity to consult with legal counsel, agricultural, environmental and other advisors and consultants in connection with the transaction contemplated by this Agreement. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller. AGAIN, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE

IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, BUYER REPRESENTS THAT IT IS PURCHASING THE PROPERTY IN AN "AS IS"/"WITH ALL FAULTS"/"WHERE IS" CONDITION. AGAIN, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, BUYER DOES HEREBY WAIVE, AND SELLER DOES HEREBY DISCLAIM, ALL WARRANTIES OF ANY TYPE OF KIND WHATSOEVER WITH RESPECT TO THE PROPERTY, WHETHER EXPRESS OR IMPLIED, INCLUDING, BY WAY OF DESCRIPTION BUT NOT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE AND USE, TENANTABILITY OR HABITABILITY.

3.2. Payment of the Purchase Price. Buyer shall pay the Purchase Price to Seller on the Closing Date pursuant to Section 6.4.2(a). The Purchase Price shall be paid as follows:

a. The Deposit; and,

b. The balance of Ten Million Forty-Five Thousand One Hundred Sixty-Eight Dollars and No Cents ($10,045,168.00) payable in either cash, cashier's check, or by wire transfer to Seller at the Close of Escrow.

As between the legal parcels of Property, the Purchase Price shall be allocated pursuant to Section 3.4.

3.3. Deposit. Buyer shall pay into Escrow the Deposit in the amounts, upon the conditions, provisions' and terms, and within the time periods specified in Section 1.2. Upon the expiration of the Due Diligence Period and if Buyer has not elected to terminate the Agreement and the transaction contemplated thereunder, and any accrued interest thereon, the Deposit shall be applicable to the Purchase Price and nonrefundable except as otherwise provided in this Agreement. The parties agree that the Deposit shall be applied to the Purchase Price at the Closing pursuant to 6.4.2(a) or, in the event of a default or breach of this Agreement by Buyer, the Deposit shall constitute liquidated damages pursuant to Section 7.1. The parties also agree that the Deposit shall be fully refundable to Buyer in the event Buyer exercises its right to terminate the Agreement during the Due Diligence Period, pursuant to Section 4.2(a) or in the event of a default or breach of this Agreement by Seller.

3.4. Allocation of Purchase Price. Subject to Section 6.9.2, the parties acknowledge, understand and agree that the Purchase Price shall be allocated only and solely to the Property. For all purposes, including for real property like-kind exchange purposes under Section 7.18, the parties also acknowledge, understand and agree that the Purchase Price shall be allocated amongst the legal parcels constituting the Property as follows:

| ASSESSOR'S PARCEL NO. | ASSESSED ACREAGE | PURCHASE PRICE ALLOCATION |
|---|---|---|
| 020-080-012 | 640.00 | $6,776,229.00 |
| 020-008-013 | 318.00 | $3,366,939.00 |
| **TOTAL** | **958.00** | **$10,143,168.00** |

3.5. Independent Consideration. Contemporaneously with the execution and delivery of this Agreement and as part of the Deposit, Buyer shall pay to Seller, and Seller hereby acknowledges the receipt of said payment by its execution of this Agreement, the amount of One Hundred Dollars and No Cents

($100.00) (the "Independent Contract Consideration"). The Independent Contract Consideration is independent consideration for Buyer's right to inspect and conduct due diligence regarding the Property for the purpose of considering its purchase from Seller pursuant to this Agreement. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Agreement; provided, however, that it is applicable to the Purchase Price at Closing. The Independent Contract Consideration is non-refundable, is bargained for and fully earned, and shall be retained by Seller notwithstanding any other condition, provision or term of this Agreement. Buyer's duty, obligation and responsibility to deliver the Independent Contract Consideration shall survive the termination of this Agreement.

3.6. No Loan Contingency. Buyer obtaining a loan for the purchase of the Property is not a contingency of this Agreement. If Buyer does not obtain a loan and as a result Buyer is unable to purchase the Property in accordance with the terms of this Agreement, Seller shall be entitled to the Deposit and any and all other legal remedies as provided herein. Notwithstanding the foregoing or anything herein to the contrary, Buyer shall have the right, one time, to extend the Closing Date, but not the Due Diligence Period, by fifteen (15) days in order only to secure financing which right may be exercised by delivering written notice to Seller prior to the end of the Due Diligence Period.

## ARTICLE IV. CONDITIONS TO CLOSE OF ESCROW

4.1. Conditions. Buyer's duty, obligation and responsibility to purchase the Property or otherwise to perform any duty, obligation or responsibility under this Agreement shall be expressly conditioned upon the fulfillment of each of the following conditions on or before the expiration of the Due Diligence Period, unless another time period is specified below:

a. To the extent that such documents are applicable, exist, are in Seller's custody or possession, or are available to Seller, Buyer's review and approval of the documents, information and materials concerning or related to the Property contained in the electronic data room set up by Seller and to which Buyer has had access prior to the Effective Date (collectively the "Property Documents"). Under no circumstances shall Seller be obligated to make available to Buyer any documents protected by attorney-client privilege or attorney work product protection, tax returns, internal memoranda, appraisals, or other proprietary documentation and/or information;

b. Seller shall provide Buyer with the Tenant Estoppel Certificate completed and then executed by Tenant;

c. On or before the expiration of the Title Review Period, to review same and approve or disapprove of the Preliminary Title Report and all exceptions to title shown therein;

d. Buyer's inspection and approval in Buyer's sole and absolute discretion of any and all access, economic, endangered plant or animal species or habitat issues or restrictions, engineering, entitlement, environmental, land use, legal, permitting, physical, soils, surveying, utility, water and zoning matters relating to the Property including, without limitation, Buyer's approval of the following: (i) the feasibility of the Property for Buyer's anticipated use of the Property; (ii) Buyer's review and

approval of a soils report issued at Buyer's sole cost and expense by a soils engineer designated by Buyer, and a Phase 1 environmental site assessment issued at Buyer's sole cost and expense by an environmental consultant designated by Buyer; (iii) Buyer's inspection and approval of the physical condition of the Property and its appurtenances, including any water wells and irrigation systems, including current water volume, historic well pumping records, if any, and equipment condition; and, (iv) the results of any inspection, test, examination, audit, study, review, analysis or other review conducted by Buyer, including, without limitation, site surveys (including an ALTA survey, if any), zoning and land use restrictions, public and private, present and future access, geological and environmental testing, drainage conditions, the presence of Hazardous Materials, and any other condition or circumstance on or relating to the Property which may affect the Property or Buyer's anticipated use of the Property; and,

e. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing, and Seller shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy.

The failure of Buyer to provide written notice to Seller that the Property is acceptable on or before the expiration of the Due Diligence Period shall be deemed by the parties as Buyer's approval of the Property pursuant to Section 4.2(b).

4.2. Failure of Conditions. Subject to Section 6.4, should Buyer disapprove any of the conditions set forth in Section 4.1 within the time specified, Buyer shall have the power, exercisable in its sole and absolute discretion by giving of written notice to Seller, of either of the following:

a. To terminate this Agreement and recover any amounts paid on account of the Purchase Price, including the Deposit, less the Independent Consideration, or any documents delivered pursuant to the provisions of this Agreement, in which event the parties shall be relieved and released of any further duties, obligations and responsibilities hereunder except for Seller's right to retain the Independent Contract Consideration as provided in Section 3.5, any continuing indemnification obligations as set forth in Section 5.4, and subject to the payment of any escrow and title cancellation fees as provided in Section 6.7; or,

b. To waive such condition and proceed with the Closing; provided, however, that Buyer's failure to so approve or disapprove of any such condition shall be deemed approval thereof; provided further, however, that should Buyer disapprove of any exception to title (the "Title Defect") pursuant to Section 4.1(c) within the time specified, Buyer shall first give five (5) business days written notice of the Title Defect which it has disapproved, and Seller shall have an additional five (5) business days after receiving the notice of Title Defect thereafter to determine whether it is willing or able to correct such Title Defect.

Seller shall give written notice to Buyer within such five (5) business day period whether it is willing or able to correct such Title Defect. If Seller is unwilling or unable to correct any such Title Defect, Buyer shall have the right to exercise the remedy contained in Section 4.2(a). If Seller states that it is willing and able

to do so, then Seller shall proceed to correct the Title Defect as soon as is practicable, and in all events prior to Closing, and if Seller is thereafter unable to correct the Title Defect prior to the Closing, Buyer shall continue to have the right to exercise the remedy specified in Section 4.2(a).

No Title Defect may be insured over or removed of record by indemnification or similar arrangement with the Title Company without Buyer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. No satisfaction or waiver of any condition by Buyer shall reduce or eliminate the rights or remedies of Buyer by reason of any breach of any covenant, representation, or warranty made by Seller in this Agreement. Notwithstanding anything in this Agreement to the contrary, Seller shall remove any and all monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing at Seller's sole cost and expense with no right of reimbursement from Buyer. If Seller is unwilling or unable to remove such monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing, Buyer shall have the right to exercise the remedy contained in Section 4.2(a).

4.3. Approval of Conditions; Conditions Precedent to Closing.

4.3.1. Approval of Conditions. Subject to Sections 4.4 and 5.1, Buyer's approval of all the conditions set forth in Section 4.1, or Buyer's written waiver of all disapproved and/or unsatisfied conditions set forth in Section 4.2 shall constitute Buyer's acknowledgment and agreement that Buyer has examined and approved all matters concerning the Property and all other rights to be acquired.

4.3.2. Conditions Precedent to Seller's Obligation to Close of Escrow. The following conditions are for Seller's benefit only to close Escrow/the Closing and consummate the sale of the Property shall be satisfied as of the Closing Date:

a. Buyer shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.2(b) or any other provision of this Agreement;

b. Buyer shall have deposited the Purchase Price minus the Deposit plus any additional amounts required under Section 6.4.2(a) into Escrow; and,

c. The representations and warranties made by Buyer in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Buyer shall have performed and complied in all respects with its duties, obligations and responsibilities under this Agreement which are to be performed by Buyer or complied with by Buyer prior to or upon the Closing Date, including, without limitation, Buyer's deposit with Title Company of all duly executed documents set forth in Section 6.4.2.

Each of the conditions specified in this Section 4.3.2 are solely for Seller's benefit and may only be waived in writing by Seller.

4.3.3. Conditions Precedent to Buyer's Close of Escrow. The following conditions are for Buyer's benefit only to close Escrow/the Closing and to consummate the purchase the Property shall be satisfied as of the Closing Date:

a. Seller shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.1 or any other provision of this Agreement;

b. There shall be no pending or threatened condemnation or taking of any part of the Property as of the Closing Date;

c. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing Date, and Seller shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy effective as of the Closing Date;

d. Subject to the farming and harvesting of the Crops, and the possible implementation of Laws concerning water, the Property being, in all material respects, in the same condition on the Closing Date as it was on the Effective Date;

e. Seller's delivery to Buyer upon the Closing Date of fee title to the Property by delivery of the Deed pursuant to Section 6.1 and the fulfillment of each of the other conditions and covenants contained in Article VI, including, without limitation, delivery of possession of the Property pursuant to Section 6.10;

f. The representations and warranties made by Seller in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Seller shall have performed and complied in all respects with its duties, obligations and responsibilities under this Agreement which are to be performed by Seller or complied with by Seller prior to or upon the Closing Date, including, without limitation, Seller's deposit with Title Company of all duly executed documents set forth in Section 6.4.1;

g. Seller's delivery of possession of the Property pursuant to Section 6.10; and,

h. There shall have been no material adverse change in the financial condition of the Tenant prior to the end of the Due Diligence Period.

Each of the conditions specified in this Section 4.3.3 are solely for Buyer's benefit and may only be waived in writing by Buyer.

4.4. Damage or Destruction; Eminent Domain or Condemnation; Maintenance of Property.

4.4.1. Destruction of the Property. If, prior to the Closing, there shall be catastrophic damage to or destruction of all or a major portion of the Property, Buyer shall have the right to terminate this Agreement, in which event the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations hereunder. If Buyer does not elect to terminate the contract pursuant to this Section 4.4.1 at Closing, Buyer and Seller shall proceed with the Closing (with no change in the amount of the Purchase Price) and Seller shall assign all insurance proceeds to Buyer received from its insurance carriers and others as a consequence of such destruction. The provisions of California Civil Code Section 1662(a) are hereby waived by the parties, and this Section 4.4.1 shall govern any damage or of such destruction of the Property.

4.4.2. Eminent Domain or Condemnation of the Property. If, prior to the Closing, any of the Property is the subject of any eminent domain or condemnation proceeding, whether actual or threatened (in writing), temporary or permanent, partial or total (a "Condemnation Action"), and the Condemnation

Action would, in Buyer's sole and absolute judgment, adversely affect the use of the Property or result in the diminution in the value of the Property, Buyer may, at its option, either: (i) terminate this Agreement as provided in Section 4.2; or, (ii) close the transaction contemplated herein, in which event Seller shall assign to Buyer all of Seller's right, title and interest in and to the Condemnation Action and any awards, damages or other compensation arising from the Condemnation Action, when such sums are received by Seller or on the Closing, whichever occurs later. Unless or until Buyer has exercised its right to terminate this Agreement, Seller shall take no action with respect to the Condemnation Action without the prior written consent of Buyer.

4.4.3. Maintenance, Farming and Operation of the Property. Except as otherwise provided in Sections 4.4.1 and 4.4.2, Seller shall use commercially reasonable efforts to require Tenant to maintain, farm and operate the Property until the Closing Date in the same manner as it is being maintained, farmed and operated as of the Effective Date.

## ARTICLE V. COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1. Covenants, Representations and Warranties. The parties each make the following covenants, representations and warranties, in addition to any covenants, representations or warranties specified to be made by Seller or Buyer elsewhere in this Agreement, each of which representations and warranties only shall do the following: (i) survive the Closing and the recordation of the Deed as set forth at the end of this Section 5.1; (ii) be deemed material and being relied upon by the other; (iii) be true in all respects as of the date each is made; (iv) the term "to the best of Seller's knowledge" when used in this Section 5.1 means the actual knowledge of **NEIL JEHLE** and **GRIFFIN MOAG**, without the imputation of knowledge either from facts which may be disclosed in the public record or that might have been obtained from diligent inquiry or investigation; and, (v) be true in all material respects on the Closing:

***Covenants, Representations and Warranties***

a. Seller shall grant Buyer and its agents and employees, as of the Effective Date, the right to enter the Property at any time prior to the Closing Date for the purpose of inspecting the Property, making such surveys or performing such tests or studies as it may deem appropriate and performing any other duties, obligations and/or responsibilities of Buyer under this Agreement, including satisfaction of any of the conditions set forth in Article IV; provided, however, that: (i) all such activities shall not include any invasive or destructive testing or any phase II environmental tests without the prior written consent of Seller as exercised in its reasonable discretion; (ii) shall be at Buyer's sole cost and expense without right of reimbursement from Seller; (iii) Buyer shall not unreasonably interfere with Seller's and/or Tenant's existing activities on the Property; and, (iv) Buyer shall indemnify, hold harmless and defend Seller and Tenant from and against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees, asserted against or suffered by Seller as a result of any such entry pursuant to Section 5.4.2. Buyer will keep the Property free from mechanic's and materialmens' liens attributable or arising from its activities on the Property. Buyer shall repair any and all damage to any portion of the Property including, without limitation, the Crops, arising out of the acts or omissions of Buyer or its representatives while on the Property or in the conduct of any evaluations or other activities contemplated by this Agreement. Buyer shall maintain comprehensive general liability and property damage

insurance in an amount not less than One Million Dollars and No Cents ($1,000,000.00) covering its and its agents' advisors and employees' activities on the Property and naming Seller and Tenant as additional insured and providing for thirty (30) days' prior written notice to Seller of any cancellation thereof and shall, promptly after execution of this Agreement (and prior to Buyer or any of its representatives going onto the Property), deliver to Seller proof satisfactory to Seller that such insurance is in force and effect and that Seller and tenant have been named as an additional insured;

b. As of the Effective Date and prior to the Closing, Seller shall not do any of the following without Buyer's prior written consent: (i) enter into any agreement, contract or lease with respect to the Property which will survive the Closing or otherwise materially affect the use, operation or enjoyment of the Property after the Closing without Buyer's prior written consent; or, (ii) change, modify, supplement, amend or cancel any existing agreement, contract or lease with respect to the Property, including, without limitation, the Lease, without Buyer's prior written consent. Buyer's failure to approve any request for consent hereunder within five (5) business days from written request shall be deemed to be Buyer's disapproval of same;

c. To the best of Seller's knowledge, Seller hereby represents and warrants that there are no, and Seller has not received any written notice that there are any, actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies existing, pending, noticed, threatened, proposed or contemplated, against the Property or against Seller or relating to its business, properties or assets before or by any court, administrative agency or private party including, without limitation, planned public improvements, special assessments or condemnation actions, which in any way would affect Seller's ability to carry out its duties, obligations and/or responsibilities under this Agreement or would result in any charge being levied or assessed against, or will result in the creation of any lien or assessment on or against, the Property, except as otherwise shown in the Conditions of Title;

d. To the best of Seller's knowledge, Seller hereby represents and warrants as follows: (i) that neither this Agreement, nor anything provided to be done hereunder, shall violate, cause a breach of or constitute a default under any written or oral contract, agreement, instrument, indenture, mortgage, deed of trust, bank loan, credit agreement, note, evidence of indebtedness, lease, license, undertaking or other agreement or instrument to which Seller is a party, or which affects the Property; or, (ii) that consummation of the sale, transfer, assignment and further encumbrance contemplated herein shall not result in the violation of any applicable Law;

e. To the best of Seller's knowledge, Seller hereby represents and warrants that none of the Property Documents contain or shall intentionally contain any materially untrue statement of a material fact or omit or shall intentionally omit to state a material fact, necessary to make the statements of facts contained therein not misleading. Seller shall promptly notify Buyer of any change in facts of which Seller actually becomes aware that would make any representation and warranty of Seller as contained herein materially incorrect. The parties also understand that

such duty, obligation and responsibility to provide the foregoing notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of its covenants, representations or warranties contained in this Agreement, except that Seller shall have no liability under this Agreement in the event of a change in circumstances that occurs after the Effective Date. In the event Seller advises Buyer in writing of a change in circumstances that would render any representation and warranty materially misleading, Buyer shall have the right to terminate this Agreement by written notice to Seller within three (3) business days of receipt of said information, in which event the Deposit shall be returned to Buyer, and except for the obligations that survive termination, Buyer shall have no further obligations to Seller nor shall Seller have any further obligation to Buyer. Should Buyer not so terminate the Agreement and proceed to Closing, Buyer shall be deemed to have waived any and all rights with respect to the inaccuracy of any such representation and warranty;

***Property Status***

f. Subject to the Conditions of Title, and to the best of Seller's knowledge and except as may be set forth in any of the documents provided to Buyer by Seller under Section 4.1(a), Seller hereby represents and warrants, that Seller has no knowledge and has not received written notice that: (x) any person or entity has a right of first refusal, right to purchase, to lease or to possess or occupy the Property; and, (y) there are no uncured breaches of the easements included in the Conditions of Title. To the best of Seller's knowledge, Seller also hereby represents and warrants the following specifically with regard to the Lease: (i) any rent or additional rent due, owing and payable under the Lease has been paid in full and timely by Tenant; (ii) to the best of Seller's knowledge, no breach exists on the part of Seller under the Lease; (iii) except as otherwise set forth in the letter of Seller to Tenant dated June 14, 2016, to the best of Seller's knowledge, no breach exists on the part of Tenant under the Lease; (iv) there are no rights or options whatsoever to purchase or otherwise acquire the Property or any portion thereof under the Lease; and, (v) no person or firm other than Seller and Tenant are in possession of the Property. Nothing contained in the Deed shall limit the foregoing warranty;

g. To the best of Seller's knowledge, Seller hereby represents and warrants that the Property and/or the operations thereon are not in any material violation in any way of any applicable Law, including, without limitation, any zoning restriction;

h. Except for agricultural chemicals and fuel used in agricultural operations, some of which may be considered toxic or hazardous, that have been, and continue to be legally used and stored thereon by Seller and/or Tenant, also except as disclosed in the Property Documents, and additionally subject to the best of Seller's knowledge, Seller, hereby represents and warrants as follows: (i) that there are no underground storage tanks on the Property; (ii) that there are no Hazardous Materials on the Property, whether on, in or under the soil, groundwater or otherwise; (iii) that Seller has not stored, deposited, buried or in any other way left beneath the ground on the Property any materials whatsoever, whether organic or inorganic, except in accordance with applicable Laws, including, without limitation, Environmental Laws; (iv) that there are no and have been no private or governmental claims or

judicial or administrative actions or proceedings pending, or threatened, against Seller relating to environmental impairment or regulatory requirements in connection with the Property or any operations thereon; and, (v) that there has been no release of Hazardous Materials located on or under the Property that would require notice to Buyer pursuant to California Health and Safety Code Section 25359.7;

i. With the exception of the Lease, Seller represents and warrants that, as of the Closing, there shall be no outstanding contracts made by Seller for any improvements to the Property which have not been fully paid, except for contracts assigned and assumed by Buyer as provided in this Agreement, or any unpaid utility charges or employee salaries or other accrued benefits relating to operations on the Property prior to the Closing Date. Seller shall cause to be discharged as of the Closing all other encumbrances, liens, bonds and mechanics' or materialmen's liens arising from any labor and material furnished to the Property prior to the Closing;

***Party Status***

j. Seller represents and warrants that it is not a foreign individual, foreign corporation, foreign limited liability company, foreign partnership or foreign estate as defined in the Internal Revenue Code and Income Tax Regulations. Seller shall deliver to the Title Company and Buyer on the Closing a duly executed Affidavit of Non-Foreign Status for each Seller;

k. Seller represents and warrants as follows: (i) it is a single-member limited liability company duly organized under and by virtue of the Laws of the State of Washington, is active and in good standing, authorized to do business in the State of California, and disregarded for federal income tax purposes; (ii) it has the full right and authority to enter into this Agreement, and to consummate the sale, transfer, assignment and further encumbrance contemplated herein; (iii) that the person or persons signatory to this Agreement and any documents executed pursuant hereto on behalf of Seller have full power and authority to bind Seller and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

l. Buyer represents and warrants as follows: (i) it is a limited partnership duly organized under and by virtue of the Laws of the State of Delaware which is (or prior to Closing will be) active and in good standing, and authorized to do business in the State of California; (ii) it has the full right and authority to enter into this Agreement, and to consummate the sale, transfer, assignment and further encumbrance contemplated herein; (iii) that the person or persons signatory to this Agreement and any documents executed pursuant hereto on their behalf have full power and authority to bind them and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

m. Each party represents and warrants that: (i) it is not acting on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department, through its Office of Foreign Assets Control or otherwise, as a terrorist, "Specially Designated National," "Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any Law that is enforced or administered by **OFFICE OF FOREIGN ASSETS CONTROL** , a federal public agency, or another federal Governmental Agency; and, (ii) Buyer is not engaged in this transaction on behalf of, or instigating or facilitating this transaction on behalf of, any such person, group, entity or nation Notwithstanding anything contained in the foregoing to the contrary, Buyer shall have no duty to investigate or confirm that any stockholders of **GLADSTONE LAND CORPORATION**, a Maryland corporation or unit holders of **GLADSTONE LAND LIMITED PARTNERSHIP** , a Delaware limited partnership, are in compliance with the provisions of this section, and any violation by any such shareholders or unit holders shall not be a breach or default by Seller hereunder;

n. Seller represents and warrants that it has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Seller's creditors; (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets; (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets; or, (v) admitted in writing its inability to pay its debts as they come due;

o. Buyer represents and warrants that it is a knowledgeable, experienced, and sophisticated buyer of land and property used in agriculture and a developer of real estate, and that it is relying solely on its own expertise and that of Buyer's advisors and consultants in purchasing the Property. Buyer acknowledges and agrees that it will have the opportunity to conduct such inspections, investigations and other independent examinations of the Property and related matters, including, without limitation, the physical and environmental conditions thereof, during the Due Diligence Period and will rely upon same and not upon any statements of Seller except as expressly set forth in this Agreement; and,

p. Except as otherwise provided in Section 7.5, the parties shall each be liable for their own attorneys' fees and disbursements incurred in connection with the drafting and negotiation of this Agreement and matters related thereto.

This Section 5.1 shall survive the Closing and the recordation of the Deed. However, upon the expiration of six (6) months following the Closing, the liability of each party in connection with each representation or warranty made by it either in this Section 5.1 or elsewhere in this Agreement or in any of the documents delivered in connection with the Closing shall cease, except as regards to: (i) the liabilities of the Seller in connection with the implied warranties made in each Deed as specified in California Civil Code Section 1113; and, (ii) as regards to the liabilities of Seller and Buyer in connection with each breach or inaccuracy of any other representation or warranty of which a party has given written notice to the other party prior to the end of such six (6) months period. To be effective for such purpose, any such written notice must identify or refer to with reasonable particularity the circumstance or state of affairs that constitutes or has resulted in such a breach or inaccuracy by the party to whom the notice is delivered. The parties acknowledge, understand and agree that this Section 5.1 is meant to control, govern, take precedence and prevail over any applicable statute of limitations.

5.2. General Disclaimer; Release; Limitation of Damages.

5.2.1. General Disclaimer. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AND EXCEPT FOR: (a) SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 5.1; (b) IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113; AND/OR, (c) ELSEWHERE IN THIS AGREEMENT, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT NEITHER SELLER NOR ITS GENERAL PARTNER, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF (COLLECTIVELY "SELLER GROUP"), HAS MADE AND IS NOT NOW MAKING, AND BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY GUARANTIES, REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION GUARANTIES, REPRESENTATIONS AND/OR WARRANTIES AS TO: (i) MATTERS OF TITLE; (ii) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF; (iii) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES; (iv) WHETHER, AND TO THE EXTENT TO WHICH, THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (v) DRAINAGE; (vi) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING; (vii) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT; (viii) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, ELECTRICITY, GAS, SEWAGE AND WATER; (ix) USAGES OF ADJOINING PROPERTY; (x) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF; (xi) THE VALUE, COMPLIANCE WITH THE DESIGNS, DRAWINGS, PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF; (xii) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF; (xiii) THE PRESENCE OF HAZARDOUS SUBSTANCES IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (xiv) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE APPLICABLE LAWS, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS; (xv) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS; (xvi) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY; (xvii) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY; (xviii) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (xix) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, INCLUDING AGRICULTURE (BUYER AFFIRMING THAT BUYER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF SELLER OR ANY MEMBER OF SELLER GROUP TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY

THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE); OR, (xx) TAX CONSEQUENCES (INCLUDING, WITHOUT LIMITATION THE AMOUNT, USE OR PROVISIONS RELATING TO ANY TAX CREDITS). BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES ALSO THAT, SUBJECT TO SECTION 5.1(e), ANY DOCUMENTATION AND/OR INFORMATION OF ANY TYPE WHICH BUYER HAS RECEIVED OR MAY RECEIVE FROM SELLER OR ANY MEMBER OF SELLER GROUP, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL ASSESSMENTS, AUDITS, STUDIES AND SURVEYS, IS FURNISHED ON THE EXPRESS CONDITION THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUYER SHALL NOT RELY THEREON, BUT SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF SUCH INFORMATION, ALL SUCH INFORMATION BEING FURNISHED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

/s/ LP
Buyer's Initials

5.2.2. Release. Buyer shall rely solely upon its due diligence upon and inspection of the Property in determining the Property's physical condition and upon the following: (a) Seller's express representations and warranties set forth in Section 5.1; and, (b) the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement. Except for the foregoing, Buyer waives, as of the Closing, Buyer's right to recover from Seller or any member of Seller Group, any and all damages, losses, liabilities, costs or expenses whatsoever, and claims therefor, whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to: (i) the physical condition of the Property; and, (ii) the Property's compliance, or lack of compliance with any applicable Laws, including, without limitation, Environmental Laws. Buyer expressly waives the benefits of California Civil Code Section 1542, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In this connection and to the extent permitted by applicable Law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends, subject to Seller's express representations and warranties set forth in Section 5.1, and the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this agreement, to release, discharge and acquit Seller and each and every member of Seller Group, from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder. Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section 5.2.2.

Each party has initialed this Section 5.2.2 to further indicate their awareness and acceptance of each and every provision of this Section 5.2.2.

/s/ AH /s/ LP
Seller's Initials Buyer's Initials

5.2.3. Limitation of Damages; Waiver of Consequential Damages. TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND SUBJECT TO THE PROVISIONS OF SECTION 7.1 BELOW, THE PARTIES AGREE TO LIMIT THE LIABILITY OF EACH PARTY, WHETHER SINGULARLY, COLLECTIVELY OR IN ANY COMBINATION WHATSOEVER, TO THE OTHER FOR ANY AND ALL DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES WHATSOEVER, AND CLAIMS THEREFOR, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, OR FORESEEN OR UNFORESEEN, INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND DISBURSEMENTS, AND EXPERT WITNESS FEES AND COSTS, SO THAT THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY TO THE OTHER UNDER THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED THEREUNDER SHALL NOT EXCEED THE CUMULATIVE SUM OF TWO HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS ($220,000.00) (THE "CAP"). AGAIN TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA AND SUBJECT TO THE CAP AND THE PROVISIONS OF SECTION 7.1 BELOW, EACH PARTY ALSO AGREES TO WAIVE THE RIGHTS TO SEEK AND TO BE ENTITLED TO RECOVER FROM THE OTHER GROUP CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES. THE LIMITATION OF DAMAGES AND THE WAIVER OF CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES CONTAINED IN THIS SECTION 5.2.3 SHALL APPLY: (a) REGARDLESS OF THE CAUSE OF ACTION OR LEGAL THEORY PLED OR ASSERTED EXCEPT FOR FRAUD; AND, (b) BOTH TO: (i) EACH PARTY'S DUTIES, OBLIGATIONS OR RESPONSIBILITIES UNDER THIS AGREEMENT; AND, (ii) TO ANY PROPERTY DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT.

/s/ AH /s/ LP
Seller's Initials Buyer's Initials

5.3 Effect of Contrary Actual Knowledge on Representations. Seller shall have no liability to Buyer by reason of any breached or inaccurate representation or warranty made by either Seller in this Agreement, in any of the Property Documents, or in any other documents delivered in connection with the applicable Closing if, prior to such Closing, Buyer has or comes to have (from whatever source, including, due diligence investigations or inspections, or the written disclosure by a Seller or its agents or employees) actual knowledge of such breach or inaccuracy, and Buyer nevertheless consummates the subject Closing.

5.4. Indemnification.

5.4.1. By Seller. Subject to Sections 5.4.3 and 5.4.4, Seller shall waive any claim against Buyer for, and shall indemnify, hold harmless and defend Buyer against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Buyer resulting from the following: (i) any breach by Seller of this Agreement; (ii) any liability or obligation of Seller to a third party that Buyer is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property by a third party or relating thereto occurring before the Closing (except that attributable to the negligence or intentional acts of Buyer or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Seller herein, including, without limitation, breach of the warranty contained in Section 7.22.

5.4.2. By Buyer. Subject to Sections 5.4.3 and 5.4.4, Buyer shall waive any claim against Seller for, and shall indemnify, hold harmless and defend Seller against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Seller resulting from the following: (i) any breach by Buyer of this Agreement; (ii) any liability or obligation of Buyer which Seller is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property or relating thereto occurring on or after the Closing (except that attributable to the negligence or intentional acts of Seller or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Buyer herein, including, without limitation, breach of the warranty contained in Section 7.22. Liability of Buyer to Seller for Buyer's default or breach of this Agreement resulting in Buyer's failure to close the Escrow shall be governed by Section 7.1.

5.4.3. Notice of Claim or Demand. In the event either Seller or Buyer receives notice of a claim or demand against which it is entitled to indemnification pursuant to either Section 5.4.1, or 5.4.2, as applicable, such party shall promptly give notice thereof to the other party. The party obligated to defend and indemnify shall, within ten (10) days after receipt of such notice, take such measures as may be reasonably required to properly and effectively defend such claim, and may defend same with counsel of its own choosing approved by the other party (which approval shall not be unreasonably withheld or delayed). In the event the party obligated to defend and indemnify refuses to defend such claim or fails to properly and effectively defend such claim, then the party entitled to a defense and indemnification may defend such claim with counsel of its own choosing at the expense of the party obligated to indemnify. Each party and their counsel shall cooperate with the other party in the defense of any claim and shall keep the party being indemnified reasonably informed of the status of the claim. The party being indemnified may participate in (but not control) the defense of such action all at its own expense without right of reimbursement from the indemnifying party. In such event, the indemnified party may settle such claim without the consent of the indemnifying party.

5.4.4. Remedies to Enforce Indemnification Rights. Subject to Sections 5.1(a) and 7.2, the parties may enforce such indemnification rights by any legal or equitable remedies available to them; provided, however, that each party shall be liable to the other party in any such legal or equitable action solely for such party's actual out-of-pocket/compensatory damages but shall not be liable to such party in any manner for consequential, incidental or punitive damages, or lost profits.

5.4.5. Survival. This Section 5.4 shall survive the Closing and the recordation of the Deed, or the earlier termination of this Agreement, except that Sections 5.4.1(i) and (ii), and 5.4.2(i), (ii) and (iii) shall not survive the termination of this Agreement prior to the Closing.

5.3. Risk of Loss. Risk of loss from all causes except the fault of Buyer shall remain upon Seller until the Close of Escrow occurs. Seller shall continue to maintain the insurance, if any, that Seller currently maintains on the Property until the Closing or the earlier termination of this Agreement. If, while risk of loss remains on Seller, the Property is damaged, except through fault of Buyer, in an amount less than twenty-five percent (25%) of the Purchase Price, Buyer shall elect to either terminate this Agreement (in which event the provisions of Section 4.2(a) shall apply) or maintain this Agreement in full force (in which event the provisions of Section 4.4.1, shall apply). Damage in an amount equal to twenty-five percent (25%) or more of the Purchase Price is "material," in which event, either party shall have the right to terminate this Agreement upon written notice to the other.

## ARTICLE VI. TITLE, ESCROW AND CLOSING

6.1. Conditions of Title; Evidence of Title. Seller shall convey title to the Property to Buyer by the Assignment, the Deed (subject only to the Conditions of Title, excluding any Title Defects which Seller is obligated to cure hereunder) and the Lease Assignment. Delivery of title to the Land shall be evidenced by the willingness of the Title Company to issue, upon payment of its normal premium, the Title Policy.

6.2. Escrow; Closing Date. The parties acknowledge that they shall open the Escrow with the Title Company within three (3) business days of the Effective Date. The parties also agree that the parties shall execute, deliver and deposit the Escrow Instructions, if any, to the Title Company within two (2) business days after the Title Company prepares and delivers them to the parties. The parties shall consummate the transaction contemplated by this Agreement for the Property through the Escrow on or before the Closing Date. Except as set forth in Sections 7.1 and 7.2, if the Escrow does not close on or before the Closing Date, then this Agreement shall automatically terminate and the Deposit shall be retained by Seller, and except for the obligations of either party that survive termination, the parties shall have no further obligations to one another.

6.3 Conflicting Demands. Should Title Company receive or become aware of conflicting demands or claims with respect to the Escrow, the rights of any party, or funds, documents or property deposited with Title Company, Title Company shall have the right to discontinue any further acts until such conflict is resolved to its satisfaction, and it shall have the further right to commence or defend any action for the determination of such conflict. The parties shall, immediately after demand therefore by Title Company, reimburse Title Company (in such respective proportions as Title Company shall determine) any reasonable attorneys' fees and court costs incurred by Title Company pursuant to this Section 6.3.

6.4. Deposit of Documents and Funds.

6.4.1. By Seller. Seller shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following documents executed and, if applicable, acknowledged by Seller as required:

a. Duplicate originals of the Assignment to each party;

b. Original of the Deed;

c. Duplicate originals of the Lease Assignment;

d. A duly completed and executed affidavit of non-foreign status in compliance with Internal Revenue Code Section 1445 in the form attached hereto as Exhibit "G" attached hereto and incorporated herein by reference as if fully set forth at length;

e. A duly completed and executed Form 593-C in compliance with California Revenue and Taxation Code Sections 18805 and 2613 for each Seller; and

f. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing.

6.4.2. By Buyer. Buyer shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following funds and documents:

a. Cash, a cashier's check issued by a federally-insured financial institution or wire transfer to Title Company in the amount of the Purchase Price (less the Deposit previously delivered) plus an additional amount sufficient to pay Buyer's portion of the closing and escrow charges, costs, expenses and fees pursuant to Section 6.7

and also plus an additional amount to pay any sums due and owing to Seller pursuant to Section 6.6.1;

b. Duplicate originals of the Assignment to each party;

c. Duplicate originals of the Lease Assignment;

d. A duly completed respective preliminary change of ownership report in accordance with Revenue and Taxation Code Section 480.3 for the Land; and

e. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing.

To the extent not delivered to Buyer as of the Closing Date, all original Property Documents shall be delivered to Buyer as of the Closing Date outside of Escrow.

6.5. Closing. No later than the Closing Date, the Title Company shall effectuate the Closing when: (i) the requirements of Section 6.4 have been satisfied; and, (ii) it is in a position to issue the Title Policy. As part of the Closing, the Title Company shall provide the following documents to the parties indicated:

a. Providing an original of the Assignment to each party;

b. Recording the Deed (marked for return to Buyer) against the Diego Ranch in the Stanislaus County Official Records;

c. Providing a copy of the duly recorded Deed to Seller after its recordation;

d. Providing an original of the Lease Assignment to each party and a copy of same to Tenant;

e. Issuing the Title Policy for the Land to Buyer;

f. Delivering Seller's funds after deducting therefrom the amounts necessary to pay its portion of the Closing Costs, after adjusting for prorations;

g. Obtaining written confirmation from the parties that they each have satisfied or waived all conditions outside of the Escrow prior to Closing;

h. Preparing and delivering to each party a signed copy of the Title Company's closing statement showing all receipts and disbursements of the Escrow prior to Closing; and,

i. Confirming that all disclosures and notices have been given as required by any applicable Law or Governmental Agency were given upon or prior to Closing.

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6.6. Prorations.

6.6.1. Generally. If all general, special, ordinary or extraordinary real and personal ad valorem taxes and assessments which are Conditions of Title arising out or, concerning or related in any way to the Property, including, without limitation, any licenses, fees, commercial rental tax, improvement bonds, levies, or other taxes (other than inheritance, personal income or estate taxes) levied or assessed against the Property or levied by any Governmental Agency (collectively the "Taxes"), for the year of Closing are not known or cannot be reasonably estimated, and solely to the extent not payable by Tenant under the Lease, such Taxes, if any, shall be prorated based on Taxes for the year prior to Closing. Seller shall be responsible for all Taxes that are attributable to periods on and before the Closing Date. Buyer shall be responsible for all Taxes that are attributable to periods after the Closing Date. All costs, expenses, fees, income, payables, receivables, revenues and utilities, of the Property, including, without limitation, any payments related to the Property from the **FARM SERVICE AGENCY** , a federal public agency, and the Lease shall be prorated between the parties on the basis of the actual number of days in the month as of 12:01 a.m., Pacific Time, on the Closing, with all such credits prior to Closing attributed to Seller and all such credits attributed to Buyer after the Closing. If the amount of any proration cannot be determined upon the Closing, the reconciliation and, if applicable, reimbursement shall be made between the parties as soon after the Closing as possible. Notwithstanding the foregoing, all prorations shall be deemed final six (6) months from the Closing.

6.6.2. Final Adjustment After Closing . If final bills are not available or cannot be issued prior to Closing for any item being prorated under Section 6.6.1, then the parties agree to allocate such items on a fair and equitable basis in accordance with Section 6.6.1 as soon as such bills are available, final adjustment to be made as soon as reasonably possible after the Closing; provided, however, such final adjustment shall be made by the date which is sixty (60) days after the Closing. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. This Section 6.6.2 shall survive the Closing and the recordation of the Deed.

6.7. Closing Costs. Closing Costs shall be allocated between the parties as set forth in Section 1.7. All other costs and expenses of Escrow and Closing shall be borne by the parties in accordance with custom and usage in the central San Joaquin Valley, California, and as set forth in the Escrow Instructions. In the event this Agreement is terminated by either party for failure of a condition set forth in this Agreement, or either party fails to Close the Escrow as provided herein, such terminating or defaulting party shall pay all charges, costs, expenses and fees of the Title Company incurred in connection with this transaction prior to such termination, including, without limitation, Escrow and title cancellation fees; provided, however, that in the event Buyer terminates this Agreement because Seller is unwilling or unable to remove a Title Defect, Seller shall pay all such costs and charges.

6.8. Pre-Closing Settlement Statement. At least three (3) business days prior to the Closing, the parties shall provide to Title Company as much information as is then available to enable Title Company to prepare a pre-audit settlement statement setting forth in detail all prorations and adjustments contemplated by this Agreement, including, without limitation, Sections 6.6 and 6.7, based on the information available to Title Company. Title Company shall provide such pre-audit settlement statement to the parties and their respective legal counsel no later than two (2) business days prior to the Closing and shall include therewith an indication of any specific information remaining to be provided to Title Company by the parties to enable Title Company to show all final prorations and adjustments calculated by the parties, and required by this Agreement.

6.9. IRS Real Estate Sales Reporting. The parties hereby appoint Title Company, and Title Company agrees to act, as "the person responsible for closing" the transaction contemplated under this Agreement pursuant to Internal Revenue Code Section 6045(e). Title Company shall prepare and file all informational returns, including, without limitation, IRS Form 1099-S and shall otherwise comply with the provisions of Internal Revenue Code Section 6045(e). Title Company shall indemnify, protect, hold harmless and defend Seller, Buyer and their respective attorneys for, from and against any and all claims, actions, costs, loss, liability or expense arising out of or in connection with the failure of Title Company to comply with the provisions of this Section 6.9.

6.10. Possession. Right to possession of the Property shall transfer to Buyer on the Closing, subject only to the Conditions of Title and the Lease. If applicable, Seller shall transfer to Buyer on the Closing Date, to the extent in Seller's control, custody or possession, the originals of all permits and other documents to be transferred to Buyer under this Agreement which have not yet been delivered to Buyer, provided that Seller may retain copies of all or any of the foregoing documents. This Section 6.10 shall survive the Closing and the recordation of the Deed.

6.11. Notice to Tenant. Immediately after the Closing, the parties understand and agree that Buyer shall cause a "Notice to Tenant" to be sent to Tenant, informing it of the conveyance of title to the Property from Seller to Buyer as of the Closing in substantially the same form attached hereto as Exhibit "H" and incorporated herein by reference as if fully set forth at length. This Section 6.11 shall survive the Closing and the recordation of the Deed.

## ARTICLE VII. MISCELLANEOUS PROVISIONS

7.1. Default by Buyer; Liquidated Damages. IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE TO THE DEFAULT OR BREACH BY BUYER UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY BUYER OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY SELLER), THE PARTIES AGREE THAT SELLER SHALL BE PAID THE DEPOSIT AND ANY INTEREST ACCRUED THEREON AS LIQUIDATED DAMAGES, WHICH SUM THE PARTIES AGREE IS A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE AMOUNT TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BE ANTICIPATED, AND THE ANTICIPATION THAT PROVING ACTUAL DAMAGES WOULD BE COSTLY, IMPRACTICABLE AND EXTREMELY DIFFICULT. THE PARTIES FURTHER AGREE THAT, EXCEPT AS TO BUYER'S OBLIGATION OF INDEMNITY AND DUTY TO DEFEND IN SECTION 5.1(a), SUCH AMOUNT SHALL BE THE SOLE DAMAGES, AND THE SOLE AND EXCLUSIVE REMEDY OF SELLER, LEGAL, EQUITABLE OR OTHERWISE, INCLUDING SPECIFIC PERFORMANCE, DAMAGES AND ALL OTHER LEGAL OR EQUITABLE REMEDIES, AS A RESULT OF THE CLOSING NOT OCCURRING BY THE CLOSING DATE DUE TO BUYER'S DEFAULT OR BREACH UNDER THIS AGREEMENT, AND THAT, IN SUCH EVENT, BUYER SHALL HAVE NO FURTHER RIGHT TO PURCHASE THE PROPERTY OR OTHER RIGHTS UNDER THIS AGREEMENT, THROUGH SPECIFIC PERFORMANCE OR OTHERWISE. THE PARTIES FURTHER AGREE THAT THIS SECTION 7.1 SHALL SPECIFICALLY CONSTITUTE A WAIVER OF SELLERS RIGHT TO SPECIFIC PERFORMANCE, AS SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389 AND ANY INTERPRETIVE CASE LAW UNDER SUCH SECTIONS, INCLUDING BLEECHER V. CONTE (1981) 29 CAL.3D 345. THE PARTIES FURTHER AGREE THAT RETENTION OF THE DEPOSIT BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY

WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. IN PLACING THEIR INITIALS AT THE PLACES PROVIDED BELOW, EACH PARTY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS EITHER REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS MADE, OR WAS ADVISED TO SEEK INDEPENDENT LEGAL ADVICE REGARDING THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE SOLELY TO SUCH A DEFAULT OR BREACH BY BUYER UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY BUYER OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY SELLER), THEN SELLER MAY COLLECT SUCH LIQUIDATED DAMAGES FROM BUYER BY MAKING WRITTEN DEMAND ON BUYER AND THE TITLE COMPANY, IF THE DEPOSIT IS BEING HELD BY THE TITLE COMPANY.

UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL MEMBER, DIRECTOR, MANAGER, OFFICER OR EMPLOYEE OF BUYER HAVE ANY LIABILITY ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

| /s/ AH | /s/ LP |
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| Seller's Initials | Buyer's Initials |

7.2. Default by Seller. In the event the Closing and the consummation of a transaction contemplated by this Agreement does not occur as a result of any default by Seller, Buyer's sole remedies shall be to either: (i) terminate this Agreement and receive a refund of the Deposit together with reimbursement of actual third party out of pocket costs incurred by Buyer in connection with its "due diligence" investigation of the Property in an aggregate sum not to exceed Ten Thousand Dollars and No Cents ($10,000.00); or, (ii) file an action against Seller for specific performance of this Agreement. Buyer's failure to file an action for specific performance within ninety (90) days of any claimed breach by Seller shall be deemed to be a waiver of that remedy. In no event shall Buyer be entitled to or seek any form of monetary damages from Seller, including but not limited to punitive, compensatory, general, special and/or incidental damages, except as set forth in this Section 7.2. Under no circumstances shall Seller's agents, conservators, directors, employees, guardians, managers, members, officers, representatives stockholders or trustees, as applicable, have any liability to Buyer for any claims made by Buyer arising out of or connected to this Agreement.

7.3. Limitation of Liability. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY'S GENERAL PARTNERS, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF, HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE. THE FOREGOING LIMITATION ON LIABILITY SHALL SURVIVE THE CLOSING AND THE RECORDATION OF THE DEED, OR ANY EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT DIMINISH OR OTHERWISE AFFECT THE PARTY'S WAIVERS AND RELEASES IN ANY OTHER CONDITION, PROVISION OR TERM OF THIS AGREEMENT.

/s/ AH /s/ LP
Seller's Initials Buyer's Initials

7.4. Remedies Exclusive; Exercise of Remedies. The remedies specified herein for the enforcement of this Agreement are exclusive; provided, however, nothing contained herein is intended to abrogate, modify or affect either party's right to be indemnified, held harmless and defended as expressly set forth in this Agreement, it being understood that such obligations of the parties shall survive termination of this Agreement and, if applicable, the Closing and the recordation of the Deed. The exercise of any right or remedy by either party pursuant to this Agreement shall not in any way constitute a cure or waiver of any default hereunder, invalidate any act done pursuant to any notice of default, or prejudice either party in the exercise of any of their respective rights pursuant to this Agreement.

7.5. Attorneys' Fees and Disbursements. In the event of any arbitration, litigation or other dispute between the parties in connection with the interpretation, performance or enforcement of this Agreement, the prevailing party in such arbitration, litigation or other dispute shall be entitled, in addition to equitable relief or damages or both or other relief, to be reimbursed by the nonprevailing party for all reasonable costs and expenses of the arbitration, litigation, or other dispute including, without limitation, arbitration costs, arbitrator's fees court costs, expert witness fees, investigation costs and such reasonable attorneys' fees and disbursements, incurred therein by such prevailing party or parties and, if such prevailing party or parties shall recover judgment in any such action or proceedings, such costs, expenses and attorneys' fees may be included in and as a part of such judgment. The prevailing party or parties shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. If no costs of suit are awarded, the arbitrator(s) or court, as applicable, shall determine the prevailing party. Notwithstanding the foregoing, in the event the parties agree to mediate a dispute, each party shall pay its own costs and expenses, including attorney's fees and disbursements, of mediation.

7.6. Notices. All notices, demands, or other communications that either party desires or is required or permitted to give or make to the other party under or pursuant to this Agreement (collectively referred to as "notices") shall be made or given in writing and shall either be: (i) personally served; (ii) sent by registered or certified mail, postage prepaid, return receipt requested; (iii) sent by facsimile ("fax") or electronic mail ("email"); or, (iv) sent by a nationally recognized commercial delivery service or courier (such as Federal Express). All notices shall be addressed or faxed to or sent via e-mail to or personally served on the parties as set forth in Section 1.8. Counsel for a party may give notice on behalf of that party. Notices given by a party pursuant to the alternative methods described in this Section 7.6 shall be deemed to have been delivered to and received by the other party at the following times: (a) for notices personally served, on the date of hand delivery to the other party or its duly authorized employee, representative, or agent; (b) for notices given by registered or certified mail, on the date shown on the return receipt as having been delivered to and received by the other party or parties; (c) for notices given by fax or email, on the date the notice is faxed or sent by e-mail to the other party or parties; provided, however, that notices given by fax or e-mail, shall not be effective unless either: (i) a duplicate copy of such faxed notice is promptly given by first-class mail, postage prepaid, or commercial courier, and addressed as provided above, or (ii), in the case of a fax, the sending party's facsimile equipment is capable of providing a written confirmation of the receiving party's receipt of such notice; provided further, however, any notice given by fax or e-mail shall be deemed received on the next business day if such notice is received after 5:00 p.m. (recipient's time) or on a nonbusiness day; or, (d) for notices delivered by commercial courier, on the day on which same has been delivered by the courier as evidenced by the receipt provided by such courier to the party giving notice. Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are

given in accordance with this Section 7.6, and that any person to be given notice actually receives such notice. A party may change or supplement its designated agent, address, or fax number given above, or designate additional agents, addresses or fax numbers for notice purposes, by giving notice to the other party in the manner set forth in this Section 7.6, provided that any such address change shall not be effective until five (5) days after the notice is delivered or received by the other party.

7.7. Survival of Covenants. Subject to Sections 5.1 and 5.2, each of the covenants contained in this Agreement shall, to the extent applicable, survive the performance of the executory provisions of this Agreement, the Closing, and the recordation of the Deed, which will not effectuate a merger of interests unless otherwise expressly noted.

7.8. Further Assurances. The parties shall in good faith cooperate with each other in satisfying all conditions contained in this Agreement, including, without limitation, executing any and all documents required to be executed by Seller as record owner of the Property to accomplish any verifications, approvals or determinations. Seller specifically shall cooperate in good faith with Buyer in satisfying all conditions contained in Article IV, including, without limitation, the execution of any and all documents required to be executed by Seller as record owner of the Property to accomplish any verifications, approvals or determinations. Each party shall execute and deliver any and all additional papers, documents or other assurances and shall perform any further acts that may be reasonably necessary to carry out the intent of the parties and the provisions of this Agreement.

7.9. Binding Effect. Subject to Section 7.10, this Agreement shall inure to and for the benefit of and be binding upon each party's respective parent, subsidiary or affiliated organizations, administrators, agents, attorneys, beneficiaries, conservators, custodians, directors, employees, executors, guardians, heirs, independent contractors, joint venturers, members, officers, partners, predecessors, representatives, servants, stockholders, successors, trustees and all others acting for, under, or in concert with it, including associations, corporations, limited liability companies, and general or limited partnerships, present and future.

7.10. Assignability. Notwithstanding Section 7.9, except for an Internal Revenue Code Section 1031 exchange, any assignment by either party of its rights and duties, obligations and responsibilities under this Agreement shall be subject to the other party's prior written consent, exercisable in it's sole and absolute discretion, provided that no such assignment shall relieve the assigning party of its duties, obligations and responsibilities under this Agreement.

7.11. No Third Party Beneficiary. This Agreement is made for the sole benefit of the parties and their respective successors and permitted assigns and no other person or persons shall have any right of action hereon.

7.12. No Partnership or Joint Venture Created. The parties' relationship is that of seller and buyer and this Agreement is not intended to nor does create a partnership or joint venture or relationship between the parties.

7.13. Entire Agreement. This Agreement, including the attached exhibits (all of which are incorporated by this reference), supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such matter, and each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement or promise not

contained in this Agreement, including the attached exhibits, shall be valid or binding. The exhibits are an integral part of this Agreement.

7.14. Modification. This Agreement may be modified only by a written document signed by the parties.

7.15. Partial Invalidity. If any condition, covenant, provision or term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each remaining condition, covenant, provision or term of this Agreement shall be valid and shall be enforced to the fullest extent permitted by Law it being the intent of the parties each to receive the material benefit of their bargain.

7.16. Waiver. Notwithstanding any agreement between the parties, the waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or waiver of any subsequent breach whether of the same or another provision thereof.

7.17. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the internal Laws, and not the Law of conflicts, of the State of California, where it is to be executed, delivered and performed. This Agreement is entered into and is to be performed in Kern County, California, and accordingly the only appropriate venue for a dispute under this Agreement is in the Kern County Superior Court, Metropolitan District. The parties hereby expressly consent to the jurisdiction by the Kern County Superior Court, Metropolitan District.

7.18. Tax-Deferred Exchange. The parties acknowledge that either party may wish to structure all or a portion of this transaction as a tax deferred exchange of like-kind property within the meaning of Section 1031 of the Internal Revenue Code. Each party agrees to reasonably cooperate with the other party to effect such an exchange; provided, however, that: (i) the cooperating party shall not be required to acquire or take title to any exchange property; (ii) the cooperating party shall not be required to incur any expense (excluding its own attorneys' fees incurred in reviewing any drafts of Exchange Documents, as defined below) or liability whatsoever in connection with the exchange, including, without limitation, any obligation for the payment of any escrow, title, brokerage or other costs incurred with respect to the exchange; (iii) no substitution of the effectuating party shall release said party from any of its obligations, warranties or representations set forth in this Agreement or from liability for any prior or subsequent default under this Agreement by the effectuating party, its successors, or assigns, which obligations shall continue as the obligations of a principal and not of a surety or guarantor; (iv) the effectuating party shall give the cooperating party at least five (5) business days prior notice of the proposed changes required to effect such exchange and the identity of any party to be substituted in the Escrow; (v) the effectuating party shall be responsible for preparing all additional agreements, documents and escrow instructions (collectively, the "Exchange Documents") required by the exchange, at its sole cost and expense; (vi) the effectuating party shall be responsible for making all determinations as to the legal sufficiency, tax considerations and other considerations relating to the proposed exchange, the Exchange Documents and the transactions contemplated thereby, and the cooperating party shall in no event be responsible for, or in any way be deemed to warrant or represent any tax or other consequences of the exchange transaction arising by reason of the cooperating party's performance of the acts required hereby; and, (vii) except as provide in Section 1.6, the Closing shall not be delayed as a result of a party's election to structure the transaction as a tax deferred exchange in accordance with this Section 7.18.

7.19. No Recordation of Memorandum of Agreement. The parties agree that no memorandum of this Agreement shall be recorded against the Property in either the Stanislaus County Official Records. Upon the termination of this Agreement without consummating the transaction contemplated thereunder, Buyer agrees to execute and acknowledge and then record quitclaim deeds in favor of Seller in the Stanislaus County Official Records.

7.20. Time of the Essence. Time is of the essence under this Agreement.

7.21. Separate Counterparts; Facsimile & Electronic Signatures. This Agreement shall be executed in two (2) separate counterparts, each of which, when so executed, shall be deemed to be an original and to constitute the one and same contract. This Agreement may be signed and signatures transmitted by facsimile, and any such facsimile copy shall be equivalent to a binding signed original for all purposes, and the party transmitting facsimile signatures shall transmit original "hard copies" of the signature pages as provided in Section 7.6 within twenty-four (24) hours after transmission of such facsimile copy. This Agreement may also be executed electronically, whether using an electronic signature and delivery service such as DocuSign or eSignLive, or by use of electronically copied/saved and transmitted executed documents, such as by emailing a PDF of the signed document. The Parties expressly agree that the actual execution and delivery of this Agreement by electronic means shall specifically be governed by the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C § 7001, and the governing law applicable to the remainder of the agreement shall be as otherwise stated herein.

7.22. Warranties of the Parties. Each party understands, acknowledges, agrees, represents and warrants to the other party that it has received independent legal advice from its attorneys with respect to the advisability of entering into this Agreement or has intentionally elected not to seek the advice of counsel and has carefully reviewed and considered the terms and conditions of this Agreement, that it is empowered to execute this Agreement, and that its execution of this Agreement is free and voluntary.

7.23. Authority of the Parties. Where required in this Agreement or by the Title Company, the parties shall deliver documentation that authorizes the transaction contemplated herein and also evidences the authority of the individuals or officers who are empowered to execute and carry out the terms of this Agreement.

7.24. Broker's Commissions. Each party represents and warrants to the other parties that there is no broker, finder or intermediary with whom they have dealt in connection with the transaction contemplated under this Agreement. In the event of any such claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, the party through whom said broker, salesman or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorney's fees, that may be incurred by such other party in connection with such claim. The foregoing indemnity shall survive the Closing and the recordation of the Deed.

7.25. Confidentiality. Buyer entered into a non-disclosure agreement with Seller effective as of March 11, 2016 ("NDA"). The NDA is hereby incorporated by reference. Prior to Closing, the parties shall hold as confidential and shall not disclose to any third party either the conditions, covenants, provisions or terms of this Agreement, the transaction contemplated under this Agreement, activities and information acquired during the Due Diligence Period related to Seller, Tenant or the Property and Buyer shall not disclose to any third party any information received, obtained or discovered relating in any manner to the Property, Seller and Tenant, unless such disclosure is made to either party's financial, legal or tax advisors,

partners, members, and investors on a confidential basis, is required by applicable Law or the other party consents in writing to the disclosure, without first obtaining the written consent of the other party.

7.26 Rule 3-14 Audit. Seller agrees to reasonably cooperate, at no cost or expense to Seller, with Buyer in connection with any SEC Regulation SX Rule 3-14 audit that Buyer may conduct with respect to the Property within one (1) year after the Closing Date.

**[SIGNATURES ON THE NEXT PAGE; REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

7.26. Effectiveness. This Agreement shall become effective as of the Effective Date upon its execution and delivery by all of the parties.

DATED: September 13, 2016

**SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Seller")

By: /s/ Alan Heuberger
[*Print*] Alan Heuberger
Its: Authorized Signatory

DATED: September 13, 2016

**DIEGO RANCH STANISLAUS, LP**, a Delaware limited partnerhsip ("Buyer")

By: Gladstone California Farmland GP, LLC, a Delaware limited liability company, its General Partner

By: Gladstone Land Limited Partnership, a Delaware limited partnership, its sole Member

By: Gladstone Land Partners, LLC, a Delaware limited liability company, its General Partner

By: Gladstone Land Corporation, a Maryland corporation, its Manager

By: /s/ Lewis Parrish

Name: Lewis Parrish

Title: CFO

**ACCEPTANCE BY TITLE COMPANY:**

Title Company hereby acknowledges that it has received a fully executed counterpart of this Agreement and agrees to act as Title Company thereunder and to be bound by and perform the terms thereof as such terms apply to Title Company.

DATED: September 13, 2016

**CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation ("Title Company")

By: /s/ Melodie Rochelle
MELODIE T. ROCHELLE
Its: Vice President, Sr. Commercial Title Officer

**EXHIBITS**

| EXHIBIT | NAME OF EXHIBIT |
|---|---|
| **"A"** | **LEGAL DESCRIPTION OF THE LAND** |
| **"B"** | **THE EXCLUDED IMPROVEMENTS** |
| **"C"** | **THE FORM OF THE ASSIGNMENT** |
| **"D"** | **THE FORM OF THE DEED** |
| **"E"** | **THE FORM OF LEASE ASSIGNMENT** |
| **"F"** | **THE FORM OF THE TENANT ESTOPPEL CERTIFICATE** |
| **"G"** | **THE FORM OF THE FEDERAL FIRPTA CERTIFICATE** |
| **"H"** | **THE FORM OF THE NOTICE TO TENANT** |

**EXHIBIT "A"**

**Legal Description of the Land**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL ONE:**

SECTION 11, TOWNSHIP 4 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN.

Stanislaus County Assessor's Parcel No. 020-008-012

**PARCEL TWO:**

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, AND THAT PORTION OF THE EAST HALF OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING SOUTHERLY OF LA GRANGE ROAD. (LAKE ROAD).

Stanislaus County Assessor's Parcel No.: 020-008-013

Stanislaus County Assessor's Parcel Nos. 020-008-012 and -013

**EXHIBIT "B"**

**The Excluded Improvements**

**EXHIBIT "C"**

**The Form of the Assignment**

**EXHIBIT "D"**

**The Form of the Deed**

**EXHIBIT "E"**

**The Form of the Lease Assignment**

**EXHIBIT "F"**

**The Form of the Tenant Estoppel Certificate**

**EXHIBIT "G"**

**The Form of the Federal FIRPTA Certificate**

**EXHIBIT "H"**

**The Form of the Notice to Tenant**

**CONTRIBUTION AGREEMENT**

**by and between**

**SAN JOAQUIN FARMS, LLC,**
**a Washington limited liability company authorized**
**to do business in the State of California as**
**WASHINGTON SAN JOAQUIN FARMS, LLC,**

**"Contributor,"**

**and**

**GLADSTONE LAND LIMITED PARTNERSHIP,**
**a Delaware limited partnership authorized**
**to do business in the State of California,**

**or its assignee(s) and/or nominee(s), collectively "Recipient,"**

**DATED SEPTEMBER 13, 2016**

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# CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT (this "Agreement") is dated and effective as of this thirteenth (13th) day of September, 2016 (the "Effective Date"), between **SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Contributor"), and **GLADSTONE LAND LIMITED PARTNERSHIP**, a Delaware limited partnership authorized to do business in the State of California, or its assignee(s) and/or nominee(s), (collectively the "Recipient"), who agree and contract as described below. Contributor and Recipient are referred to singularly as a "party" and collectively as the "parties" on a generic basis.

## Recitals

This Agreement is made and entered into in reliance on the accuracy of the following facts and circumstances, which are acknowledged by the parties to be accurate, complete and true:

A. Contributor is the owner in fee of that certain agricultural real property consisting of approximately one thousand three hundred fifty-eight assessed acres (1,358 assessed acs.), located in Stanislaus County, California, and identified as Stanislaus County Assessor's Parcel Nos. 020-008-012 and -013, and 020-010-003 and -004 (collectively the "Diego Ranch");

B. Contributor, as the landlord, leases the Diego Ranch to **OLAM FARMING, INC.**, a Delaware corporation authorized to do business in the State of California ("Tenant") pursuant to their "Agricultural Lease (Diego Ranch)" dated August 7, 2012, which also was memorialized by the "Memorandum of Agricultural Lease (Diego Ranch -- Stanislaus County)" between Contributor and Tenant dated August 7, 2012, and recorded as Document No. 2012-0069972-00 in the Stanislaus County Official Records on August 7, 2012 (collectively the "Diego Ranch Lease");

C. That portion of the Diego Ranch consisting of approximately consisting of approximately four hundred assessed acres (400.00 assessed acs.), located in the unincorporated area of Stanislaus County, California, identified as Stanislaus County Assessor's Parcel Nos. 020-010-003 and -004, and legally described in Exhibit "A" attached hereto and incorporated herein by reference as if fully set forth at length is hereinafter referred to as the "Land." The portion of the Diego Ranch Lease attributable to the Land is hereinafter referred to as the "Lease." The term "Property" means singularly or collectively, on a generic basis, the following: (i) the Land; (ii) the Appurtenant Rights (as defined in Section 2.3); (iii) the Lease; (iv) any and all oil, gas, minerals and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Property, and owned by Contributor and not reserved in prior deeds of record, if any; and, (v) any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock in, relating to or concerning the Land, or within or underlying the Land, and owned by Contributor and not reserved or excepted in prior deeds of record, if any, and which are assignable to and assumable by Recipient;

D. The Property does not include, and specifically excludes, any tangible personal property. The Property also does not include, and specifically excludes, any and all amenities, betterments, buildings, fixtures, structures and other improvements thereon, whether above-or belowground, if any, including, without limitation, almond trees, wells, pumps, motors, electrical panels, electrical hookups, water conveyance and discharge facilities, pipelines and irrigation systems (the "Excluded Improvements"). The

significant Excluded Improvements are described in Exhibit "B," attached hereto and incorporated herein by reference as if fully set forth at length, and for the most part belong to the respective Tenant of the Property;

E. The Property is primarily planted with almond trees;

F. Contributor has, subject to the conditions, covenants, provisions and terms of this Agreement, agreed to contribute and transfer, and the Recipient has agreed to, directly or indirectly, acquire all of the rights, title and interest in, the Property (collectively the "Transactions"); and

G. The Parties intend to treat the contribution and transfer of the Property in exchange for the OP Units to be issued hereunder as part of the Transactions as a nontaxable contribution to a "partnership" in exchange for an interest in the "partnership" for federal income tax purposes pursuant to Section 721 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Contributor and the Recipient shall report the transactions hereunder in a manner consistent with this intention unless otherwise required by applicable law..

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and of other good and valuable consideration, the receipt and sufficiency of which they expressly acknowledge, the parties agree and contract as follows:

**The Agreement**

ARTICLE I. THE PRIMARY TERMS

| The following terms shall have the meanings specified, when used in this Agreement: | |
|---|---|
| **1.1. AGREED PRICE AND ALLOCATION** | **1.1.1. Agreed Price.** The Agreed Price is Four Million One Hundred Twenty-Five Thousand Dollars and No Cents ($4,125,000.00) less the prorations and adjustments credited or charged to the Contributor pursuant to this Agreement. |
| | **1.1.2. Allocation.** The Agreed Price shall be allocated amongst the legal parcels of the Property pursuant to Section 3.4 |
| **1.2. THE DEPOSIT** | Recipient shall pay an initial deposit into Escrow in the amount of Forty Two Thousand Dollars and No Cents ($42,000.00) (the "Deposit"). The Deposit shall be deposited into an interest bearing account proposed by Title Company and approved by the parties on or before one (1) business day after the Effective Date. At Closing, the Deposit shall be applicable to the Agreed Price. Subject to the terms and provisions of this Agreement, the Deposit shall be: (i) considered nonrefundable after the expiration of the Due Diligence Period (as defined in Section 1.3) if Recipient does not terminate this Agreement within the Due Diligence Period; (ii) returned to Recipient if it terminates this Agreement within the Due Diligence Period; or, (iii) returned to Recipient in the event of a Contributor default pursuant to Section 7.2. Interest shall inure to the Recipient. |
| **1.3 DUE DILIGENCE PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016 ("Due Diligence Period")**. |

| | | |
|---|---|---|
| **1.4. TITLE REVIEW PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016** ("Title Review Period"). | |
| **1.5. CLOSING** | The consummation of the transaction contemplated by this Agreement and the Escrow that shall occur on the Closing Date (as defined in Section 1.6). | |
| **1.6. CLOSING DATE** | Subject to Section 3.6, if this Agreement is not terminated within the Due Diligence Period by Recipient, the Closing shall occur on **Tuesday, September 13, 2016**. | |
| **1.7. CLOSING COSTS**<br><br>**Closing costs shall be allocated and paid by the parties as follows:** | **Cost, Expense or Fee** | **Responsible Party** |
| | The Preliminary Title Report (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| | Premium for the Title Policy (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| | Premium for any costs of Title Policy attributable to ALTA Extended Coverage and any endorsements desired by Recipient, any inspection fee charged by the Title Company, tax certificates, municipal and utility lien certificates, and any other Title Company charges. | Recipient |
| | Premium for any costs of a lender's policy of title insurance required by any lender providing financing for Recipient's purchase of the Property, if any. | Recipient |
| | Costs of Survey and/or any revisions, modifications or re-certifications thereto. | Recipient |
| | Costs for UCC and other similar judgment or lien searches, if any. | Fifty percent (50%) by each party. |
| | Costs of recording the Grant Deed (as defined in Section 2.3), including recording fees and documentary transfer taxes, and costs of recording lien releases or reconveyances releasing Property as collateral for Contributor's debts. | Fifty percent (50%) by each party |
| | All other recording costs, expenses and fees, provided that each party shall pay its own attorney's fees. | Fifty percent (50%) by each party. |
| | Any escrow fee charged by Title Company for holding the Deposit (as defined in this Article I) or conducting the Closing. | Fifty percent (50%) by each party. |
| | All other closing charges, costs, expenses and fees. | Fifty percent (50%) by each party. |

| | |
|---|---|
| **1.8. NOTICE ADDRESSES** | **Contributor:** Mr. Neil Jehle<br>Asset Manager<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>Telephone No. (425) 296-5510<br>Telefax No. (425)803-0459<br>Email: neilj@cottonwoodag.com<br><br>With a copies to:<br><br>Scott R. Vokey, Esq.<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>&<br>P. O. Box 654<br>Kirkland, WA 98093<br>Telephone No. (425) 889-7947<br>Telefax No. (425) 803-0459<br>Emails: scottv@bmgigroup.com<br>juleep@bmgigroup.com<br>legal@bmgigroup.com<br><br>Charles D. Melton, Esq.<br>Partner<br>CLIFFORD & BROWN,<br>A PROFESSIONAL CORPORATION<br>1430 Truxtun Avenue, Suite 900<br>Bakersfield, California 93301-5230<br>Telephone No. (661) 322-6023, Ext. 118<br>Telefax No. (661) 322-3508<br>Email: cmelton@clifford-brownlaw.com |
| | **Recipient:** Mr. Bill Reiman<br>Managing Director<br>GLADSTONE LAND CORPORATION<br>1521 Westbranch Drive, Suite 100<br>McLean, Virginia 22102<br>Telephone No. (805) 263-4778<br>Telefax No. (_____) _____-_____<br>Email: bill.r@gladstoneland.com<br><br>Robert P. McDaniel, Jr.<br>BASS, BERRY & SIMS, PLC<br>100 Peabody Place, Suite 1300<br>Memphis, Tennessee 38103<br>Telephone No. (901) 543-5946<br>Telefax No. (888) 765-6437<br>Email: rmcdaniel@bassberry.com |
| | **Title Co.:** Melodie T. Rochelle<br>Chicago Title Insurance Company<br>5516 Falmouth St., Ste. 200<br>Richmond, VA 23230<br>Telephone No. (804) 521-5713<br>Telefax No. (804) 521-5756<br>Email: melodie.rochelle@fnf.com |

ARTICLE II. CONSTRUCTION; DEFINITIONS

2.1. Generally. Unless the provisions or context otherwise require, Article I and this Article II shall govern the construction and interpretation of this Agreement and all documents executed and delivered pursuant to it. The captions of this Agreement's articles and sections do not define in any manner their scope, meaning or intent. All exhibits referred to in this Agreement or any documents executed and delivered pursuant to it are deemed to be incorporated by reference as if fully set forth at length. The present tense includes the past and future tenses, and the future tense includes the present tense. The masculine, feminine or neuter gender are deemed to include the other. The singular or plural number are deemed to include the other. The words "shall" and "agrees" are mandatory, and "may" is permissive. The term "person" includes individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written." Locative adverbs such as "herein," "hereto" and "hereunder" shall refer to this Agreement in its entirety and not to any particular paragraph, provision or section. The parties acknowledge, understand and agree that their respective agents and representatives executing this Agreement on behalf of each of the parties are learned and conversant in the English language, and that the English language shall control the construction, enforcement, governance, interpretation and performance of this Agreement. The parties acknowledge that each party and its counsel, if applicable, have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. The time in which any act under this Agreement is to be done shall be computed by excluding the first (1st) day and including the last day. If the last day of any time period shall fall on a Saturday, Sunday or a federal and/or State of California bank holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or a federal and/or State of California bank holiday. Unless preceded by the word "business," the word "day" shall mean a "calendar" day. The phrase "business day" shall mean a day that is not a Saturday, Sunday, or a federal and/or State of California bank holiday.

2.2. Opinions and Determinations; Approval in Writing . Where the conditions, provisions or terms of this Agreement provide for action to be based on the approval, certification, consent, determination, judgment, opinion or review, of any party, such conditions, provisions or terms are not intended to be and shall not be construed as permitting such approval, certification, consent, determination, judgment, opinion or review to be arbitrary, capricious or unreasonable, nor shall such approval, certification, consent, determination, opinion or review be unreasonably conditioned, delayed or withheld except as expressly set forth in this Agreement. Any document or condition requiring a party's approval shall be transmitted in writing to the other party.

2.3. Definitions. Capitalized terms not otherwise defined below shall have the meanings provided in Article I.

Agreed Price. "Agreed Price has the meaning defined in Section 1.1.1.

Agreement. "Agreement" has the meaning defined in the opening paragraph of this Agreement.

Appurtenant Rights. "Appurtenant Rights" means singularly and collectively on a generic basis Contributor's interest, right and title, if any, in the following intangible personal property concerning the Property:

a. Any existing permits for the Property, including all licenses, building, conditional use, site plan and other permits, certificates of occupancy and any other certificates, approvals or authorizations required by law or by any Governmental Agencies or private persons having jurisdiction over the Property or any part thereof, for the occupancy, use, operation or ownership thereof, if any, and only to the extent assignable;

b. Engineering work, plans, permits and other documentation or intangible personal property prepared or obtained in anticipation of developing and entitling the Property;

c. Architectural and engineering drawings, plans, renderings, specifications, surveys and studies, and other applications submitted to the Governmental Agencies (as defined below), including, without limitation, improvements drawings, plans, renderings and specifications;

d. Subject to Paragraphs "e" and "f" below, development approvals required or helpful to develop the Property, including, without limitation, the approvals, certifications, consents, declarations, easements, entitlements, fee credits, growth allocations, licenses, maps, permits, plans, reports, rights, rights of way, studies and zone changes required by any Governmental Agencies or private persons, all as may be required to develop the Property and construct thereon and obtain permits for its eventual marketing, construction and occupancy).

e. Subject to Paragraph "f" below, all fee credits and reimbursements, if any, applicable to the Property;

f. All rights of Contributor pursuant to any covenants, conditions and restrictions relating to the Property (including, but not limited to all rights of Contributor as declarant under any such documents;

g. Appurtenant easements and rights-of-way; and,

h. Sewer and utility rights connected with the Property.

The Appurtenant Rights do not include, and specifically exclude, any and all licenses or permits relating to the Crops and/or the Excluded Improvements.

Assignment. "Assignment" means the assignment between Contributor, as the assignor, and Recipient, as the assignee, in substantially the same form attached hereto as Exhibit "C" and incorporated herein by reference as if fully set forth at length.

Cap. "Cap" has the meaning defined in Section 5.2.3.

C.F.R. "C.F.R." has the meaning defined in the definition of "Hazardous Materials" in this Section 2.3.

Closing. "Closing" means the event of the transfer of title to the Property from Contributor to Recipient on or before the Closing Date.

Closing Costs. “Closing Costs” has the meaning defined in Section 1.7.

Closing Consideration. “Closing Consideration” means that number of OP Units rounded to the nearest whole number determined by dividing the Agreed Price by the Price per OP Unit.

Closing Date. “Closing Date” has the meaning defined in Section 1.6.

Condemnation Action. “Condemnation Action” has the meaning defined in Section 4.4.2.

Conditions of Title. “Conditions of Title” means the following exceptions to title to the Property:

1. The lien for real property taxes and assessments not yet due and payable;

2. The lien for supplemental taxes, if any, assessed pursuant to the provisions of Revenue and Taxation Code Sections 75 through 75.80, inclusive, not yet due and payable;

3. All easements, licenses, rights of ways and similar agreements, of record as of the date of execution of this Agreement.

4. A Land Conservation Contract(s) under the California Land Conservation Act of 1965, as amended, contained at California Government Code Section 51200 et seq., commonly referred as the “Williamson Act;”

5. The Lease;

6. All applicable zoning Laws and building restrictions now and in effect as of the Closing;

7. Any exceptions to title created by Recipient; and,

8. Any other exceptions to title approved or deemed approved by Recipient pursuant to Section 4.2(b), or specifically waived in writing by Recipient.

Contributor. “Contributor” has the meaning defined in the opening paragraph of this Agreement.

Contributor Group. “Contributor Group” has the meaning defined in Section 5.2.1

Crops. “Crops” collectively means any and all of Tenant’s right, title and interest in any and all crops currently growing, harvested, or to be grown upon the Land under the respective Lease, whether remaining located on the Land or in storage or other facilities and the proceeds of the sale or other disposition of the same. The Crops are owned solely and exclusively by Tenant.

Deed. “Deed” means the deed from Contributor, as the grantor, to Recipient, as the grantee, in substantially the same form attached hereto as Exhibit “D” and incorporated herein by reference as if fully set forth at length.

Deposit. “Deposit” has the meaning defined in Section 1.2, and shall include all interest accrued thereon.

Diego Ranch. “Diego Ranch” has the meaning defined in Paragraph “A” of the “Recitals” portion of this Agreement.

Diego Ranch Lease. “Diego Ranch Lease” has the meaning defined in Paragraph “B” of the “Recitals” portion of this Agreement.

Due Diligence Period. “Due Diligence Period” has the meaning defined in Section 1.3.

Effective Date. “Effective Date” has the meaning defined in the opening paragraph of this Agreement.

Environmental Law. “Environmental Law” means any applicable Law (as defined in this Section 2.3) relating to the control, disposal, exposure to, generation, handling, regulation of, storage, treatment or transportation of Hazardous Materials (as defined in this Section 2.3).

Escrow. “Escrow” means the escrow opened at the Title Company to consummate the transaction contemplated by this Agreement pursuant to Section 6.2.

Escrow Instructions. “Escrow Instructions” collectively means this Agreement and the Title Company’s standard form escrow instructions consistent with this Agreement. The parties acknowledge and understand that the Escrow Instructions may be supplemented at the request of the Title Company. To the extent of any inconsistency between such standard form escrow instructions and this Agreement, this Agreement shall control, govern, take precedence and otherwise prevail.

Exchange Documents. “Exchange Documents” has the meaning defined in Section 7.18.

Excluded Improvements. “Excluded Improvements” has the meaning defined in Paragraph “D” of the “Recitals” portion of this Agreement.

Fax. “Fax” has the meaning defined in Section 7.6(iii).

Governmental Agency; Governmental Agencies . “Governmental Agency” means the **UNITED STATES GOVERNMENT**, the **STATE OF CALIFORNIA**, **COUNTY OF STANISLAUS** , a California political subdivision, and/or all other applicable courts, governmental authorities, public and quasi-public agencies, or rulemaking authorities having jurisdiction over the Property. “Governmental Agencies” is the plural of Governmental Agency.

Hazardous Materials. “Hazardous Materials” means and refers to any substance, material or waste which is or becomes: (i) regulated by any Governmental Agency as a hazardous waste; (ii) is defined as a “solid waste,” “sludge,” “hazardous waste,” “extremely hazardous waste,” “restricted hazardous waste,” “Non-RCRA hazardous waste,” “RCRA hazardous waste,” or “recyclable material,” under any federal, state or local statute, regulation, or ordinance, including, without limitation, California Health and Safety Code Sections 25115, 25117, 25117.9, 25120.2, 25120.5, 25122.7, 25140 or 25141; (iii) defined as a “Hazardous Substance” under California Health and Safety Code Section 25316; (iv) defined as a “Hazardous Material,” “Hazardous Substance” or “Hazardous Waste” under California Health and Safety Code Section 25501; (v) defined as a “Hazardous Substance” under California Health and Safety Code Section 25281; (vi) asbestos; (vii) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil,

and any fraction thereof, natural gas, natural gas liquefied, methane gas, natural gas, or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to any other applicable Law not referenced herein; (ix) pesticides, herbicides and fungicides; (x) polychlorinated biphenyls; (xi) defined as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 United States Code ["U.S.C."] Section 1251 et seq.); (xii) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., or 40 Code of Federal Regulations ("C.F.R.") Section 239 et seq.; (xiii) defined as a "Hazardous Substance" or "Mixed Waste" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and regulations promulgated thereunder; (xiv) defined as a "Hazardous Substance" pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. Section 116; (xv) defined as an "Extremely Hazardous Substance" pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 et seq. or 40 C.F.R. Section 300 et seq.; (xvi) defined as "medical waste" pursuant to California Health and Safety Code Section 25023.2; (xvii) defined as a "Hazardous Air Pollutant" pursuant to the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq.; (xviii) defined as likely to cause "unreasonable adverse effects on the environment" pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; or, (xix) defined as like to present an "unreasonable risk of injury to health or the environment" pursuant to Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq. For the purposes of this Agreement, used tires and asphalt shall not be considered Hazardous Materials.

Improvements. "Improvements" collectively means any and all of the following equipment, fixtures, improvements and tangible personal property, concerning the Land:

a. Permanent irrigation and water distribution system in, on or under the Property, including, without limitation, the following to the extent applicable:

   i. Permanently installed aboveground and belowground irrigation and water distribution equipment, including, without limitation, fixed irrigation equipment (including irrigation and return pumps), casings, risers, water well structures, culverts, irrigation and water pipelines, motors, pumps, pump house, utility power lines and valves, including, without limitation, filter stations and related systems and all related power and control units and systems; and,

   ii. Permanently installed ditches, ponds, lined and unlined reservoirs and weirs; and,

b. Amenities, appurtenances, betterments, buildings, fixtures, structures and other improvements in, on or under, or affixed to the Property, whether above-or belowground, including, without limitation, such fixtures that would be considered for a trade, manufacture, ornamental or domestic use pursuant and subject to California Civil Code Section 1019 including, without limitation, shops, storage sheds, and fuel and chemical storage tanks.

The Improvements do not include, and specifically exclude, the Crops and/or the Excluded Improvements.

Independent Contract Consideration. "Independent Contract Consideration" has the meaning defined in Section 3.5.

Land. "Land" has the meaning defined in Paragraph "C" of the "Recitals" portion of this Agreement.

Law; Laws. "Laws" collectively shall mean any and all acts, administrative or judicial precedents or authorities, including the interpretation or administration thereof by any governmental authority or entity charged with the enforcement, interpretation or administration thereof, agreements with, approvals, authorizations, awards, codes, consents, declarations, decrees, directed duties, directives, guideline documents, guidelines, edicts, exemptions, injunctions, judgments, laws, licenses, non-contractual restriction, orders, ordinances, permits, process, regulations, requests, requirements, rules, rulings, sanctions, standards, statutes, treatises, waivers and/or writs, now in force or as may be enacted or amended, changed, modified, promulgated, revised, or supplemented, of any and all Government Agencies. "Law" is the singular version of Laws.

Lease Assignment. "Lease Assignment" means the "Assignment and Assumption of Lease" conveying Contributor's interest in the Lease in substantially the same form attached hereto as Exhibit "E" and incorporated herein by reference as if fully set forth at length.

Lease. "Lease" has the meaning defined in Paragraph "C" of the "Recitals" portion of this Agreement.

Notice to Tenant. "Notice to Tenant" has the meaning defined in Section 6.11.

OP Units. "OP Units" means OP Units as defined in the Partnership Agreement.

Opening of Escrow. "Opening of Escrow" shall mean the date that both an original of this Agreement signed by the parties has been deposited into Escrow, and Recipient has deposited the full amount of the Deposit into Escrow.

Partnership Agreement. "Partnership Agreement" means that certain First Amended and Restated Agreement of Limited Partnership of the Gladstone Land Limited Partnership, dated as of October 7, 2014, as amended from time to time.

Party; Parties. "Party" and "parties" have the meanings defined in the opening paragraph of this Agreement.

Preliminary Title Report. "Preliminary Title Report" means the preliminary title report for the Land in an electronic/"ePre" format with hyperlinks to such title exception documents (collectively the "Title Documents") and, if applicable, a colored map(s) with plotted easements issued by the Title Company at Contributor's sole cost and expense without right of reimbursement from Recipient pursuant to Section 4.1(c); provided, however, that any additional cost incurred to issue a preliminary title report precedent to issuance of an ALTA Owner's Policy of Title Insurance with extended coverage, if elected by Recipient as provided in the definition of "Title Policy" in this Section 2.3, shall be borne by Recipient without right of reimbursement from Contributor.

Price per OP Unit. "Price per OP Unit" means the amount of _____ Dollars and _____ Cents per OP Unit ($___.____/OP Unit).

Property. "Property" has the meaning defined in Paragraph "C" of the "Recitals" portion of this Agreement. "Property" collectively means Contributor's interest in the following:

a. The Land;

b. The Appurtenant Rights

c. The Improvements;

d. The Lease;

e. Any and all oil, gas and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Land and owned by Contributor and not reserved or excepted in prior deeds of record, if any; and,

f. Any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock concerning, or relating to the Land, or within or underlying the Land and owned by Contributor and not reserved or excepted in prior deeds of record, if any, and that are assignable by Contributor and assumable by Recipient.

The Property does not include, and specifically excludes, the Crop and the Excluded Improvements.

Property Documents. "Property Documents" has the meaning defined in Section 4.1(a).

Recipient. "Recipient" has the meaning defined in the opening paragraph of this Agreement.

REIT. "REIT" means Gladstone Land Corporation, a Maryland corporation.

Taxes. "Taxes" has the meaning defined in Section 6.6.1.

Tenant. "Tenant" has the meaning defined in Paragraph "B" of the "Recitals" portion of this Agreement.

Tenant Estoppel Certificate. "Tenant Estoppel Certificate" means the "Tenant Estoppel Certificate" completed and then executed by Tenant in favor of Recipient in substantially the same form attached hereto as Exhibit "F" and incorporated herein by reference as if fully set forth at length.

Title Company. "Title Company" means **CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation.

Title Defect. "Title Defect" has the meaning defined in Section 4.2(b).

Title Documents. "Title Documents" has the meaning defined in the definition of "Preliminary Title Report" in this Section 2.3.

Title Policy. "Title Policy" means the respective CLTA Owner's Policy of Title Insurance for the Land in the amount of the Agreed Price, issued by the Title Company that insures that title to the Property is vested in Recipient subject only to the Conditions of Title. At the election of Recipient, Recipient may obtain an ALTA Owner's Policy of Title Insurance with extended coverage, together with any endorsements thereto as may be requested by Recipient, subject to Recipient's payment of the additional premium or cost

therefor. Contributor agrees to provide an owner's/seller's affidavit or declaration to the Title Company in order to provide it with the information necessary to comply with commitment requirements, to provide extended coverage (i.e., for the removal or modification of the pre-printed exceptions for parties in possession, mechanics' liens and notice of assessments), or otherwise give facts about ownership or title aspects of the Property.

Title Review Period. "Title Review Period" has the meaning defined in Section 1.4.

Transactions. "Transactions" has the meaning defined in Paragraph "F" of the "Recitals" portion of this Agreement.

U.S.C. "U.S.C." has the defined in the definition of "Hazardous Materials" in this Section 2.3.

## ARTICLE III. CONTRIBUTION OF THE PROPERTY

3.1. Contribution and Exchange; "AS IS"/"WITH ALL FAULTS" Condition.

(a) Subject to the terms and conditions set forth herein and in exchange for the Closing Consideration, the Contributor hereby covenants and agrees to transfer, convey, assign and deliver to the Recipient (or such other entity as the Recipient Parties may designate, so long as such entity is directly owned, by the Operating Partnership and, it being acknowledged and agreed, that the Recipient shall not be released from any of the Recipient's agreements or undertakings set forth herein) at the Closing, and the Recipient covenants and agrees to exchange and accept at the Closing, all right, title and interest in, to and under the Property.

(b) Contributor agrees to contribute the Property to Recipient and Recipient agrees to accept the Property from Contributor upon and "AS IS"/"WITH ALL FAULTS"/"WHERE IS" basis and upon all other terms, covenants and conditions set forth in this Agreement. Except for and subject to Contributor's express warranties and representations made in Section 5.1 or elsewhere in this Agreement, Recipient acknowledges and agrees that upon Closing, Contributor agrees to sell the Property to Recipient and Recipient agrees to purchase the Property from Contributor upon an "AS IS" / "WITH ALL FAULTS" / "WHERE IS" basis. Except for Contributor's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this Agreement, Recipient has not relied and will not rely on, and Contributor has not made and is not liable for or bound by, any other express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (specifically including, without limitation, property information packages distributed with respect to the Property) made or furnished by Contributor, agent or third party representing or purporting to represent Contributor, to whomever made or given, directly or indirectly, orally or in writing, including, without limitation, statements, documents or other information provided by Tenant. Except for Contributor's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Recipient represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that it is relying solely on its own expertise and that of Recipient's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Contributor. Recipient will conduct such inspections and investigations of the Property as Recipient deems necessary, including, without limitation, the physical and environmental conditions thereof, and, subject to Contributor's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, shall rely upon same.

Recipient acknowledges that, if Contributor complies with the conditions, provisions and terms of this Agreement, Contributor shall have afforded Recipient a full opportunity to conduct such investigations of the Property as Recipient deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Contributor or its agents or employees with respect thereto other than such representations, warranties and covenants of Contributor as are expressly set forth in this Agreement. Recipient also acknowledges that the Property has been operated as a commercial farm for many years, and that certain agricultural chemicals, some of which may be considered toxic or hazardous, have been used and stored thereon. Upon Closing but subject to Contributor's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Recipient shall assume the risk that adverse matters, including, without limitation, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Recipient's inspections and investigations. Recipient hereby represents and warrants to Contributor that Recipient shall have had, by the Closing Date, adequate opportunity to consult with legal counsel, agricultural, environmental and other advisors and consultants in connection with the transaction contemplated by this Agreement. Recipient waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Contributor. AGAIN, EXCEPT FOR CONTRIBUTOR'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, RECIPIENT REPRESENTS THAT IT IS PURCHASING THE PROPERTY IN AN "AS IS"/"WITH ALL FAULTS"/"WHERE IS" CONDITION. AGAIN, EXCEPT FOR CONTRIBUTOR'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, RECIPIENT DOES HEREBY WAIVE, AND CONTRIBUTOR DOES HEREBY DISCLAIM, ALL WARRANTIES OF ANY TYPE OF KIND WHATSOEVER WITH RESPECT TO THE PROPERTY, WHETHER EXPRESS OR IMPLIED, INCLUDING, BY WAY OF DESCRIPTION BUT NOT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE AND USE, TENANTABILITY OR HABITABILITY.

3.2. Consideration to the Contributor. At the Closing, the Operating Partnership, in exchange for contribution and transfer of the Property by the Contributor to the Recipient, shall issue the Closing Consideration to the Contributor. The parties acknowledge and agree that the issuance of the Closing Consideration to the Contributor shall be reflected in the books and records of the Operating Partnership or the applicable transfer agent, as appropriate, in accordance with the Partnership Agreement. Without limiting any other provision herein, each party shall take such additional actions and execute such additional documentation as may be required by the Partnership Agreement, or as may reasonably be requested by the other parties, in order to effect the Transactions.

3.3. Deposit. Recipient shall pay into Escrow the Deposit in the amounts, upon the conditions, provisions' and terms, and within the time periods specified in Section 1.2. Upon the expiration of the Due Diligence Period and if Recipient has not elected to terminate the Agreement and the transaction contemplated thereunder, and any accrued interest thereon, the Deposit shall be applicable to closing and escrow charges, costs, expenses and fees, and prorations pursuant to Section 6.4.2(a) and nonrefundable except as otherwise provided in this Agreement. The parties agree that the Deposit shall be applied to closing and escrow charges, costs, expenses and fees, and prorations at the Closing pursuant to 6.4.2(a) or, in the event of a default or breach of this Agreement by Recipient, the Deposit shall constitute liquidated damages pursuant to Section 7.1. The parties also agree that the Deposit shall be fully refundable to Recipient in the event Recipient

exercises its right to terminate the Agreement during the Due Diligence Period, pursuant to Section 4.2(a) or in the event of a default or breach of this Agreement by Contributor.

3.4. Allocation of the Contribution. Subject to Section 6.6.2, the parties acknowledge, understand and agree that the Agreed Price shall be allocated only and solely to the Property. For all purposes, including for purposes of Section 731(c) of the Code, the parties also acknowledge, understand and agree that the Agreed Price shall be allocated amongst the legal parcels constituting the Property as follows:

| ASSESSOR'S PARCEL NO. | ASSESSED ACREAGE | AGREED PRICE ALLOCATION |
|---|---|---|
| 020-080-003 | 345.00 | $3,557,812.00 |
| 020-008-004 | 55.00 | $567,188.00 |
| **TOTAL** | **400.00** | **$4,125,000.00** |

3.5. Independent Consideration. Contemporaneously with the execution and delivery of this Agreement and as part of the Deposit, Recipient shall pay to Contributor, and Contributor hereby acknowledges the receipt of said payment by its execution of this Agreement, the amount of One Hundred Dollars and No Cents ($100.00) (the "Independent Contract Consideration"). The Independent Contract Consideration is independent consideration for Recipient's right to inspect and conduct due diligence regarding the Property for the purpose of considering its purchase from Contributor pursuant to this Agreement. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Agreement; provided, however, that it is applicable to the Deposit at Closing. The Independent Contract Consideration is non-refundable, is bargained for and fully earned, and shall be retained by Contributor notwithstanding any other condition, provision or term of this Agreement. Recipient's duty, obligation and responsibility to deliver the Independent Contract Consideration shall survive the termination of this Agreement.

3.6. No Loan Contingency. Recipient obtaining a loan for the purchase of the Property is not a contingency of this Agreement. If Recipient does not obtain a loan and as a result Recipient is unable to purchase the Property in accordance with the terms of this Agreement, Contributor shall be entitled to the Deposit and any and all other legal remedies as provided herein. Notwithstanding the foregoing or anything herein to the contrary, Recipient shall have the right, one time, to extend the Closing Date, but not the Due Diligence Period, by fifteen (15) days in order only to secure financing which right may be exercised by delivering written notice to Contributor prior to the end of the Due Diligence Period.

## ARTICLE IV. CONDITIONS TO CLOSE OF ESCROW

4.1. Conditions. Recipient's duty, obligation and responsibility to purchase the Property or otherwise to perform any duty, obligation or responsibility under this Agreement shall be expressly conditioned upon the fulfillment of each of the following conditions on or before the expiration of the Due Diligence Period, unless another time period is specified below:

a. To the extent that such documents are applicable, exist, are in Contributor's custody or possession, or are available to Contributor, Recipient's review and approval of the documents, information and materials concerning or related to the Property contained in the electronic data room set up by Contributor and to which Recipient has had access prior to the Effective Date (collectively the "Property Documents").

Under no circumstances shall Contributor be obligated to make available to Recipient any documents protected by attorney-client privilege or attorney work product protection, tax returns, internal memoranda, appraisals, or other proprietary documentation and/or information;

b. Contributor shall provide Recipient with the Tenant Estoppel Certificate completed and then executed by Tenant;

c. On or before the expiration of the Title Review Period, to review same and approve or disapprove of the Preliminary Title Report and all exceptions to title shown therein;

d. Recipient's inspection and approval in Recipient's sole and absolute discretion of any and all access, economic, endangered plant or animal species or habitat issues or restrictions, engineering, entitlement, environmental, land use, legal, permitting, physical, soils, surveying, utility, water and zoning matters relating to the Property including, without limitation, Recipient's approval of the following: (i) the feasibility of the Property for Recipient's anticipated use of the Property; (ii) Recipient's review and approval of a soils report issued at Recipient's sole cost and expense by a soils engineer designated by Recipient, and a Phase 1 environmental site assessment issued at Recipient's sole cost and expense by an environmental consultant designated by Recipient; (iii) Recipient's inspection and approval of the physical condition of the Property and its appurtenances, including any water wells and irrigation systems, including current water volume, historic well pumping records, if any, and equipment condition; and, (iv) the results of any inspection, test, examination, audit, study, review, analysis or other review conducted by Recipient, including, without limitation, site surveys (including an ALTA survey, if any), zoning and land use restrictions, public and private, present and future access, geological and environmental testing, drainage conditions, the presence of Hazardous Materials, and any other condition or circumstance on or relating to the Property which may affect the Property or Recipient's anticipated use of the Property; and,

e. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing, and Contributor shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy.

The failure of Recipient to provide written notice to Contributor that the Property is acceptable on or before the expiration of the Due Diligence Period shall be deemed by the parties as Recipient's approval of the Property pursuant to Section 4.2(b).

4.2. Failure of Conditions. Subject to Section 6.4, should Recipient disapprove any of the conditions set forth in Section 4.1 within the time specified, Recipient shall have the power, exercisable in its sole and absolute discretion by giving of written notice to Contributor, of either of the following:

a. To terminate this Agreement and recover the Deposit less the Independent Consideration, or any documents delivered pursuant to the provisions of this Agreement, in which event the parties shall be relieved and released of any further duties, obligations and responsibilities hereunder except for Contributor's right to retain the Independent Contract Consideration as provided in Section 3.5, any continuing indemnification obligations as set forth in Section 5.4, and subject to the payment of any escrow and title cancellation fees as provided in Section 6.7; or,

b. To waive such condition and proceed with the Closing; provided, however, that Recipient's failure to so approve or disapprove of any such condition shall be deemed approval thereof; provided further, however, that should Recipient disapprove of any exception to title (the "Title Defect") pursuant to Section 4.1(c) within the time specified, Recipient shall first give one (1) business day's written notice of the Title Defect which it has disapproved, and Contributor shall have an additional one (1) business day after receiving the notice of Title Defect thereafter to determine whether it is willing or able to correct such Title Defect.

Contributor shall give written notice to Recipient within such one (1) business day period whether it is willing or able to correct such Title Defect. If Contributor is unwilling or unable to correct any such Title Defect, Recipient shall have the right to exercise the remedy contained in Section 4.2(a). If Contributor states that it is willing and able to do so, then Contributor shall proceed to correct the Title Defect as soon as is practicable, and in all events prior to Closing, and if Contributor is thereafter unable to correct the Title Defect prior to the Closing, Recipient shall continue to have the right to exercise the remedy specified in Section 4.2(a).

No Title Defect may be insured over or removed of record by indemnification or similar arrangement with the Title Company without Recipient's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. No satisfaction or waiver of any condition by Recipient shall reduce or eliminate the rights or remedies of Recipient by reason of any breach of any covenant, representation, or warranty made by Contributor in this Agreement. Notwithstanding anything in this Agreement to the contrary, Contributor shall remove any and all monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing at Contributor's sole cost and expense with no right of reimbursement from Recipient. If Contributor is unwilling or unable to remove such monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing, Recipient shall have the right to exercise the remedy contained in Section 4.2(a).

4.3. Approval of Conditions; Conditions Precedent to Closing.

4.3.1. Approval of Conditions. Subject to Sections 4.4 and 5.1, Recipient's approval of all the conditions set forth in Section 4.1, or Recipient's written waiver of all disapproved and/or unsatisfied conditions set forth in Section 4.2 shall constitute Recipient's acknowledgment and agreement that Recipient has examined and approved all matters concerning the Property and all other rights to be acquired.

4.3.2. Conditions Precedent to Contributor's Obligation to Close of Escrow. The following conditions are for Contributor's benefit only to close Escrow/the Closing and consummate the contribution of the Property and shall be satisfied as of the Closing Date:

a. Recipient shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.2(b) or any other provision of this Agreement;

b. Recipient shall have deposited the Deposit plus any additional amounts required under Section 6.4.2(a) into Escrow; and,

c. The representations and warranties made by Recipient in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Recipient shall have performed and complied in all respects with its duties, obligations and

responsibilities under this Agreement which are to be performed by Recipient or complied with by Recipient prior to or upon the Closing Date, including, without limitation, Recipient's deposit with Title Company of all duly executed documents set forth in Section 6.4.2.

Each of the conditions specified in this Section 4.3.2 are solely for Contributor's benefit and may only be waived in writing by Contributor.

4.3.3. Conditions Precedent to Recipient's Close of Escrow. The following conditions are for Recipient's benefit only to close Escrow/the Closing and to consummate the purchase the Property shall be satisfied as of the Closing Date:

a. Contributor shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.1 or any other provision of this Agreement;

b. There shall be no pending or threatened condemnation or taking of any part of the Property as of the Closing Date;

c. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing Date, and Contributor shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy effective as of the Closing Date;

d. Subject to the farming and harvesting of the Crops, and the possible implementation of Laws concerning water, the Property being, in all material respects, in the same condition on the Closing Date as it was on the Effective Date;

e. Contributor's delivery to Recipient upon the Closing Date of fee title to the Property by delivery of the Deed pursuant to Section 6.1 and the fulfillment of each of the other conditions and covenants contained in Article VI, including, without limitation, delivery of possession of the Property pursuant to Section 6.10;

f. The representations and warranties made by Contributor in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Contributor shall have performed and complied in all respects with its duties, obligations and responsibilities under this Agreement which are to be performed by Contributor or complied with by Contributor prior to or upon the Closing Date, including, without limitation, Contributor's deposit with Title Company of all duly executed documents set forth in Section 6.4.1;

g. Contributor's delivery of possession of the Property pursuant to Section 6.10; and,

h. There shall have been no material adverse change in the financial condition of the Tenant prior to the end of the Due Diligence Period.

Each of the conditions specified in this Section 4.3.3 are solely for Recipient's benefit and may only be waived in writing by Recipient.

4.4. Damage or Destruction; Eminent Domain or Condemnation; Maintenance of Property.

4.4.1. Destruction of the Property. If, prior to the Closing, there shall be catastrophic damage to or destruction of all or a major portion of the Property, Recipient shall have the right to terminate this Agreement, in which event the Deposit shall be returned to Recipient and neither party shall have any further rights or obligations hereunder. If Recipient does not elect to terminate the contract pursuant to this Section 4.4.1 at Closing, Recipient and Contributor shall proceed with the Closing (with no change in the amount of the Agreed Price) and Contributor shall assign all insurance proceeds to Recipient received from its insurance carriers and others as a consequence of such destruction. The provisions of California Civil Code Section 1662(a) are hereby waived by the parties, and this Section 4.4.1 shall govern any damage or of such destruction of the Property.

4.4.2. Eminent Domain or Condemnation of the Property. If, prior to the Closing, any of the Property is the subject of any eminent domain or condemnation proceeding, whether actual or threatened (in writing), temporary or permanent, partial or total (a "Condemnation Action"), and the Condemnation Action would, in Recipient's sole and absolute judgment, adversely affect the use of the Property or result in the diminution in the value of the Property, Recipient may, at its option, either: (i) terminate this Agreement as provided in Section 4.2; or, (ii) close the transaction contemplated herein, in which event Contributor shall assign to Recipient all of Contributor's right, title and interest in and to the Condemnation Action and any awards, damages or other compensation arising from the Condemnation Action, when such sums are received by Contributor or on the Closing, whichever occurs later. Unless or until Recipient has exercised its right to terminate this Agreement, Contributor shall take no action with respect to the Condemnation Action without the prior written consent of Recipient.

4.4.3. Maintenance, Farming and Operation of the Property. Except as otherwise provided in Sections 4.4.1 and 4.4.2, Contributor shall use commercially reasonable efforts to require Tenant to maintain, farm and operate the Property until the Closing Date in the same manner as it is being maintained, farmed and operated as of the Effective Date.

## ARTICLE V. COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1. Covenants, Representations and Warranties. The parties each make the following covenants, representations and warranties, in addition to any covenants, representations or warranties specified to be made by Contributor or Recipient elsewhere in this Agreement, each of which representations and warranties only shall do the following: (i) survive the Closing and the recordation of the Deed as set forth at the end of this Section 5.1; (ii) be deemed material and being relied upon by the other; (iii) be true in all respects as of the date each is made; (iv) the term "to the best of Contributor's knowledge" when used in this Section 5.1 means the actual knowledge of **NEIL JEHLE** and **GRIFFIN MOAG**, without the imputation of knowledge either from facts which may be disclosed in the public record or that might have been obtained from diligent inquiry or investigation; and, (v) be true in all material respects on the Closing:

***Covenants, Representations and Warranties***

a. Contributor shall grant Recipient and its agents and employees, as of the Effective Date, the right to enter the Property at any time prior to the Closing Date for the purpose of inspecting the Property, making such surveys or performing such tests or studies as it may deem appropriate and performing any other duties, obligations and/or responsibilities of Recipient under this Agreement, including satisfaction of any of the conditions set forth in Article IV; provided, however, that: (i) all such activities shall not include any invasive or destructive testing or any phase II environmental tests without the prior written consent of Contributor as exercised in its reasonable discretion; (ii) shall be at Recipient's sole cost and expense without right of reimbursement from Contributor; (iii) Recipient shall not unreasonably interfere with Contributor's and/or Tenant's existing activities on the Property; and, (iv) Recipient shall indemnify, hold harmless and defend Contributor and Tenant from and against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees, asserted against or suffered by Contributor as a result of any such entry pursuant to Section 5.4.2. Recipient will keep the Property free from mechanic's and materialmens' liens attributable or arising from its activities on the Property. Recipient shall repair any and all damage to any portion of the Property including, without limitation, the Crops, arising out of the acts or omissions of Recipient or its representatives while on the Property or in the conduct of any evaluations or other activities contemplated by this Agreement. Recipient shall maintain comprehensive general liability and property damage insurance in an amount not less than One Million Dollars and No Cents ($1,000,000.00) covering its and its agents' advisors and employees' activities on the Property and naming Contributor and Tenant as additional insured and providing for thirty (30) days' prior written notice to Contributor of any cancellation thereof and shall, promptly after execution of this Agreement (and prior to Recipient or any of its representatives going onto the Property), deliver to Contributor proof satisfactory to Contributor that such insurance is in force and effect and that Contributor and tenant have been named as an additional insured;

b. As of the Effective Date and prior to the Closing, Contributor shall not do any of the following without Recipient's prior written consent: (i) enter into any agreement, contract or lease with respect to the Property which will survive the Closing or otherwise materially affect the use, operation or enjoyment of the Property after the Closing without Recipient's prior written consent; or, (ii) change, modify, supplement, amend or cancel any existing agreement, contract or lease with respect to the Property, including, without limitation, the Lease, without Recipient's prior written consent. Recipient's failure to approve any request for consent hereunder within five (5) business days from written request shall be deemed to be Recipient's disapproval of same;

c. To the best of Contributor's knowledge, Contributor hereby represents and warrants that there are no, and Contributor has not received any written notice that there are any, actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies existing, pending, noticed, threatened, proposed or contemplated, against the Property or against Contributor or relating to its business, properties or

assets before or by any court, administrative agency or private party including, without limitation, planned public improvements, special assessments or condemnation actions, which in any way would affect Contributor's ability to carry out its duties, obligations and/or responsibilities under this Agreement or would result in any charge being levied or assessed against, or will result in the creation of any lien or assessment on or against, the Property, except as otherwise shown in the Conditions of Title;

d. To the best of Contributor's knowledge, Contributor hereby represents and warrants as follows: (i) that neither this Agreement, nor anything provided to be done hereunder, shall violate, cause a breach of or constitute a default under any written or oral contract, agreement, instrument, indenture, mortgage, deed of trust, bank loan, credit agreement, note, evidence of indebtedness, lease, license, undertaking or other agreement or instrument to which Contributor is a party, or which affects the Property; or, (ii) that consummation of the transfer, assignment and further encumbrance contemplated herein shall not result in the violation of any applicable Law;

e. To the best of Contributor's knowledge, Contributor hereby represents and warrants that none of the Property Documents contain or shall intentionally contain any materially untrue statement of a material fact or omit or shall intentionally omit to state a material fact, necessary to make the statements of facts contained therein not misleading. Contributor shall promptly notify Recipient of any change in facts of which Contributor actually becomes aware that would make any representation and warranty of Contributor as contained herein materially incorrect. The parties also understand that such duty, obligation and responsibility to provide the foregoing notice to Recipient shall in no way relieve Contributor of any liability for a breach by Contributor of any of its covenants, representations or warranties contained in this Agreement, except that Contributor shall have no liability under this Agreement in the event of a change in circumstances that occurs after the Effective Date. In the event Contributor advises Recipient in writing of a change in circumstances that would render any representation and warranty materially misleading, Recipient shall have the right to terminate this Agreement by written notice to Contributor within three (3) business days of receipt of said information, in which event the Deposit shall be returned to Recipient, and except for the obligations that survive termination, Recipient shall have no further obligations to Contributor nor shall Contributor have any further obligation to Recipient. Should Recipient not so terminate the Agreement and proceed to Closing, Recipient shall be deemed to have waived any and all rights with respect to the inaccuracy of any such representation and warranty;

***Property Status***

f. Subject to the Conditions of Title, and to the best of Contributor's knowledge and except as may be set forth in any of the documents provided to Recipient by Contributor under Section 4.1(a), Contributor hereby represents and warrants, that Contributor has no knowledge and has not received written notice that: (x) any person or entity has a right of first refusal, right to purchase, to lease or to possess or occupy the Property; and, (y) there are no uncured breaches of the easements included in the Conditions of Title. To the best of Contributor's knowledge,

Contributor also hereby represents and warrants the following specifically with regard to the Lease: (i) any rent or additional rent due, owing and payable under the Lease has been paid in full and timely by Tenant; (ii) to the best of Contributor's knowledge, no breach exists on the part of Contributor under the Lease; (iii) except as otherwise set forth in the letter of Contributor to Tenant dated June 14, 2016, to the best of Contributor's knowledge, no breach exists on the part of Tenant under the Lease; (iv) there are no rights or options whatsoever to purchase or otherwise acquire the Property or any portion thereof under the Lease; and, (v) no person or firm other than Contributor and Tenant are in possession of the Property. Nothing contained in the Deed shall limit the foregoing warranty;

g. To the best of Contributor's knowledge, Contributor hereby represents and warrants that the Property and/or the operations thereon are not in any material violation in any way of any applicable Law, including, without limitation, any zoning restriction;

h. Except for agricultural chemicals and fuel used in agricultural operations, some of which may be considered toxic or hazardous, that have been, and continue to be legally used and stored thereon by Contributor and/or Tenant, also except as disclosed in the Property Documents, and additionally subject to the best of Contributor's knowledge, Contributor, hereby represents and warrants as follows: (i) that there are no underground storage tanks on the Property; (ii) that there are no Hazardous Materials on the Property, whether on, in or under the soil, groundwater or otherwise; (iii) that Contributor has not stored, deposited, buried or in any other way left beneath the ground on the Property any materials whatsoever, whether organic or inorganic, except in accordance with applicable Laws, including, without limitation, Environmental Laws; (iv) that there are no and have been no private or governmental claims or judicial or administrative actions or proceedings pending, or threatened, against Contributor relating to environmental impairment or regulatory requirements in connection with the Property or any operations thereon; and, (v) that there has been no release of Hazardous Materials located on or under the Property that would require notice to Recipient pursuant to California Health and Safety Code Section 25359.7;

i. With the exception of the Lease, Contributor represents and warrants that, as of the Closing, there shall be no outstanding contracts made by Contributor for any improvements to the Property which have not been fully paid, except for contracts assigned and assumed by Recipient as provided in this Agreement, or any unpaid utility charges or employee salaries or other accrued benefits relating to operations on the Property prior to the Closing Date. Contributor shall cause to be discharged as of the Closing all other encumbrances, liens, bonds and mechanics' or materialmen's liens arising from any labor and material furnished to the Property prior to the Closing;

***Party Status***

j. Contributor represents and warrants that it is not a foreign individual, foreign corporation, foreign limited liability company, foreign partnership or foreign estate as defined in the Internal Revenue Code and Income Tax Regulations. Contributor

shall deliver to the Title Company and Recipient on the Closing a duly executed Affidavit of Non-Foreign Status for each Contributor;

k. Contributor represents and warrants as follows: (i) it is a single-member limited liability company duly organized under and by virtue of the Laws of the State of Washington, is active and in good standing, authorized to do business in the State of California, and disregarded for federal income tax purposes; (ii) it has the full right and authority to enter into this Agreement, and to consummate the transfer, assignment and further encumbrance contemplated herein; (iii) the person or persons signatory to this Agreement and any documents executed pursuant hereto on behalf of Contributor have full power and authority to bind Contributor and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

l. Recipient represents and warrants as follows: (i) that Recipient is a limited partnership duly organized under and by virtue of the Laws of the State of Delaware, active and in good standing, and authorized to do business in the State of California; (ii) it has the full right and authority to enter into this Agreement, and to consummate the transfer, assignment and further encumbrance contemplated herein; (iii) that the person or persons signatory to this Agreement and any documents executed pursuant hereto on their behalf have full power and authority to bind them and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

m. Each party represents and warrants that: (i) it is not acting on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department, through its Office of Foreign Assets Control or otherwise, as a terrorist, "Specially Designated National," "Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any Law that is enforced or administered by **OFFICE OF FOREIGN ASSETS CONTROL** , a federal public agency, or another federal Governmental Agency; and, (ii) Recipient is not engaged in this transaction on behalf of, or instigating or facilitating this transaction on behalf of, any such person, group, entity or nation Notwithstanding anything contained in the foregoing to the contrary, Recipient shall have no duty to investigate or confirm that any stockholders of **GLADSTONE LAND CORPORATION**, a Maryland corporation, or unit holders of Recipient are in compliance with the provisions of this section, and any violation by any such shareholders or unit holders shall not be a breach or default by Contributor hereunder;

n. Contributor represents and warrants that it has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Contributor's creditors; (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Contributor's assets; (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Contributor's assets; or, (v) admitted in writing its inability to pay its debts as they come due;

o. Recipient represents and warrants that it is a knowledgeable, experienced, and sophisticated buyer of land and property used in agriculture and a developer of real estate, and that it is relying solely on its own expertise and that of Recipient's advisors and consultants in purchasing the Property. Recipient acknowledges and agrees that it will have the opportunity to conduct such inspections, investigations and other independent examinations of the Property and related matters, including, without limitation, the physical and environmental conditions thereof, during the Due Diligence Period and will rely upon same and not upon any statements of Contributor except as expressly set forth in this Agreement;

p. Except as otherwise provided in Section 7.5, the parties shall each be liable for their own attorneys' fees and disbursements incurred in connection with the drafting and negotiation of this Agreement and matters related thereto; and,

q. Contributor represents and warrants that all of the securities laws representations of the Contributor set forth on Exhibit "J" are true and correct.

This Section 5.1 shall survive the Closing and the recordation of the Deed. However, upon the expiration of six (6) months following the Closing, the liability of each party in connection with each representation or warranty made by it either in this Section 5.1 (other than paragraph q in reference to Exhibit "I") or elsewhere in this Agreement or in any of the documents delivered in connection with the Closing shall cease, except as regards to: (i) the liabilities of the Contributor in connection with the implied warranties made in each Deed as specified in California Civil Code Section 1113; and, (ii) as regards to the liabilities of Contributor and Recipient in connection with each breach or inaccuracy of any other representation or warranty of which a party has given written notice to the other party prior to the end of such six (6) months period. To be effective for such purpose, any such written notice must identify or refer to with reasonable particularity the circumstance or state of affairs that constitutes or has resulted in such a breach or inaccuracy by the party to whom the notice is delivered. The parties acknowledge, understand and agree that this Section 5.1 is meant to control, govern, take precedence and prevail over any applicable statute of limitations.

5.2. General Disclaimer; Release; Limitation of Damages.

5.2.1. General Disclaimer. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AND EXCEPT FOR: (a) CONTRIBUTOR'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 5.1; (b) IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113; AND/OR, (c) ELSEWHERE IN THIS AGREEMENT, RECIPIENT ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT NEITHER CONTRIBUTOR NOR ITS GENERAL PARTNER, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF (COLLECTIVELY "CONTRIBUTOR GROUP"), HAS MADE AND IS NOT NOW MAKING, AND RECIPIENT HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY GUARANTIES, REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION GUARANTIES, REPRESENTATIONS AND/OR WARRANTIES AS TO: (i) MATTERS OF TITLE; (ii) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF; (iii) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE,

UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES; (iv) WHETHER, AND TO THE EXTENT TO WHICH, THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (v) DRAINAGE; (vi) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING; (vii) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT; (viii) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, ELECTRICITY, GAS, SEWAGE AND WATER; (ix) USAGES OF ADJOINING PROPERTY; (x) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF; (xi) THE VALUE, COMPLIANCE WITH THE DESIGNS, DRAWINGS, PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF; (xii) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF; (xiii) THE PRESENCE OF HAZARDOUS SUBSTANCES IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (xiv) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE APPLICABLE LAWS, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS; (xv) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS; (xvi) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY; (xvii) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY; (xviii) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (xix) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, INCLUDING AGRICULTURE (RECIPIENT AFFIRMING THAT RECIPIENT HAS NOT RELIED ON THE SKILL OR JUDGMENT OF CONTRIBUTOR OR ANY MEMBER OF CONTRIBUTOR GROUP TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT CONTRIBUTOR MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE); OR, (xx) TAX CONSEQUENCES (INCLUDING, WITHOUT LIMITATION THE AMOUNT, USE OR PROVISIONS RELATING TO ANY TAX CREDITS). RECIPIENT ACKNOWLEDGES, UNDERSTANDS AND AGREES ALSO THAT, SUBJECT TO SECTION 5.1(e), ANY DOCUMENTATION AND/OR INFORMATION OF ANY TYPE WHICH RECIPIENT HAS RECEIVED OR MAY RECEIVE FROM CONTRIBUTOR OR ANY MEMBER OF CONTRIBUTOR GROUP, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL ASSESSMENTS, AUDITS, STUDIES AND SURVEYS, IS FURNISHED ON THE EXPRESS CONDITION THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, RECIPIENT SHALL NOT RELY THEREON, BUT SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF SUCH INFORMATION, ALL SUCH INFORMATION BEING FURNISHED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

/s/ LP
Recipient's Initials

5.2.2. Release. Recipient shall rely solely upon its due diligence upon and inspection of the Property in determining the Property's physical condition and upon the following: (a) Contributor's express representations and warranties set forth in Section 5.1; and, (b) the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement. Except for the

foregoing, Recipient waives, as of the Closing, Recipient's right to recover from Contributor or any member of Contributor Group, any and all damages, losses, liabilities, costs or expenses whatsoever, and claims therefor, whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to: (i) the physical condition of the Property; and, (ii) the Property's compliance, or lack of compliance with any applicable Laws, including, without limitation, Environmental Laws. Recipient expressly waives the benefits of California Civil Code Section 1542, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In this connection and to the extent permitted by applicable Law, Recipient hereby agrees, represents and warrants that Recipient realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Recipient further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Recipient nevertheless hereby intends, subject to Contributor's express representations and warranties set forth in Section 5.1, and the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this agreement, to release, discharge and acquit Contributor and each and every member of Contributor Group, from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Contributor by Recipient in exchange for Contributor's performance hereunder. Contributor has given Recipient material concessions regarding this transaction in exchange for Recipient agreeing to the provisions of this Section 5.2.2.

Each party has initialed this Section 5.2.2 to further indicate their awareness and acceptance of each and every provision of this Section 5.2.2.

/s/ AH  /s/ LP
Contributor's Initials  Recipient's Initials

5.2.3. Limitation of Damages; Waiver of Consequential Damages. TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND SUBJECT TO THE PROVISIONS OF SECTION 7.1 BELOW, THE PARTIES AGREE TO LIMIT THE LIABILITY OF EACH PARTY, WHETHER SINGULARLY, COLLECTIVELY OR IN ANY COMBINATION WHATSOEVER, TO THE OTHER FOR ANY AND ALL DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES WHATSOEVER, AND CLAIMS THEREFOR, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, OR FORESEEN OR UNFORESEEN, INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND DISBURSEMENTS, AND EXPERT WITNESS FEES AND COSTS, SO THAT THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY TO THE OTHER UNDER THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED THEREUNDER SHALL NOT EXCEED THE CUMULATIVE SUM OF NINETY THOUSAND DOLLARS AND NO CENTS ($90,000.00) (THE "CAP"). AGAIN TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA AND SUBJECT TO THE CAP AND THE PROVISIONS OF SECTION 7.1 BELOW, EACH PARTY ALSO AGREES TO WAIVE THE RIGHTS TO SEEK AND TO BE ENTITLED TO RECOVER FROM THE OTHER GROUP CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES. THE LIMITATION OF DAMAGES AND THE WAIVER

OF CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES CONTAINED IN THIS SECTION 5.2.3 SHALL APPLY: (a) REGARDLESS OF THE CAUSE OF ACTION OR LEGAL THEORY PLED OR ASSERTED EXCEPT FOR FRAUD; AND, (b) BOTH TO: (i) EACH PARTY'S DUTIES, OBLIGATIONS OR RESPONSIBILITIES UNDER THIS AGREEMENT; AND, (ii) TO ANY PROPERTY DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT.

/s/ AH  /s/ LP
Contributor's Initials  Recipient's Initials

5.3 Effect of Contrary Actual Knowledge on Representations. Contributor shall have no liability to Recipient by reason of any breached or inaccurate representation or warranty made by either Contributor in this Agreement, in any of the Property Documents, or in any other documents delivered in connection with the applicable Closing if, prior to such Closing, Recipient has or comes to have (from whatever source, including, due diligence investigations or inspections, or the written disclosure by a Contributor or its agents or employees) actual knowledge of such breach or inaccuracy, and Recipient nevertheless consummates the subject Closing.

5.4. Indemnification.

5.4.1. By Contributor. Subject to Sections 5.4.3 and 5.4.4, Contributor shall waive any claim against Recipient for, and shall indemnify, hold harmless and defend Recipient against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Recipient resulting from the following: (i) any breach by Contributor of this Agreement; (ii) any liability or obligation of Contributor to a third party that Recipient is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property by a third party or relating thereto occurring before the Closing (except that attributable to the negligence or intentional acts of Recipient or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Contributor herein, including, without limitation, breach of the warranty contained in Section 7.22.

5.4.2. By Recipient. Subject to Sections 5.4.3 and 5.4.4, Recipient shall waive any claim against Contributor for, and shall indemnify, hold harmless and defend Contributor against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Contributor resulting from the following: (i) any breach by Recipient of this Agreement; (ii) any liability or obligation of Recipient which Contributor is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property or relating thereto occurring on or after the Closing (except that attributable to the negligence or intentional acts of Contributor or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Recipient herein, including, without limitation, breach of the warranty contained in Section 7.22. Liability of Recipient to Contributor for Recipient's default or breach of this Agreement resulting in Recipient's failure to close the Escrow shall be governed by Section 7.1.

5.4.3. Notice of Claim or Demand. In the event either Contributor or Recipient receives notice of a claim or demand against which it is entitled to indemnification pursuant to either Section 5.4.1, or 5.4.2, as applicable, such party shall promptly give notice thereof to the other party. The party obligated to defend and indemnify shall, within ten (10) days after receipt of such notice, take such measures as may be reasonably required to properly and effectively defend such claim, and may defend same with counsel of its own choosing approved by the other party (which approval shall not be unreasonably withheld or

delayed). In the event the party obligated to defend and indemnify refuses to defend such claim or fails to properly and effectively defend such claim, then the party entitled to a defense and indemnification may defend such claim with counsel of its own choosing at the expense of the party obligated to indemnify. Each party and their counsel shall cooperate with the other party in the defense of any claim and shall keep the party being indemnified reasonably informed of the status of the claim. The party being indemnified may participate in (but not control) the defense of such action all at its own expense without right of reimbursement from the indemnifying party. In such event, the indemnified party may settle such claim without the consent of the indemnifying party.

5.4.4. Remedies to Enforce Indemnification Rights. Subject to Sections 5.1(a) and 7.2, the parties may enforce such indemnification rights by any legal or equitable remedies available to them; provided, however, that each party shall be liable to the other party in any such legal or equitable action solely for such party's actual out-of-pocket/compensatory damages but shall not be liable to such party in any manner for consequential, incidental or punitive damages, or lost profits.

5.4.5. Survival. This Section 5.4 shall survive the Closing and the recordation of the Deed, or the earlier termination of this Agreement, except that Sections 5.4.1(i) and (ii), and 5.4.2(i), (ii) and (iii) shall not survive the termination of this Agreement prior to the Closing.

5.3. Risk of Loss. Risk of loss from all causes except the fault of Recipient shall remain upon Contributor until the Close of Escrow occurs. Contributor shall continue to maintain the insurance, if any, that Contributor currently maintains on the Property until the Closing or the earlier termination of this Agreement. If, while risk of loss remains on Contributor, the Property is damaged, except through fault of Recipient, in an amount less than twenty-five percent (25%) of the Agreed Price, Recipient shall elect to either terminate this Agreement (in which event the provisions of Section 4.2(a) shall apply) or maintain this Agreement in full force (in which event the provisions of Section 4.4.1, shall apply). Damage in an amount equal to twenty-five percent (25%) or more of the Agreed Price is "material," in which event, either party shall have the right to terminate this Agreement upon written notice to the other.

## ARTICLE VI. TITLE, ESCROW AND CLOSING

6.1. Conditions of Title; Evidence of Title. Contributor shall convey title to the Property to Recipient by the Assignment, the Deed (subject only to the Conditions of Title, excluding any Title Defects which Contributor is obligated to cure hereunder) and the Lease Assignment. Delivery of title to the Land shall be evidenced by the willingness of the Title Company to issue, upon payment of its normal premium, the Title Policy.

6.2. Escrow; Closing Date. The parties acknowledge that they shall open the Escrow with the Title Company within three (3) business days of the Effective Date. The parties also agree that the parties shall execute, deliver and deposit the Escrow Instructions, if any, to the Title Company within two (2) business days after the Title Company prepares and delivers them to the parties. The parties shall consummate the transaction contemplated by this Agreement for the Property through the Escrow on or before the Closing Date. Except as set forth in Sections 7.1 and 7.2, if the Escrow does not close on or before the Closing Date, then this Agreement shall automatically terminate and the Deposit shall be retained by Contributor, and except for the obligations of either party that survive termination, the parties shall have no further obligations to one another.

6.3 Conflicting Demands. Should Title Company receive or become aware of conflicting demands or claims with respect to the Escrow, the rights of any party, or funds, documents or property deposited with Title Company, Title Company shall have the right to discontinue any further acts until such conflict is resolved to its satisfaction, and it shall have the further right to commence or defend any action for the determination of such conflict. The parties shall, immediately after demand therefore by Title Company, reimburse Title Company (in such respective proportions as Title Company shall determine) any reasonable attorneys' fees and court costs incurred by Title Company pursuant to this Section 6.3.

6.4. Deposit of Documents and Funds.

6.4.1. By Contributor. Contributor shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following documents executed and, if applicable, acknowledged by Contributor as required:

a. Duplicate originals of the Assignment to each party;

b. Original of the Deed;

c. Duplicate originals of the Lease Assignment;

d. A duly completed and executed affidavit of non-foreign status in compliance with Internal Revenue Code Section 1445 in the form attached hereto as Exhibit "G" attached hereto and incorporated herein by reference as if fully set forth at length;

e. A duly completed and executed Form 593-C in compliance with California Revenue and Taxation Code Sections 18805 and 2613 for each Contributor;

f. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing;

g. A completed Accredited Investor Questionnaire, substantially in the form attached hereto as Exhibit "I"; and

h. A counterpart signature page to the Partnership Agreement in the form attached hereto as Exhibit "K".

6.4.2. By Recipient. Recipient shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following funds and documents:

a. Cash, a cashier's check issued by a federally-insured financial institution or wire transfer to Title Company in an amount (less the Deposit previously delivered) sufficient to pay Recipient's portion of the closing and escrow charges, costs, expenses and fees pursuant to Section 6.7 and also plus an additional amount to pay any sums due and owing to Contributor pursuant to Section 6.6.1;

b. Duplicate originals of the Assignment to each party;

c. Duplicate originals of the Lease Assignment;

d. A duly completed respective preliminary change of ownership report in accordance with Revenue and Taxation Code Section 480.3 for the Land; and,

e. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing.

To the extent not delivered to Recipient as of the Closing Date, all original Property Documents shall be delivered to Recipient as of the Closing Date outside of Escrow.

6.5. Closing. No later than the Closing Date, the Title Company shall effectuate the Closing when: (i) the requirements of Section 6.4 have been satisfied; and, (ii) it is in a position to issue the Title Policy. As part of the Closing, the Title Company shall provide the following documents to the parties indicated:

a. Providing an original of the Assignment to each party;

b. Recording the Deed (marked for return to Recipient) against the Diego Ranch in the Stanislaus County Official Records;

c. Providing a copy of the duly recorded Deed to Contributor after its recordation;

d. Providing an original of the Lease Assignment to each party and a copy of same to Tenant;

e. Issuing the Title Policy for the Land to Recipient;

f. Delivering Contributor's funds after deducting therefrom the amounts necessary to pay its portion of the Closing Costs, after adjusting for prorations;

g. Obtaining written confirmation from the parties that they each have satisfied or waived all conditions outside of the Escrow prior to Closing;

h. Preparing and delivering to each party a signed copy of the Title Company's closing statement showing all receipts and disbursements of the Escrow prior to Closing; and,

i. Confirming that all disclosures and notices have been given as required by any applicable Law or Governmental Agency were given upon or prior to Closing.

6.6. Prorations.

6.6.1. Generally. If all general, special, ordinary or extraordinary real and personal ad valorem taxes and assessments which are Conditions of Title arising out or, concerning or related in any way to the Property, including, without limitation, any licenses, fees, commercial rental tax, improvement bonds, levies, or other taxes (other than inheritance, personal income or estate taxes) levied or assessed against the Property or levied by any Governmental Agency (collectively the "Taxes"), for the year of Closing are not known or cannot be reasonably estimated, and solely to the extent not payable by Tenant under the Lease,

such Taxes, if any, shall be prorated based on Taxes for the year prior to Closing. Contributor shall be responsible for all Taxes that are attributable to periods on and before the Closing Date. Recipient shall be responsible for all Taxes that are attributable to periods after the Closing Date. All costs, expenses, fees, income, payables, receivables, revenues and utilities, of the Property, including, without limitation, any payments related to the Property from the **FARM SERVICE AGENCY**, a federal public agency, and the Lease shall be prorated between the parties on the basis of the actual number of days in the month as of 12:01 a.m., Pacific Time, on the Closing, with all such credits prior to Closing attributed to Contributor and all such credits attributed to Recipient after the Closing. If the amount of any proration cannot be determined upon the Closing, the reconciliation and, if applicable, reimbursement shall be made between the parties as soon after the Closing as possible. Notwithstanding the foregoing, all prorations shall be deemed final six (6) months from the Closing.

6.6.2. Final Adjustment After Closing . If final bills are not available or cannot be issued prior to Closing for any item being prorated under Section 6.6.1, then the parties agree to allocate such items on a fair and equitable basis in accordance with Section 6.6.1 as soon as such bills are available, final adjustment to be made as soon as reasonably possible after the Closing; provided, however, such final adjustment shall be made by the date which is sixty (60) days after the Closing. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. This Section 6.6.2 shall survive the Closing and the recordation of the Deed.

6.7. Closing Costs. Closing Costs shall be allocated between the parties as set forth in Section 1.7. All other costs and expenses of Escrow and Closing shall be borne by the parties in accordance with custom and usage in the central San Joaquin Valley, California, and as set forth in the Escrow Instructions. In the event this Agreement is terminated by either party for failure of a condition set forth in this Agreement, or either party fails to Close the Escrow as provided herein, such terminating or defaulting party shall pay all charges, costs, expenses and fees of the Title Company incurred in connection with this transaction prior to such termination, including, without limitation, Escrow and title cancellation fees; provided, however, that in the event Recipient terminates this Agreement because Contributor is unwilling or unable to remove a Title Defect, Contributor shall pay all such costs and charges.

6.8. Pre-Closing Settlement Statement. At least three (3) business days prior to the Closing, the parties shall provide to Title Company as much information as is then available to enable Title Company to prepare a pre-audit settlement statement setting forth in detail all prorations and adjustments contemplated by this Agreement, including, without limitation, Sections 6.6 and 6.7, based on the information available to Title Company. Title Company shall provide such pre-audit settlement statement to the parties and their respective legal counsel no later than two (2) business days prior to the Closing and shall include therewith an indication of any specific information remaining to be provided to Title Company by the parties to enable Title Company to show all final prorations and adjustments calculated by the parties, and required by this Agreement.

6.10. Possession. Right to possession of the Property shall transfer to Recipient on the Closing, subject only to the Conditions of Title and the Lease. If applicable, Contributor shall transfer to Recipient on the Closing Date, to the extent in Contributor's control, custody or possession, the originals of all permits and other documents to be transferred to Recipient under this Agreement which have not yet been delivered to Recipient, provided that Contributor may retain copies of all or any of the foregoing documents. This Section 6.10 shall survive the Closing and the recordation of the Deed.

6.11. Notice to Tenant . Immediately after the Closing, the parties understand and agree that Recipient shall cause a "Notice to Tenant" to be sent to Tenant, informing it of the conveyance of title to the

Property from Contributor to Recipient as of the Closing in substantially the same form attached hereto as Exhibit "H" and incorporated herein by reference as if fully set forth at length. This Section 6.11 shall survive the Closing and the recordation of the Deed.

## ARTICLE VII. MISCELLANEOUS PROVISIONS

7.1. Default by Recipient; Liquidated Damages. IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE TO THE DEFAULT OR BREACH BY RECIPIENT UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY RECIPIENT OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY CONTRIBUTOR), THE PARTIES AGREE THAT CONTRIBUTOR SHALL BE PAID THE DEPOSIT AND ANY INTEREST ACCRUED THEREON AS LIQUIDATED DAMAGES, WHICH SUM THE PARTIES AGREE IS A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE AMOUNT TO THE RANGE OF HARM TO CONTRIBUTOR THAT REASONABLY COULD BE ANTICIPATED, AND THE ANTICIPATION THAT PROVING ACTUAL DAMAGES WOULD BE COSTLY, IMPRACTICABLE AND EXTREMELY DIFFICULT. THE PARTIES FURTHER AGREE THAT, EXCEPT AS TO RECIPIENT'S OBLIGATION OF INDEMNITY AND DUTY TO DEFEND IN SECTION 5.1(a), SUCH AMOUNT SHALL BE THE SOLE DAMAGES, AND THE SOLE AND EXCLUSIVE REMEDY OF CONTRIBUTOR, LEGAL, EQUITABLE OR OTHERWISE, INCLUDING SPECIFIC PERFORMANCE, DAMAGES AND ALL OTHER LEGAL OR EQUITABLE REMEDIES, AS A RESULT OF THE CLOSING NOT OCCURRING BY THE CLOSING DATE DUE TO RECIPIENT'S DEFAULT OR BREACH UNDER THIS AGREEMENT, AND THAT, IN SUCH EVENT, RECIPIENT SHALL HAVE NO FURTHER RIGHT TO PURCHASE THE PROPERTY OR OTHER RIGHTS UNDER THIS AGREEMENT, THROUGH SPECIFIC PERFORMANCE OR OTHERWISE. THE PARTIES FURTHER AGREE THAT THIS SECTION 7.1 SHALL SPECIFICALLY CONSTITUTE A WAIVER OF CONTRIBUTORS RIGHT TO SPECIFIC PERFORMANCE, AS SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389 AND ANY INTERPRETIVE CASE LAW UNDER SUCH SECTIONS, INCLUDING BLEECHER V. CONTE (1981) 29 CAL.3D 345. THE PARTIES FURTHER AGREE THAT RETENTION OF THE DEPOSIT BY CONTRIBUTOR AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CONTRIBUTOR PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. IN PLACING THEIR INITIALS AT THE PLACES PROVIDED BELOW, EACH PARTY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS EITHER REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS MADE, OR WAS ADVISED TO SEEK INDEPENDENT LEGAL ADVICE REGARDING THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE SOLELY TO SUCH A DEFAULT OR BREACH BY RECIPIENT UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY RECIPIENT OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY CONTRIBUTOR), THEN CONTRIBUTOR MAY COLLECT SUCH LIQUIDATED DAMAGES FROM RECIPIENT BY MAKING WRITTEN DEMAND ON RECIPIENT AND THE TITLE COMPANY, IF THE DEPOSIT IS BEING HELD BY THE TITLE COMPANY.

UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL MEMBER, DIRECTOR, MANAGER, OFFICER OR EMPLOYEE OF RECIPIENT HAVE ANY LIABILITY ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

/s/ AH /s/ LP
Contributor's Initials Recipient's Initials

7.2. Default by Contributor. In the event the Closing and the consummation of a transaction contemplated by this Agreement does not occur as a result of any default by Contributor, Recipient's sole remedies shall be to either: (i) terminate this Agreement and receive a refund of the Deposit together with reimbursement of actual third party out of pocket costs incurred by Recipient in connection with its "due diligence" investigation of the Property in an aggregate sum not to exceed Ten Thousand Dollars and No Cents ($10,000.00); or, (ii) file an action against Contributor for specific performance of this Agreement. Recipient's failure to file an action for specific performance within ninety (90) days of any claimed breach by Contributor shall be deemed to be a waiver of that remedy. In no event shall Recipient be entitled to or seek any form of monetary damages from Contributor, including but not limited to punitive, compensatory, general, special and/or incidental damages, except as set forth in this Section 7.2. Under no circumstances shall Contributor's agents, conservators, directors, employees, guardians, managers, members, officers, representatives stockholders or trustees, as applicable, have any liability to Recipient for any claims made by Recipient arising out of or connected to this Agreement.

7.3. Limitation of Liability. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY'S GENERAL PARTNERS, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF, HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE. THE FOREGOING LIMITATION ON LIABILITY SHALL SURVIVE THE CLOSING AND THE RECORDATION OF THE DEED, OR ANY EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT DIMINISH OR OTHERWISE AFFECT THE PARTY'S WAIVERS AND RELEASES IN ANY OTHER CONDITION, PROVISION OR TERM OF THIS AGREEMENT.

/s/ AH /s/ LP
Contributor's Initials Recipient's Initials

7.4. Remedies Exclusive; Exercise of Remedies. The remedies specified herein for the enforcement of this Agreement are exclusive; provided, however, nothing contained herein is intended to abrogate, modify or affect either party's right to be indemnified, held harmless and defended as expressly set forth in this Agreement, it being understood that such obligations of the parties shall survive termination of this Agreement and, if applicable, the Closing and the recordation of the Deed. The exercise of any right or remedy by either party pursuant to this Agreement shall not in any way constitute a cure or waiver of any default hereunder, invalidate any act done pursuant to any notice of default, or prejudice either party in the exercise of any of their respective rights pursuant to this Agreement.

7.5. Attorneys' Fees and Disbursements. In the event of any arbitration, litigation or other dispute between the parties in connection with the interpretation, performance or enforcement of this Agreement,

the prevailing party in such arbitration, litigation or other dispute shall be entitled, in addition to equitable relief or damages or both or other relief, to be reimbursed by the nonprevailing party for all reasonable costs and expenses of the arbitration, litigation, or other dispute including, without limitation, arbitration costs, arbitrator's fees court costs, expert witness fees, investigation costs and such reasonable attorneys' fees and disbursements, incurred therein by such prevailing party or parties and, if such prevailing party or parties shall recover judgment in any such action or proceedings, such costs, expenses and attorneys' fees may be included in and as a part of such judgment. The prevailing party or parties shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. If no costs of suit are awarded, the arbitrator(s) or court, as applicable, shall determine the prevailing party. Notwithstanding the foregoing, in the event the parties agree to mediate a dispute, each party shall pay its own costs and expenses, including attorney's fees and disbursements, of mediation.

7.6. Notices. All notices, demands, or other communications that either party desires or is required or permitted to give or make to the other party under or pursuant to this Agreement (collectively referred to as "notices") shall be made or given in writing and shall either be: (i) personally served; (ii) sent by registered or certified mail, postage prepaid, return receipt requested; (iii) sent by facsimile ("fax") or electronic mail ("email"); or, (iv) sent by a nationally recognized commercial delivery service or courier (such as Federal Express). All notices shall be addressed or faxed to or sent via e-mail to or personally served on the parties as set forth in Section 1.8. Counsel for a party may give notice on behalf of that party. Notices given by a party pursuant to the alternative methods described in this Section 7.6 shall be deemed to have been delivered to and received by the other party at the following times: (a) for notices personally served, on the date of hand delivery to the other party or its duly authorized employee, representative, or agent; (b) for notices given by registered or certified mail, on the date shown on the return receipt as having been delivered to and received by the other party or parties; (c) for notices given by fax or email, on the date the notice is faxed or sent by e-mail to the other party or parties; provided, however, that notices given by fax or e-mail, shall not be effective unless either: (i) a duplicate copy of such faxed notice is promptly given by first-class mail, postage prepaid, or commercial courier, and addressed as provided above, or (ii), in the case of a fax, the sending party's facsimile equipment is capable of providing a written confirmation of the receiving party's receipt of such notice; provided further, however, any notice given by fax or e-mail shall be deemed received on the next business day if such notice is received after 5:00 p.m. (recipient's time) or on a nonbusiness day; or, (d) for notices delivered by commercial courier, on the day on which same has been delivered by the courier as evidenced by the receipt provided by such courier to the party giving notice. Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this Section 7.6, and that any person to be given notice actually receives such notice. A party may change or supplement its designated agent, address, or fax number given above, or designate additional agents, addresses or fax numbers for notice purposes, by giving notice to the other party in the manner set forth in this Section 7.6, provided that any such address change shall not be effective until five (5) days after the notice is delivered or received by the other party.

7.7. Survival of Covenants. Subject to Sections 5.1 and 5.2, each of the covenants contained in this Agreement shall, to the extent applicable, survive the performance of the executory provisions of this Agreement, the Closing, and the recordation of the Deed, which will not effectuate a merger of interests unless otherwise expressly noted.

7.8. Further Assurances. The parties shall in good faith cooperate with each other in satisfying all conditions contained in this Agreement, including, without limitation, executing any and all documents required to be executed by Contributor as record owner of the Property to accomplish any verifications, approvals or determinations. Contributor specifically shall cooperate in good faith with Recipient in satisfying all conditions contained in Article IV, including, without limitation, the execution of any and all documents

required to be executed by Contributor as record owner of the Property to accomplish any verifications, approvals or determinations. Each party shall execute and deliver any and all additional papers, documents or other assurances and shall perform any further acts that may be reasonably necessary to carry out the intent of the parties and the provisions of this Agreement.

7.9. Binding Effect. Subject to Section 7.10, this Agreement shall inure to and for the benefit of and be binding upon each party's respective parent, subsidiary or affiliated organizations, administrators, agents, attorneys, beneficiaries, conservators, custodians, directors, employees, executors, guardians, heirs, independent contractors, joint venturers, members, officers, partners, predecessors, representatives, servants, stockholders, successors, trustees and all others acting for, under, or in concert with it, including associations, corporations, limited liability companies, and general or limited partnerships, present and future.

7.10. Assignability. Notwithstanding Section 7.9, any assignment by either party of its rights and duties, obligations and responsibilities under this Agreement shall be subject to the other party's prior written consent, exercisable in its sole and absolute discretion, provided that no such assignment shall relieve the assigning party of its duties, obligations and responsibilities under this Agreement; provided, however, that notwithstanding anything herein to the contrary, Recipient shall be entitled to direct the Contributor to convey the Property at Closing to an entity that is, directly or indirectly, wholly owned and controlled by Recipient.

7.11. No Third Party Beneficiary. This Agreement is made for the sole benefit of the parties and their respective successors and permitted assigns and no other person or persons shall have any right of action hereon.

7.12. Entire Agreement. This Agreement, including the attached exhibits (all of which are incorporated by this reference), supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such matter, and each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement, including the attached exhibits, shall be valid or binding. The exhibits are an integral part of this Agreement.

7.13. Modification. This Agreement may be modified only by a written document signed by the parties.

7.14. Partial Invalidity. If any condition, covenant, provision or term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each remaining condition, covenant, provision or term of this Agreement shall be valid and shall be enforced to the fullest extent permitted by Law it being the intent of the parties each to receive the material benefit of their bargain.

7.15. Waiver. Notwithstanding any agreement between the parties, the waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or waiver of any subsequent breach whether of the same or another provision thereof.

7.16. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the internal Laws, and not the Law of conflicts, of the State of California, where it is to be executed, delivered and performed. This Agreement is entered into and is to be performed in Kern County, California,

and accordingly the only appropriate venue for a dispute under this Agreement is in the Kern County Superior Court, Metropolitan District. The parties hereby expressly consent to the jurisdiction by the Kern County Superior Court, Metropolitan District.

7.17. No Recordation of Memorandum of Agreement. The parties agree that no memorandum of this Agreement shall be recorded against the Property in either the Stanislaus County Official Records. Upon the termination of this Agreement without consummating the transaction contemplated thereunder, Recipient agrees to execute and acknowledge and then record quitclaim deeds in favor of Contributor in the Stanislaus County Official Records.

7.18. Time of the Essence. Time is of the essence under this Agreement.

7.19. Separate Counterparts; Facsimile & Electronic Signatures. This Agreement shall be executed in two (2) separate counterparts, each of which, when so executed, shall be deemed to be an original and to constitute the one and same contract. This Agreement may be signed and signatures transmitted by facsimile, and any such facsimile copy shall be equivalent to a binding signed original for all purposes, and the party transmitting facsimile signatures shall transmit original "hard copies" of the signature pages as provided in Section 7.6 within twenty-four (24) hours after transmission of such facsimile copy. This Agreement may also be executed electronically, whether using an electronic signature and delivery service such as DocuSign or eSignLive, or by use of electronically copied/saved and transmitted executed documents, such as by emailing a PDF of the signed document. The Parties expressly agree that the actual execution and delivery of this Agreement by electronic means shall specifically be governed by the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C § 7001, and the governing law applicable to the remainder of the agreement shall be as otherwise stated herein.

7.20. Warranties of the Parties. Each party understands, acknowledges, agrees, represents and warrants to the other party that it has received independent legal advice from its attorneys with respect to the advisability of entering into this Agreement or has intentionally elected not to seek the advice of counsel and has carefully reviewed and considered the terms and conditions of this Agreement, that it is empowered to execute this Agreement, and that its execution of this Agreement is free and voluntary.

7.21. Authority of the Parties. Where required in this Agreement or by the Title Company, the parties shall deliver documentation that authorizes the transaction contemplated herein and also evidences the authority of the individuals or officers who are empowered to execute and carry out the terms of this Agreement.

7.22. Broker's Commissions. Each party represents and warrants to the other parties that there is no broker, finder or intermediary with whom they have dealt in connection with the transaction contemplated under this Agreement. In the event of any such claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, the party through whom said broker, salesman or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorney's fees, that may be incurred by such other party in connection with such claim. The foregoing indemnity shall survive the Closing and the recordation of the Deed.

7.23. Confidentiality. Recipient entered into a non-disclosure agreement with Contributor effective as of March 11, 2016 ("NDA"). The NDA is hereby incorporated by reference. Prior to Closing, the parties shall hold as confidential and shall not disclose to any third party either the conditions, covenants, provisions or terms of this Agreement, the transaction contemplated under this Agreement, activities and

information acquired during the Due Diligence Period related to Contributor, Tenant or the Property and Recipient shall not disclose to any third party any information received, obtained or discovered relating in any manner to the Property, Contributor and Tenant, unless such disclosure is made to either party's financial, legal or tax advisors, partners, members, and investors on a confidential basis, is required by applicable Law or the other party consents in writing to the disclosure, without first obtaining the written consent of the other party.

7.24 Rule 3-14 Audit. Contributor agrees to reasonably cooperate, at no cost or expense to Contributor, with Recipient in connection with any SEC Regulation SX Rule 3-14 audit that Recipient may conduct with respect to the Property within one (1) year after the Closing Date.

7.26. Effectiveness. This Agreement shall become effective as of the Effective Date upon its execution and delivery by all of the parties.

DATED: September 13, 2016

**SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Contributor")

By: /s/ Alan Heuberger
[*Print*] Alan Heuberger
Its: Authorized Signatory

DATED: September 13, 2016

**GLADSTONE LAND LIMITED PARTNERSHIP**, a Delaware limited partnership ("Recipient")

By: GLADSTONE LAND PARTNERS, LLC, a Delaware limited liability company
Its: General Partner

By: GLADSTONE LAND CORPORATION, a Maryland corporation
Its: Manager

By: /s/ Lewis Parrish
[*Print*]: Lewis Parrish
Its: CFO

**ACCEPTANCE BY TITLE COMPANY:**

Title Company hereby acknowledges that it has received a fully executed counterpart of this Agreement and agrees to act as Title Company thereunder and to be bound by and perform the terms thereof as such terms apply to Title Company.

DATED: September 13, 2016

**CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation ("Title Company")

By: /s/ Melodie Rochelle
MELODIE T. ROCHELLE
Its: Vice President, Sr. Commercial Title Officer

**EXHIBITS**

| EXHIBIT | NAME OF EXHIBIT |
|---|---|
| "A" | LEGAL DESCRIPTION OF THE LAND |
| "B" | THE EXCLUDED IMPROVEMENTS |
| "C" | THE FORM OF THE ASSIGNMENT |
| "D" | THE FORM OF THE DEED |
| "E" | THE FORM OF LEASE ASSIGNMENT |
| "F" | THE FORM OF THE TENANT ESTOPPEL CERTIFICATE |
| "G" | THE FORM OF THE FEDERAL FIRPTA CERTIFICATE |
| "H" | THE FORM OF THE NOTICE TO TENANT |
| "I" | THE ACCREDITED INVESTOR QUESTIONNAIRE |
| "J" | SECURITIES LAW REPRESENTATIONS |
| "K" | COUNTERPART SIGNATURE PAGE TO PARTNERSHIP AGREEMENT |

**EXHIBIT "A"**

**Legal Description of the Land**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL ONE:**

THAT PORTION OF SECTION 14, TOWNSHIP 4 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING IN STANISLAUS COUNTY.

Stanislaus County Assessor's Parcel No.: 020-010-003

**PARCEL TWO:**

THAT PORTION OF THE WEST HALF OF SECTION 13, TOWNSHIP 4 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING IN STANISLAUS COUNTY.

Stanislaus County Assessor's Parcel No. 020-010-004

Stanislaus County Assessor's Parcel Nos. 020-010-003 and -004

**EXHIBIT "B"**

**The Excluded Improvements**

**EXHIBIT "C"**

**The Form of the Assignment**

**EXHIBIT "D"**

**The Form of the Deed**

**EXHIBIT "E"**

**The Form of the Lease Assignment**

**EXHIBIT "F"**

**The Form of the Tenant Estoppel Certificate**

**EXHIBIT "G"**

**The Form of the Federal FIRPTA Certificate**

**EXHIBIT "H"**

**The Form of the Notice to Tenant**

**EXHIBIT "I"**

**ACCREDITED INVESTOR QUESTIONNAIRE**

The undersigned (the "**Contributor**") hereby certifies to Gladstone Land Limited Partnership, a Delaware limited Partnership (the " **Partnership**"), that as of [●], 2016 (the "**Certification Date**"), one or more of the following categories of "accredited investor" (as defined in Rule 501(a) of the Securities and Exchange Commission (the "**SEC**")) correctly describes the undersigned, and the undersigned has indicated in the appropriate place which provision(s) below so describe(s) the undersigned (***check all that apply***):

___ A natural person whose individual net worth, or joint net worth with such person's spouse, is in excess of $1,000,000. For purposes of this determination, (i) such person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by such person's primary residence, up to the estimated fair market value of the primary residence as of the date hereof, shall not be included as a liability (except that if the amount of such indebtedness outstanding as of the date hereof exceeds the amount that was outstanding on the date 60 days prior to the date hereof, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by such person's primary residence in excess of the estimated fair market value of the primary residence as of the date hereof shall be included as a liability.

___ A natural person who had an individual income in excess of $200,000 or joint income with such person's spouse in excess of $300,000 in each of the last two calendar years and who reasonably expects to reach the same income level in the current calendar year.

___ A corporation, Massachusetts or similar business trust, partnership, limited liability company, or organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, not formed for the specific purpose of acquiring a limited partnership interest in the Partnership, with total assets in excess of $5,000,000.

___ A bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**")) or a savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Securities Act), whether acting in regard to this investment in its individual or a fiduciary capacity.

___ A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

___ An insurance company (as defined in Section 2(a)(13) of the Securities Act).

___ An investment company registered under the Investment Company Act of 1940, as amended (the " **Investment Company Act**").

___ A business development company (as defined in Section 2(a)(48) of the Investment Company Act).

___ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

___ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if the plan has total assets in excess of $5,000,000.

___ An employee benefit plan (an "**ERISA Plan**") within the meaning of Title I of Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), whose decision to purchase a limited partnership interest in the Partnership was made by a plan fiduciary (as defined in Section 3(21) of ERISA) that is either a bank, savings and loan association, insurance company or registered investment adviser.

___ An ERISA Plan with total assets in excess of $5,000,000.

___ A private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940).

___ A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring a limited partnership interest in the Partnership, whose purchase of such limited partnership interest is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act.

___ An entity in which all of the equity owners fit into at least one of the categories checked above.

___ None of the above apply.

DATED: September____, 2016

**SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Contributor")

By: _____
[*Print*] _____
Its: _____

**EXHIBIT "J"**

**SECURITIES LAW REPRESENTATIONS**

1. **Representations.** In deciding to engage in the Transactions, including the acquisition of the OP Units, neither the Contributor nor any equity holder thereof is relying upon any representations made to it by the Recipient Parties, or any of their respective partners, officers, employees, or agents that are not contained herein. The Contributor is aware of the risks involved in investing in the OP Units and in the shares of common stock, par value $0.01 per share, of the REIT ("Common Stock") that may be issuable at the REIT's election upon redemption of such OP Units in accordance with the Partnership Agreement.

2. **No Registration.** The Contributor and each equity holder thereof understands that the offer and sale of the OP Units have not been registered under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the "Act") or any state securities laws, and are instead being offered and sold in reliance on an exemption from such registration requirements and that the REIT's and the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor contained herein.

3. **Investment Intent.** The Contributor is acquiring the OP Units solely for its own account for the purpose of investment and not as a nominee or agent for any other person and not with a view to, or for offer or sale in connection with, any distribution of such OP Units. The Contributor agrees and acknowledges that except as permitted by the Partnership Agreement and this Contribution Agreement, it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (each, a "Transfer") any of the OP Units, unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, or (ii) counsel for the Contributor (which counsel shall be reasonably acceptable to the REIT) shall have furnished the REIT and the Operating Partnership with an opinion, reasonably satisfactory in form and substance to the REIT and the General Partner, to the effect that no such registration is required because of the availability of an exemption from registration under the Act. The Contributor acknowledges the additional restrictions on Transfer imposed by the REIT Charter and the Partnership Agreement.

4. **Knowledge.** The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by applicable securities laws and as described in this Agreement and the Partnership Agreement. The Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units; the Contributor has received and reviewed all information and documents about or pertaining to the REIT and the Operating Partnership, the business and prospects of the REIT and the Operating Partnership, and the issuance of the OP Units, as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions and receive answers about such information and documents, the REIT, the Operating Partnership, the business and prospects of the REIT and the Operating Partnership, and the OP Units, which the Contributor deems necessary or desirable to evaluate the merits and risks related to its investment in the OP Units.

5. **Holding Period; Restrictions.** The Contributor acknowledges that it has been advised that: (i) the OP Units issued pursuant to this Agreement are "restricted securities" (unless registered in accordance

with applicable U.S. securities laws) under applicable federal securities laws and may be disposed of only pursuant to an effective registration statement or an exemption therefrom and the Contributor understands that the Operating Partnership has no obligation or intention to register the issuance or the resale of any of the OP Units); accordingly, the Contributor may have to bear indefinitely the economic risks of an investment in the OP Units; (ii) a restrictive legend in the form hereafter set forth shall be placed on the OP Unit certificates (if any); and (iii) a notation shall be made in the records of the Operating Partnership or the applicable transfer agent, if any, indicating that the OP Units are subject to restrictions on transfer and ownership, including those set forth in the Partnership Agreement.

6. **Value.** The Contributor understands that no federal agency (including the Securities and Exchange Commission) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units.

7. **Lack of Market for OP Units.** The Contributor understands that there is no established public, private or other market for the OP Units to be acquired by the Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

8. **Legend on Certificates Representing Shares of Common Stock.** The Contributor acknowledges that any certificate representing shares of Common Stock that may be issuable at the REIT's election upon redemption of OP Units shall bear, the following legend, together with any legends required by the REIT Charter:

> THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, (II) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (IV) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND IN CASE (I) OR (II), UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

9. **Legend on Certificates Representing OP Units.** Each OP Unit certificate, if any, issued pursuant to this Agreement shall bear the following legend:

THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, (II) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (IV) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND IN CASE (I) OR (II), UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

THIS CERTIFICATE IS NOT NEGOTIABLE. THE LIMITED PARTNERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE ARE GOVERNED BY AND TRANSFERABLE ONLY IN ACCORDANCE WITH (A) THE PROVISIONS OF THE FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF GLADSTONE LAND LIMITED PARTNERSHIP, AS AMENDED, SUPPLEMENTED OR RESTATED FROM TIME TO TIME AND (B) ANY APPLICABLE FEDERAL OR STATE SECURITIES OR BLUE SKY LAWS.

**EXHIBIT "K"**

## COUNTERPART SIGNATURE PAGE TO PARTNERSHIP AGREEMENT

The undersigned has thoroughly and carefully read the First Amended and Restated Agreement of Limited Partnership of Gladstone Land Limited Partnership, a Delaware limited partnership, dated as of October 7, 2014, and hereby adopts, agrees and assents to all provisions of said First Amended and Restated Agreement of Limited Partnership, as modified and amended.

**CONTRIBUTOR:**

**SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Contributor")

By: _____
[*Print*] _____
Its: _____

20319158.4

**REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS**

**(NEVADA RANCH)**

**by and between**

**SAN JOAQUIN FARMS, LLC,**
**a Washington limited liability company authorized**
**to do business in the State of California as**
**WASHINGTON SAN JOAQUIN FARMS, LLC,**

**"Seller,"**

**and**

**NEVADA RANCH MERCED, LP,**
**a Delaware limited partnership**

**or its assignee(s) and/or nominee(s), collectively "Buyer,"**

**DATED SEPTEMBER 13, 2016**

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**REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS**

**(NEVADA RANCH)**

This REAL PROPERTY PURCHASE AND SALE AGREEMENT, AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is dated and effective as of this thirteenth (13th) day of September, 2016 (the "Effective Date"), between **SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Seller"), and **NEVADA RANCH MERCED, LP,** a Delaware limited partnership, or its assignee(s) and/or nominee(s), (collectively "Buyer") who agree and contract as described below. Seller and Buyer are referred to singularly as a "party" and collectively as the "parties" on a generic basis.

**Recitals**

This Agreement is made and entered into in reliance on the accuracy of the following facts and circumstances, which are acknowledged by the parties to be accurate, complete and true:

A. Seller is the owner in fee of that certain agricultural real property referred to as the "Nevada Ranch" consisting of approximately one thousand one hundred twenty-six and eighty hundredths (1,126.80 assessed acs.), located in Merced County, California, identified as Merced County Assessor's Parcel Nos. 068-130-028, -029, -031, -032, -033, -034 and -044, and legally described in Exhibit "A" and incorporated herein by reference as if fully set forth at length (the "Land");

B. Seller, as the landlord, leases the Land to **OLAM FARMING, INC.**, a Delaware corporation authorized to do business in the State of California ("Tenant") pursuant to their "Agricultural Lease (Nevada Ranch)" dated August 7, 2012, which also was memorialized by the "Memorandum of Agricultural Lease (Nevada Ranch -- Merced County)" between Seller and Tenant dated August 7, 2012, and recorded as Document No. 2012-027857 in the Merced County Official Records on August 7, 2012 (the "Lease");

C. The term "Property" means singularly or collectively, on a generic basis, the following: (i) the Land; (ii) the Appurtenant Rights (as defined in Section 2.3); (iii) the Lease; (iv) any and all oil, gas, minerals and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Property, and owned by Seller and not reserved in prior deeds of record, if any; and, (v) any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock in, relating to or concerning the Land, or within or underlying the Land, and owned by Seller and not reserved or excepted in prior deeds of record, if any, and which are assignable to and assumable by Buyer;

D. The Property does not include, and specifically excludes, any tangible personal property. The Property also does not include, and specifically excludes, any and all amenities, betterments, buildings, fixtures, structures and other improvements thereon, whether above-or belowground, if any, including, without limitation, almond trees, wells, pumps, motors, electrical panels, electrical hookups, water conveyance and discharge facilities, pipelines and irrigation systems (the "Excluded Improvements"). The significant Excluded Improvements are described in Exhibit "B," attached hereto and incorporated herein by reference as if fully set forth at length, and for the most part belong to the respective Tenant of the Property;

E. The Property is primarily planted to almond trees; and,

F. F. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, pursuant to the conditions, covenants, provisions and terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and of other good and valuable consideration, the receipt and sufficiency of which they expressly acknowledge, the parties agree and contract as follows:

**The Agreement**

ARTICLE I. THE PRIMARY TERMS

| The following terms shall have the meanings specified, when used in this Agreement: | |
|---|---|
| **1.1. PURCHASE PRICE AND ALLOCATION** | **1.1.1. Purchase Price.** The Purchase Price is the sum of Thirteen Million Two Hundred Thirty One Thousand Eight Hundred Thirty Two Dollars and No Cents ($13,231,832.00) payable in either cash, cashier's check, or by wire transfer to Seller. |

| | |
|---|---|
| | **1.1.2. <u>Allocation</u>.** The Purchase Price shall be allocated amongst the legal parcels of the Property pursuant to Section 3.4 |
| **1.2. THE DEPOSIT** | Buyer shall pay an initial deposit into Escrow in the amount of One Hundred Forty Thousand Dollars and No Cents ($140,000.00) (the "**Deposi**t"). The Deposit shall be deposited into an interest bearing account proposed by Title Company and approved by the parties on or before one (1) business day after the Effective Date. At Closing, the Deposit shall be applicable to the Purchase Price. Subject to the terms and provisions of this Agreement, the Deposit shall be: (i) considered nonrefundable after the expiration of the Due Diligence Period (as defined in Section 1.3) if Buyer does not terminate this Agreement within the Due Diligence Period; (ii) returned to Buyer if it terminates this Agreement within the Due Diligence Period; or, (iii) returned to Buyer in the event of a Seller default pursuant to Section 7.2. Interest shall inure to the Buyer. |
| **1.3 DUE DILIGENCE PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016 ("Due Diligence Period")**. |
| **1.4. TITLE REVIEW PERIOD** | Commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, on **September 13, 2016** ("**Title Review Period**"). |
| **1.5. CLOSING** | The consummation of the transaction contemplated by this Agreement and the Escrow that shall occur on the Closing Date (as defined in Section 1.6). |
| **1.6. CLOSING DATE** | Subject to Section 3.6, if this Agreement is not terminated within the Due Diligence Period by Buyer, the Closing shall occur on Tuesday, September 13, 2016. |

**1.7. CLOSING COSTS**

**Closing costs shall be allocated and paid by the parties as follows:**

| Cost, Expense or Fee | Responsible Party |
|---|---|
| The Preliminary Title Report (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| Premium for the Title Policy (as defined in Section 2.3). | Fifty percent (50%) by each party. |
| Premium for any costs of Title Policy attributable to ALTA Extended Coverage and any endorsements desired by Buyer, any inspection fee charged by the Title Company, tax certificates, municipal and utility lien certificates, and any other Title Company charges. | Buyer |
| Premium for any costs of a lender's policy of title insurance required by any lender providing financing for Buyer's purchase of the Property, if any. | Buyer |
| Costs of Survey and/or any revisions, modifications or re-certifications thereto. | Buyer |
| Costs for UCC and other similar judgment or lien searches, if any. | Fifty percent (50%) by each party. |
| Costs of recording the Grant Deed (as defined in Section 2.3), including recording fees and documentary transfer taxes, and costs of recording lien releases or reconveyances releasing Property as collateral for Seller's debts. | Fifty percent (50%) by each party. |
| All other recording costs, expenses and fees, provided that each party shall pay its own attorney's fees. | Fifty percent (50%) by each party. |
| Any escrow fee charged by Title Company for holding the Deposit (as defined in this Article I) or conducting the Closing. | Fifty percent (50%) by each party. |
| All other closing charges, costs, expenses and fees. | Fifty percent (50%) by each party. |

| | | | |
|---|---|---|---|
| | **1.8. NOTICE ADDRESSES** | **Seller:** Mr. Neil Jehle<br>Asset Manager<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>Telephone No. (425) 296-5510<br>Telefax No. (425)803-0459<br>Email: neilj@cottonwoodag.com<br><br>With a copies to:<br><br>Scott R. Vokey, Esq.<br>COTTONWOOD AG MANAGEMENT, LLC<br>2365 Carillon Point<br>Kirkland, Washington 98033<br>&<br>P. O. Box 654<br>Kirkland, WA 98093<br>Telephone No. (425) 889-7947<br>Telefax No. (425) 803-0459<br>Emails: scottv@bmgigroup.com<br>juleep@bmgigroup.com<br>legal@bmgigroup.com<br><br>Charles D. Melton, Esq.<br>Partner<br>CLIFFORD & BROWN,<br>A PROFESSIONAL CORPORATION<br>1430 Truxtun Avenue, Suite 900<br>Bakersfield, California 93301-5230<br>Telephone No. (661) 322-6023, Ext. 118<br>Telefax No. (661) 322-3508<br>Email: cmelton@clifford-brownlaw.com | |
| | | **Buyer:** Mr. Bill Reiman<br>Managing Director<br>GLADSTONE LAND CORPORATION<br>1521 Westbranch Drive, Suite 100<br>McLean, Virginia 22102<br>Telephone No. (805) 263-4778<br>Email: bill.r@gladstoneland.com<br><br>Robert P. McDaniel, Jr.<br>BASS, BERRY & SIMS, PLC<br>100 Peabody Place, Suite 1300<br>Memphis, Tennessee 38103<br>Telephone No. (901) 543-5946<br>Telefax No. (888) 765-6437<br>Email: rmcdaniel@bassberry.com | |
| | | **Title Co.:** Melodie T. Rochelle<br>Chicago Title Insurance Company<br>5516 Falmouth St., Ste. 200<br>Richmond, VA 23230<br>Telephone No. (804) 521-5713<br>Telefax No. (804) 521-5756<br>Email: melodie.rochelle@fnf.com | |

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## ARTICLE II. CONSTRUCTION; DEFINITIONS

2.1. Generally. Unless the provisions or context otherwise require, Article I and this Article II shall govern the construction and interpretation of this Agreement and all documents executed and delivered pursuant to it. The captions of this Agreement's articles and sections do not define in any manner their scope, meaning or intent. All exhibits referred to in this Agreement or any documents executed and delivered pursuant to it are deemed to be incorporated by reference as if fully set forth at length. The present tense includes the past and future tenses, and the future tense includes the present tense. The masculine, feminine or neuter gender are deemed to include the other. The singular or plural number are deemed to include the other. The words "shall" and "agrees" are mandatory, and "may" is permissive. The term "person" includes individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words

"approval," "consent" and "notice" shall be deemed to be preceded by the word "written." Locative adverbs such as "herein," "hereto" and "hereunder" shall refer to this Agreement in its entirety and not to any particular paragraph, provision or section. The parties acknowledge, understand and agree that their respective agents and representatives executing this Agreement on behalf of each of the parties are learned and conversant in the English language, and that the English language shall control the construction, enforcement, governance, interpretation and performance of this Agreement. The parties acknowledge that each party and its counsel, if applicable, have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. The time in which any act under this Agreement is to be done shall be computed by excluding the first (1st) day and including the last day. If the last day of any time period shall fall on a Saturday, Sunday or a federal and/or State of California bank holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or a federal and/or State of California bank holiday. Unless preceded by the word "business," the word "day" shall mean a "calendar" day. The phrase "business day" shall mean a day that is not a Saturday, Sunday, or a federal and/or State of California bank holiday.

2.2. Opinions and Determinations; Approval in Writing . Where the conditions, provisions or terms of this Agreement provide for action to be based on the approval, certification, consent, determination, judgment, opinion or review, of any party, such conditions, provisions or terms are not intended to be and shall not be construed as permitting such approval, certification, consent, determination, judgment, opinion or review to be arbitrary, capricious or unreasonable, nor shall such approval, certification, consent, determination, opinion or review be unreasonably conditioned, delayed or withheld except as expressly set forth in this Agreement. Any document or condition requiring a party's approval shall be transmitted in writing to the other party.

2.3. Definitions. Capitalized terms not otherwise defined below shall have the meanings provided in Article I.

Agreement. "Agreement" has the meaning defined in the opening paragraph of this Agreement.

Appurtenant Rights. "Appurtenant Rights" means singularly and collectively on a generic basis Seller's interest, right and title, if any, in the following intangible personal property concerning the Property:

a. Any existing permits for the Property, including all licenses, building, conditional use, site plan and other permits, certificates of occupancy and any other certificates, approvals or authorizations required by law or by any Governmental Agencies or private persons having jurisdiction over the Property or any part thereof, for the occupancy, use, operation or ownership thereof, if any, and only to the extent assignable;

b. Engineering work, plans, permits and other documentation or intangible personal property prepared or obtained in anticipation of developing and entitling the Property;

c. Architectural and engineering drawings, plans, renderings, specifications, surveys and studies, and other applications submitted to the Governmental Agencies (as defined below), including, without limitation, improvements drawings, plans, renderings and specifications;

d. Subject to Paragraphs "e" and "f" below, development approvals required or helpful to develop the Property, including, without limitation, the approvals, certifications, consents, declarations, easements, entitlements, fee credits, growth allocations, licenses, maps, permits, plans, reports, rights, rights of way, studies and zone changes required by any Governmental Agencies or private persons, all as may be required to develop the Property and construct thereon and obtain permits for its eventual marketing, construction and occupancy).

e. Subject to Paragraph "f" below, all fee credits and reimbursements, if any, applicable to the Property;

f. All rights of Seller pursuant to any covenants, conditions and restrictions relating to the Property (including, but not limited to all rights of Seller as declarant under any such documents;

g. Appurtenant easements and rights-of-way; and,

h. Sewer and utility rights connected with the Property.

The Appurtenant Rights do not include, and specifically exclude, any and all licenses or permits relating to the Crops and/or the Excluded Improvements.

Assignment. "Assignment" means the assignment between Seller, as the assignor, and Buyer, as the assignee, in substantially the same form attached hereto as Exhibit "C" and incorporated herein by reference as if fully set forth at length.

Buyer. "Buyer" has the meaning defined in the opening paragraph of this Agreement.

Cap. "Cap" has the meaning defined in Section 5.2.3.

C.F.R. "C.F.R." has the meaning defined in the definition of "Hazardous Materials" in this Section 2.3.

Closing. "Closing" means the event of the transfer of title to the Property from Seller to Buyer on or before the Closing Date.

Closing Costs. “Closing Costs” has the meaning defined in Section 1.7.

Closing Date. “Closing Date” has the meaning defined in Section 1.6.

Condemnation Action. “Condemnation Action” has the meaning defined in Section 4.4.2.

Conditions of Title. “Conditions of Title” means the following exceptions to title to the Property:

a. The lien for real property taxes and assessments not yet due and payable;

b. The lien for supplemental taxes, if any, assessed pursuant to the provisions of Revenue and Taxation Code Sections 75 through 75.80, inclusive, not yet due and payable;

c. All easements, licenses, rights of ways and similar agreements, of record as of the date of execution of this Agreement.

d. A Land Conservation Contract(s) under the California Land Conservation Act of 1965, as amended, contained at California Government Code Section 51200 et seq., commonly referred as the “Williamson Act;”

e. The Lease;

f. The Wetlands Matter, as it applies to the Nevada Ranch, as defined in this Section 2.3;

g. All applicable zoning Laws and building restrictions now and in effect as of the Closing;

h. Any exceptions to title created by Buyer; and,

i. Any other exceptions to title approved or deemed approved by Buyer pursuant to Section 4.2(b), or specifically waived in writing by Buyer.

Crops. “Crops” collectively means any and all of Tenant’s right, title and interest in any and all crops currently growing, harvested, or to be grown upon the Land under the respective Lease, whether remaining located on the Land or in storage or other facilities and the proceeds of the sale or other disposition of the same. The Crops are owned solely and exclusively by Tenant.

Deed. “Deed” means the deed from Seller, as the grantor, to Buyer, as the grantee, in substantially the same form attached hereto as Exhibit “D” and incorporated herein by reference as if fully set forth at length.

Deposit. “Deposit” has the meaning defined in Section 1.2, and shall include all interest accrued thereon.

Due Diligence Period. “Due Diligence Period” has the meaning defined in Section 1.3.

Effective Date. “Effective Date” has the meaning defined in the opening paragraph of this Agreement.

Environmental Law. “Environmental Law” means any applicable Law (as defined in this Section 2.3) relating to the control, disposal, exposure to, generation, handling, regulation of, storage, treatment or transportation of Hazardous Materials (as defined in this Section 2.3).

Escrow. “Escrow” means the escrow opened at the Title Company to consummate the transaction contemplated by this Agreement pursuant to Section 6.2.

Escrow Instructions. “Escrow Instructions” collectively means this Agreement and the Title Company’s standard form escrow instructions consistent with this Agreement. The parties acknowledge and understand that the Escrow Instructions may be supplemented at the request of the Title Company. To the extent of any inconsistency between such standard form escrow instructions and this Agreement, this Agreement shall control, govern, take precedence and otherwise prevail.

Exchange Documents. “Exchange Documents” has the meaning defined in Section 7.18.

Excluded Improvements. “Excluded Improvements” has the meaning defined in Paragraph “D” of the “Recitals” portion of this Agreement.

Fax. “Fax” has the meaning defined in Section 7.6(iii).

Governmental Agency; Governmental Agencies . “Governmental Agency” means the **UNITED STATES GOVERNMENT**, the **STATE OF CALIFORNIA**, **COUNTY OF MERCED** , California political subdivision, and/or all other applicable courts, governmental authorities, public and quasi-public agencies, or rulemaking authorities having jurisdiction over the Property. “Governmental Agencies” is the plural of Governmental Agency.

Hazardous Materials. “Hazardous Materials” means and refers to any substance, material or waste which is or becomes: (i) regulated by any

Governmental Agency as a hazardous waste; (ii) is defined as a "solid waste," "sludge," "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "Non-RCRA hazardous waste," "RCRA hazardous waste," or "recyclable material," under any federal, state or local statute, regulation, or ordinance, including, without limitation, California Health and Safety Code Sections 25115, 25117, 25117.9, 25120.2, 25120.5, 25122.7, 25140 or 25141; (iii) defined as a "Hazardous Substance" under California Health and Safety Code Section 25316; (iv) defined as a "Hazardous Material," "Hazardous Substance" or "Hazardous Waste" under California Health and Safety Code Section 25501; (v) defined as a "Hazardous Substance" under California Health and Safety Code Section 25281; (vi) asbestos; (vii) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil, and any fraction thereof, natural gas, natural gas liquefied, methane gas, natural gas, or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to any other applicable Law not referenced herein; (ix) pesticides, herbicides and fungicides; (x) polychlorinated biphenyls; (xi) defined as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 United States Code ["U.S.C."] Section 1251 et seq.); (xii) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., or 40 Code of Federal Regulations ("C.F.R.") Section 239 et seq.; (xiii) defined as a "Hazardous Substance" or "Mixed Waste" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and regulations promulgated thereunder; (xiv) defined as a "Hazardous Substance" pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. Section 116; (xv) defined as an "Extremely Hazardous Substance" pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 et seq. or 40 C.F.R. Section 300 et seq.; (xvi) defined as "medical waste" pursuant to California Health and Safety Code Section 25023.2; (xvii) defined as a "Hazardous Air Pollutant" pursuant to the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq.; (xviii) defined as likely to cause "unreasonable adverse effects on the environment" pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; or, (xix) defined as like to present an "unreasonable risk of injury to health or the environment" pursuant to Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq. For the purposes of this Agreement, used tires and asphalt shall not be considered Hazardous Materials.

Improvements. "Improvements" collectively means any and all of the following equipment, fixtures, improvements and tangible personal property, concerning the Land:

a. Permanent irrigation and water distribution system in, on or under the Property, including, without limitation, the following to the extent applicable:

   i. Permanently installed aboveground and belowground irrigation and water distribution equipment, including, without limitation, fixed irrigation equipment (including irrigation and return pumps), casings, risers, water well structures, culverts, irrigation and water pipelines, motors, pumps, pump house, utility power lines and valves, including, without limitation, filter stations and related systems and all related power and control units and systems; and,

   ii. Permanently installed ditches, ponds, lined and unlined reservoirs and weirs; and,

b. Amenities, appurtenances, betterments, buildings, fixtures, structures and other improvements in, on or under, or affixed to the Property, whether above-or belowground, including, without limitation, such fixtures that would be considered for a trade, manufacture, ornamental or domestic use pursuant and subject to California Civil Code Section 1019 including, without limitation, shops, storage sheds, and fuel and chemical storage tanks.

The Improvements do not include, and specifically exclude, the Crops and/or the Excluded Improvements.

Independent Contract Consideration. "Independent Contract Consideration" has the meaning defined in Section 3.5.

Land. "Land" has the meaning defined in Paragraph "A" of the "Recitals" portion of this Agreement.

Law; Laws. "Laws" collectively shall mean any and all acts, administrative or judicial precedents or authorities, including the interpretation or administration thereof by any governmental authority or entity charged with the enforcement, interpretation or administration thereof, agreements with, approvals, authorizations, awards, codes, consents, declarations, decrees, directed duties, directives, guideline documents, guidelines, edicts, exemptions, injunctions, judgments, laws, licenses, non-contractual restriction, orders, ordinances, permits, process, regulations, requests, requirements, rules, rulings, sanctions, standards, statutes, treatises, waivers and/or writs, now in force or as may be enacted or amended, changed, modified, promulgated, revised, or supplemented, of any and all Government Agencies. "Law" is the singular version of Laws.

Lease Assignment. "Lease Assignment" means the "Assignment and Assumption of Lease" conveying Seller's interest in the Lease in substantially the same form attached hereto as Exhibit "E" and incorporated herein by reference as if fully set forth at length.

Lease. "Lease" has the meaning defined in Paragraph "B" of the "Recitals" portion of this Agreement.

NRCS. "NRCS" has the meaning defined in the definition of "The Wetlands Matter" in this Section 2.3.

Notice to Tenant. "Notice to Tenant" has the meaning defined in Section 6.11.

Opening of Escrow. "Opening of Escrow" shall mean the date that both an original of this Agreement signed by the parties has been deposited into Escrow, and Buyer has deposited the full amount of the Deposit into Escrow.

Party; Parties. "Party" and "parties" have the meanings defined in the opening paragraph of this Agreement.

Preliminary Title Report. "Preliminary Title Report" means the preliminary title report for the Land in an electronic/"ePre" format with hyperlinks to such title exception documents (collectively the "Title Documents") and, if applicable, a colored map(s) with plotted easements issued by

the Title Company at Seller's sole cost and expense without right of reimbursement from Buyer pursuant to Section 4.1(c); provided, however, that any additional cost incurred to issue a preliminary title report precedent to issuance of an ALTA Owner's Policy of Title Insurance with extended coverage, if elected by Buyer as provided in the definition of "Title Policy" in this Section 2.3, shall be borne by Buyer without right of reimbursement from Seller.

Property. "Property" has the meaning defined in Paragraph "C" of the "Recitals" portion of this Agreement. "Property" collectively means Seller's interest in the following:

a. The Land;

b. The Appurtenant Rights

c. The Improvements;

d. The Lease;

e. Any and all oil, gas and other hydrocarbon substances, and minerals, including, without limitation, all coal, metals, ores, sand, gravel and the like within or underlying the Land and owned by Seller and not reserved or excepted in prior deeds of record, if any; and,

f. Any and all water, water agreements or contracts, water rights (whether riparian, appropriative, groundwater, overlying, prescriptive, surface water or otherwise, and whether or not appurtenant), and water stock concerning, or relating to the Land, or within or underlying the Land and owned by Seller and not reserved or excepted in prior deeds of record, if any, and that are assignable by Seller and assumable by Buyer.

The Property does not include, and specifically excludes, the Crop and the Excluded Improvements.

Property Documents. "Property Documents" has the meaning defined in Section 4.1(a).

Purchase Price. "Purchase Price" has the meaning defined in Section 1.1.1.

Seller. "Seller" has the meaning defined in the opening paragraph of this Agreement.

Seller Group. "Seller Group" has the meaning defined in Section 5.2.1

Taxes. "Taxes" has the meaning defined in Section 6.6.1.

Tenant. "Tenant" has the meaning defined in Paragraph "B" of the "Recitals" portion of this Agreement.

Tenant Estoppel Certificate. "Tenant Estoppel Certificate" means the "Tenant Estoppel Certificate" completed and then executed by Tenant in favor of Buyer in substantially the same form attached hereto as Exhibit "F" and incorporated herein by reference as if fully set forth at length.

Title Company. "Title Company" means CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation.

Title Defect. "Title Defect" has the meaning defined in Section 4.2(b).

Title Documents. "Title Documents" has the meaning defined in the definition of "Preliminary Title Report" in this Section 2.3.

Title Policy. "Title Policy" means the respective CLTA Owner's Policy of Title Insurance for the Land in the amount of the Purchase Price, issued by the Title Company that insures that title to the Property is vested in Buyer subject only to the Conditions of Title. At the election of Buyer, Buyer may obtain an ALTA Owner's Policy of Title Insurance with extended coverage, together with any endorsements thereto as may be requested by Buyer, subject to Buyer's payment of the additional premium or cost therefor. Seller agrees to provide an owner's/seller's affidavit or declaration to the Title Company in order to provide it with the information necessary to comply with commitment requirements, to provide extended coverage (i.e., for the removal or modification of the pre-printed exceptions for parties in possession, mechanics' liens and notice of assessments), or otherwise give facts about ownership or title aspects of the Property.

Title Review Period. "Title Review Period" has the meaning defined in Section 1.4.

U.S.C. "U.S.C." has the defined in the definition of "Hazardous Materials" in this Section 2.3.

The Wetlands Matter. As part of Tenant's acquisition of Nevada Ranch, as predecessor in interest to Seller, and prior to selling Nevada Ranch to Seller, Tenant discovered that there were notices of potential environmental violations from the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY** and the **UNITED STATES ARMY CORPS OF ENGINEERS** , both federal public agencies; and the **NATURAL RESOURCES CONSERVATION SERVICE**, a federal public agency ("NRCS"), concerning the disturbance or destruction of "wetlands" on Nevada Ranch. Said potential environmental violations concerning the Nevada Ranch have now been amicably resolved pursuant to the following documents:

a. The "Grasslands Mitigation Bank Agreement for Sale of Mitigation Credits" between **WESTERVELT ECOLOGICAL SERVICES, LLC**, a Delaware limited liability company authorized to do business in the State of California, and Tenant dated November 12, 2015; and,

b. The "USDA-NRCS Wetland Mitigation Agreement [--] Mitigation Bank" between NRCS, Seller, **HOSTETLER RANCHES, LLC**, a California limited liability company, and Tenant dated November 16, 2015; and,

c. The "Hostetler-Olam Wetland Mitigation, Certified Wetland Determination" letter from NRCS to the consultant for, among others, Seller and Tenant dated February 22, 2016.

The term the "Wetlands Matter" collectively refers to the foregoing facts and circumstances and there settlement. **]**

## ARTICLE III. PURCHASE AND SALE OF THE PROPERTY

3.1. Purchase and Sale; "AS IS"/"WITH ALL FAULTS" Condition . Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller upon and "AS IS"/"WITH ALL FAULTS"/"WHERE IS" basis and upon all other terms, covenants and conditions set forth in this Agreement. Except for and subject to Seller's express warranties and representations made in Section 5.1 or elsewhere in this Agreement, Buyer acknowledges and agrees that upon Closing, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller upon an "AS IS" / "WITH ALL FAULTS" / "WHERE IS" basis. Except for Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this Agreement , Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any other express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (specifically including, without limitation, property information packages distributed with respect to the Property) made or furnished by Seller, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing, including, without limitation, statements, documents or other information provided by Tenant. Except for Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Buyer represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Buyer will conduct such inspections and investigations of the Property as Buyer deems necessary, including, without limitation, the physical and environmental conditions thereof, and, subject to Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, shall rely upon same. Buyer acknowledges that, if Seller complies with the conditions, provisions and terms of this Agreement, Seller shall have afforded Buyer a full opportunity to conduct such investigations of the Property as Buyer deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto other than such representations, warranties and covenants of Seller as are expressly set forth in this Agreement. Buyer also acknowledges that the Property has been operated as a commercial farm for many years, and that certain agricultural chemicals, some of which may be considered toxic or hazardous, have been used and stored thereon. Upon Closing but subject to Seller's express warranties and representations made in Section 5.1, the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement, Buyer shall assume the risk that adverse matters, including, without limitation, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Buyer's inspections and investigations. Buyer hereby represents and warrants to Seller that Buyer shall have had, by the Closing Date, adequate opportunity to consult with legal counsel, agricultural, environmental and other advisors and consultants in connection with the transaction contemplated by this Agreement. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller. AGAIN, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, BUYER REPRESENTS THAT IT IS PURCHASING THE PROPERTY IN AN "AS IS"/"WITH ALL FAULTS"/"WHERE IS" CONDITION. AGAIN, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES MADE IN SECTION 5.1, THE IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113 OR ELSEWHERE IN THIS AGREEMENT, BUYER DOES HEREBY WAIVE, AND SELLER DOES HEREBY DISCLAIM, ALL WARRANTIES OF ANY TYPE OF KIND WHATSOEVER WITH RESPECT TO THE PROPERTY, WHETHER EXPRESS OR IMPLIED, INCLUDING, BY WAY OF DESCRIPTION BUT NOT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE AND USE, TENANTABILITY OR HABITABILITY.

3.2. Payment of the Purchase Price. Buyer shall pay the Purchase Price to Seller on the Closing Date pursuant to Section 6.4.2(a). The Purchase Price shall be paid as follows:

a. The Deposit; and

b. The balance of Thirteen Million Ninety-One Thousand Eight Hundred Thirty-Two Dollars and No Cents ($13,091,832.00), payable in either cash, cashier's check, or by wire transfer to Seller at the Close of Escrow.

As between the legal parcels of Property, the Purchase Price shall be allocated pursuant to Section 3.4.

3.3. Deposit. Buyer shall pay into Escrow the Deposit in the amounts, upon the conditions, provisions' and terms, and within the time periods specified in Section 1.2. Upon the expiration of the Due Diligence Period and if Buyer has not elected to terminate the Agreement and the transaction contemplated thereunder, and any accrued interest thereon, the Deposit shall be applicable to the Purchase Price and nonrefundable except as otherwise provided in this Agreement. The parties agree that the Deposit shall be applied to the Purchase Price at the Closing pursuant to 6.4.2(a) or, in the event of a default or breach of this Agreement by Buyer, the Deposit shall constitute liquidated damages pursuant to Section 7.1. The parties also agree that the Deposit shall be fully refundable to Buyer in the event Buyer exercises its right to terminate the Agreement during the Due Diligence Period, pursuant to

Section 4.2(a) or in the event of a default or breach of this Agreement by Seller.

3.4. Allocation of Purchase Price. Subject to Section 6.9.2, the parties acknowledge, understand and agree that the Purchase Price shall be allocated only and solely to the Property. For all purposes, including for real property like-kind exchange purposes under Section 7.18, the parties also acknowledge, understand and agree that the Purchase Price shall be allocated amongst the legal parcels constituting the Property as follows:

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

| ASSESSOR'S PARCEL NO. | ASSESSED ACREAGE | PURCHASE PRICE ALLOCATION |
|---|---|---|
| 068-130-028 | 157.00 | $1,843,626.00 |
| 068-130-029 | 159.00 | $1,867,112.00 |
| 068-130-031 | 159.40 | $1,871,809.00 |
| 068-130-032 | 163.80 | $1,923,477.00 |
| 068-130-033 | 158.90 | $1,865,937.00 |
| 068-130-034 | 162.40 | $1,907,037.00 |
| 068-130-044 | 166.30 | $1,925,834.00 |
| **TOTAL** | **1,126.80** | **$13,231,832.00** |

3.5. Independent Consideration. Contemporaneously with the execution and delivery of this Agreement and as part of the Deposit, Buyer shall pay to Seller, and Seller hereby acknowledges the receipt of said payment by its execution of this Agreement, the amount of One Hundred Dollars and No Cents ($100.00) (the "Independent Contract Consideration"). The Independent Contract Consideration is independent consideration for Buyer's right to inspect and conduct due diligence regarding the Property for the purpose of considering its purchase from Seller pursuant to this Agreement. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Agreement; provided, however, that it is applicable to the Purchase Price at the Closing. The Independent Contract Consideration is non-refundable, is bargained for and fully earned, and shall be retained by Seller notwithstanding any other condition, provision or term of this Agreement. Buyer's duty, obligation and responsibility to deliver the Independent Contract Consideration shall survive the termination of this Agreement.

3.6. No Loan Contingency. Buyer obtaining a loan for the purchase of the Property is not a contingency of this Agreement. If Buyer does not obtain a loan and as a result Buyer is unable to purchase the Property in accordance with the terms of this Agreement, Seller shall be entitled to the Deposit and any and all other legal remedies as provided herein. Notwithstanding the foregoing or anything herein to the contrary, Buyer shall have the right, one time, to extend the Closing Date, but not the Due Diligence Period, by fifteen (15) days in order only to secure financing which right may be exercised by delivering written notice to Seller prior to the end of the Due Diligence Period.

## ARTICLE IV. CONDITIONS TO CLOSE OF ESCROW

4.1. Conditions. Buyer's duty, obligation and responsibility to purchase the Property or otherwise to perform any duty, obligation or responsibility under this Agreement shall be expressly conditioned upon the fulfillment of each of the following conditions on or before the expiration of the Due Diligence Period, unless another time period is specified below:

a. To the extent that such documents are applicable, exist, are in Seller's custody or possession, or are available to Seller, Buyer's review and approval of the documents, information and materials concerning or related to the Property contained in the electronic data room set up by Seller and to which Buyer has had access prior to the Effective Date (collectively the "Property Documents"). Under no circumstances shall Seller be obligated to make available to Buyer any documents protected by attorney-client privilege or attorney work product protection, tax returns, internal memoranda, appraisals, or other proprietary documentation and/or information;

b. Seller shall provide Buyer with the Tenant Estoppel Certificate completed and then executed by Tenant;

c. On or before the expiration of the Title Review Period, to review same and approve or disapprove of the Preliminary Title Report and all exceptions to title shown therein;

d. Buyer's inspection and approval in Buyer's sole and absolute discretion of any and all access, economic, endangered plant or animal species or habitat issues or restrictions, engineering, entitlement, environmental, land use, legal, permitting, physical, soils, surveying, utility, water and zoning matters relating to the Property including, without limitation, Buyer's approval of the following: (i) the feasibility of the Property for Buyer's anticipated use of the Property; (ii) Buyer's review and approval of a soils report issued at Buyer's sole cost and expense by a soils engineer designated by Buyer, and a Phase 1 environmental site assessment issued at Buyer's sole cost and expense by an environmental consultant designated by Buyer; (iii) Buyer's inspection and approval of the physical condition of the Property and its appurtenances, including any water wells and irrigation systems, including current water volume, historic well pumping records, if any, and equipment condition; and, (iv) the results of any inspection, test, examination, audit, study, review, analysis or other review conducted by Buyer, including, without limitation, site surveys (including an ALTA survey, if any), zoning and land use restrictions, public and private, present and future access, geological and environmental testing, drainage conditions, the presence of Hazardous Materials, and any other condition or circumstance on or relating to the Property which may affect the Property or Buyer's anticipated use of the Property; and,

e. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing, and Seller shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy.

The failure of Buyer to provide written notice to Seller that the Property is acceptable on or before the expiration of the Due Diligence Period shall be deemed by the parties as Buyer's approval of the Property pursuant to Section 4.2(b).

4.2. Failure of Conditions. Subject to Section 6.4, should Buyer disapprove any of the conditions set forth in Section 4.1 within the time specified, Buyer shall have the power, exercisable in its sole and absolute discretion by giving of written notice to Seller, of either of the following:

a. To terminate this Agreement and recover any amounts paid on account of the Purchase Price, including the Deposit, less the Independent Consideration, or any documents delivered pursuant to the provisions of this Agreement, in which event the parties shall be relieved and released of any further duties, obligations and responsibilities hereunder except for Seller's right to retain the Independent Contract Consideration as provided in Section 3.5, any continuing indemnification obligations as set forth in Section 5.4, and subject to the payment of any escrow and title cancellation fees as provided in Section 6.7; or,

b. To waive such condition and proceed with the Closing; provided, however, that Buyer's failure to so approve or disapprove of any such condition shall be deemed approval thereof; provided further, however, that should Buyer disapprove of any exception to title (the "Title Defect") pursuant to Section 4.1(c) within the time specified, Buyer shall first give five (5) business days written notice of the Title Defect which it has disapproved, and Seller shall have an additional five (5) business days after receiving the notice of Title Defect thereafter to determine whether it is willing or able to correct such Title Defect.

Seller shall give written notice to Buyer within such five (5) business day period whether it is willing or able to correct such Title Defect. If Seller is unwilling or unable to correct any such Title Defect, Buyer shall have the right to exercise the remedy contained in Section 4.2(a). If Seller states that it is willing and able to do so, then Seller shall proceed to correct the Title Defect as soon as is practicable, and in all events prior to Closing, and if Seller is thereafter unable to correct the Title Defect prior to the Closing, Buyer shall continue to have the right to exercise the remedy specified in Section 4.2(a).

No Title Defect may be insured over or removed of record by indemnification or similar arrangement with the Title Company without Buyer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. No satisfaction or waiver of any condition by Buyer shall reduce or eliminate the rights or remedies of Buyer by reason of any breach of any covenant, representation, or warranty made by Seller in this Agreement. Notwithstanding anything in this Agreement to the contrary, Seller shall remove any and all monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing at Seller's sole cost and expense with no right of reimbursement from Buyer. If Seller is unwilling or unable to remove such monetary encumbrances, deeds of trust, liens, mortgages, etc., against the Property at or prior to the Closing, Buyer shall have the right to exercise the remedy contained in Section 4.2(a).

4.3. Approval of Conditions; Conditions Precedent to Closing.

4.3.1. Approval of Conditions. Subject to Sections 4.4 and 5.1, Buyer's approval of all the conditions set forth in Section 4.1, or Buyer's written waiver of all disapproved and/or unsatisfied conditions set forth in Section 4.2 shall constitute Buyer's acknowledgment and agreement that Buyer has examined and approved all matters concerning the Property and all other rights to be acquired.

4.3.2. Conditions Precedent to Seller's Obligation to Close of Escrow. The following conditions are for Seller's benefit only to close Escrow/the Closing and consummate the sale of the Property shall be satisfied as of the Closing Date:

a. Buyer shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.2(b) or any other provision of this Agreement;

b. Buyer shall have deposited the Purchase Price minus the Deposit plus any additional amounts required under Section 6.4.2(a) into Escrow; and,

c. The representations and warranties made by Buyer in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Buyer shall have performed and complied in all respects with its duties, obligations and responsibilities under this Agreement which are to be performed by Buyer or complied with by Buyer prior to or upon the Closing Date, including, without limitation, Buyer's deposit with Title Company of all duly executed documents set forth in Section 6.4.2.

Each of the conditions specified in this Section 4.3.2 are solely for Seller's benefit and may only be waived in writing by Seller.

4.3.3. Conditions Precedent to Buyer's Close of Escrow. The following conditions are for Buyer's benefit only to close Escrow/the Closing and to consummate the purchase the Property shall be satisfied as of the Closing Date:

a. Seller shall have deposited with Escrow all duly executed documents required to be deposited pursuant to Section 6.4.1 or any other provision of this Agreement;

b. There shall be no pending or threatened condemnation or taking of any part of the Property as of the Closing Date;

c. The commitment of the Title Company to issue, subject only to payment of the normal premium, and the issuance of the Title Policy upon the Closing Date, and Seller shall have delivered to the Title Company such documents as are reasonable and customary in similar transactions, and shall have performed such other acts, as the Title Company shall reasonably require in order to issue the Title Policy effective as of the Closing Date;

d. Subject to the farming and harvesting of the Crops, and the possible implementation of Laws concerning water, the Property being, in all material respects, in the same condition on the Closing Date as it was on the Effective Date;

e. Seller's delivery to Buyer upon the Closing Date of fee title to the Property by delivery of the Deed pursuant to Section 6.1 and the fulfillment of each of the other conditions and covenants contained in Article VI, including, without limitation, delivery of possession of the Property pursuant to Section 6.10;

f. The representations and warranties made by Seller in this Agreement shall be accurate, correct and true as of the Closing Date with the same effect as though such representations and warranties had been made or given at the Closing, and Seller shall have performed and complied in all respects with its duties, obligations and responsibilities under this Agreement which are to be performed by Seller or complied with by Seller prior to or upon the Closing Date, including, without limitation, Seller's deposit with Title Company of all duly executed documents set forth in Section 6.4.1;

g. Seller's delivery of possession of the Property pursuant to Section 6.10; and,

h. There shall have been no material adverse change in the financial condition of the Tenant prior to the end of the Due Diligence Period.

Each of the conditions specified in this Section 4.3.3 are solely for Buyer's benefit and may only be waived in writing by Buyer.

4.4. Damage or Destruction; Eminent Domain or Condemnation; Maintenance of Property.

4.4.1. Destruction of the Property. If, prior to the Closing, there shall be catastrophic damage to or destruction of all or a major portion of the Property, Buyer shall have the right to terminate this Agreement, in which event the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations hereunder. If Buyer does not elect to terminate the contract pursuant to this Section 4.4.1 at Closing, Buyer and Seller shall proceed with the Closing (with no change in the amount of the Purchase Price) and Seller shall assign all insurance proceeds to Buyer received from its insurance carriers and others as a consequence of such destruction. The provisions of California Civil Code Section 1662(a) are hereby waived by the parties, and this Section 4.4.1 shall govern any damage or of such destruction of the Property.

4.4.2. Eminent Domain or Condemnation of the Property. If, prior to the Closing, any of the Property is the subject of any eminent domain or condemnation proceeding, whether actual or threatened (in writing), temporary or permanent, partial or total (a "Condemnation Action"), and the Condemnation Action would, in Buyer's sole and absolute judgment, adversely affect the use of the Property or result in the diminution in the value of the Property, Buyer may, at its option, either: (i) terminate this Agreement as provided in Section 4.2; or, (ii) close the transaction contemplated herein, in which event Seller shall assign to Buyer all of Seller's right, title and interest in and to the Condemnation Action and any awards, damages or other compensation arising from the Condemnation Action, when such sums are received by Seller or on the Closing, whichever occurs later. Unless or until Buyer has exercised its right to terminate this Agreement, Seller shall take no action with respect to the Condemnation Action without the prior written consent of Buyer.

4.4.3. Maintenance, Farming and Operation of the Property. Except as otherwise provided in Sections 4.4.1 and 4.4.2, Seller shall use commercially reasonable efforts to require Tenant to maintain, farm and operate the Property until the Closing Date in the same manner as it is being maintained, farmed and operated as of the Effective Date.

## ARTICLE V. COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1. Covenants, Representations and Warranties. The parties each make the following covenants, representations and warranties, in addition to any covenants, representations or warranties specified to be made by Seller or Buyer elsewhere in this Agreement, each of which representations and warranties only shall do the following: (i) survive the Closing and the recordation of the Deed as set forth at the end of this Section 5.1; (ii) be deemed material and being relied upon by the other; (iii) be true in all respects as of the date each is made; (iv) the term "to the best of Seller's knowledge" when used in this Section 5.1 means the actual knowledge of **NEIL JEHLE** and **GRIFFIN MOAG**, without the imputation of knowledge either from facts which may be disclosed in the public record or that might have been obtained from diligent inquiry or investigation; and, (v) be true in all material respects on the Closing:

***Covenants, Representations and Warranties***

a. Seller shall grant Buyer and its agents and employees, as of the Effective Date, the right to enter the Property at any time prior to the Closing Date for the purpose of inspecting the Property, making such surveys or performing such tests or studies as it may deem appropriate and performing any other duties, obligations and/or responsibilities of Buyer under this Agreement, including satisfaction of any of the conditions set forth in Article IV; provided, however, that: (i) all such activities shall not include any invasive or destructive testing or any phase II environmental tests without the prior written consent of Seller as exercised in its reasonable discretion; (ii) shall be at Buyer's sole cost and expense without right of reimbursement from Seller; (iii) Buyer shall not unreasonably interfere with Seller's and/or Tenant's existing activities on the Property; and, (iv) Buyer shall indemnify, hold harmless and defend Seller and Tenant from and against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees, asserted against or suffered by Seller as a result of any such entry pursuant to Section 5.4.2. Buyer will keep the Property free from mechanic's and materialmens' liens attributable or arising from its activities on the Property. Buyer shall repair any and all damage to any portion of the Property including, without limitation, the Crops, arising out of the acts or omissions of Buyer or its representatives while on the Property or in the conduct of any evaluations or other activities contemplated by this Agreement. Buyer shall maintain comprehensive general liability and property damage insurance in an amount not less than One Million Dollars and No Cents ($1,000,000.00) covering its and its agents' advisors and employees' activities on the Property and naming Seller and Tenant as additional insured and providing for thirty (30) days' prior written notice to Seller of any cancellation thereof and shall, promptly after execution of this Agreement (and prior to Buyer or any of its representatives going onto the Property), deliver to Seller proof satisfactory to Seller that such insurance is in force and effect and that Seller and tenant have been named as an additional insured;

b. As of the Effective Date and prior to the Closing, Seller shall not do any of the following without Buyer's prior written consent: (i) enter into any agreement, contract or lease with respect to the Property which will survive the Closing or otherwise materially affect the use, operation or enjoyment of the Property after the Closing without Buyer's prior written consent; or, (ii) change, modify, supplement, amend or cancel any existing agreement, contract or lease with respect to the Property, including, without limitation, the Lease, without Buyer's prior written consent. Buyer's failure to approve any request for consent hereunder within five (5) business days from written request shall be deemed to be Buyer's disapproval of same;

c. To the best of Seller's knowledge, Seller hereby represents and warrants that there are no, and Seller has not received any written notice that there are any, actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies existing, pending, noticed, threatened, proposed or contemplated, against the Property or against Seller or relating to its business, properties or assets before or by any court, administrative agency or private party including, without limitation, planned public improvements, special assessments or condemnation actions, which in any way would affect Seller's ability to carry out its duties, obligations and/or responsibilities under this Agreement or would result in any charge being levied or assessed against, or will result in the creation of any lien or assessment on or against, the Property, except as otherwise shown in the Conditions of Title;

d. To the best of Seller's knowledge, Seller hereby represents and warrants as follows: (i) that neither this Agreement, nor anything provided to be done hereunder, shall violate, cause a breach of or constitute a default under any written or oral contract, agreement, instrument, indenture, mortgage, deed of trust, bank loan, credit agreement, note, evidence of indebtedness, lease, license, undertaking or other agreement or instrument to which Seller is a party, or which affects the Property; or, (ii) that consummation of the sale, transfer, assignment and further encumbrance contemplated herein shall not result in the violation of any applicable Law;

e. To the best of Seller's knowledge, Seller hereby represents and warrants that none of the Property Documents contain or shall intentionally contain any materially untrue statement of a material fact or omit or shall intentionally omit to state a material fact, necessary to make the statements of facts contained therein not misleading. Seller shall promptly notify Buyer of any change in facts of which Seller actually becomes aware that would make any representation and warranty of Seller as contained herein materially incorrect. The parties also understand that such duty, obligation and responsibility to provide the foregoing notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of its covenants, representations or warranties contained in this Agreement, except that Seller shall have no liability under this Agreement in the event of a change in circumstances that occurs after the Effective Date. In the event Seller advises Buyer in writing of a change in circumstances that would render any representation and warranty materially misleading, Buyer shall have the right to terminate this Agreement by written notice to Seller within three (3) business days of receipt of said information, in which event the Deposit shall be returned to Buyer, and except for the obligations that survive termination, Buyer shall have no further obligations to Seller nor shall Seller have any further obligation to Buyer. Should Buyer not so terminate the Agreement and proceed to Closing, Buyer shall be deemed to have waived any and all rights with respect to the inaccuracy of any such representation and warranty;

***Property Status***

f. Subject to the Conditions of Title, and to the best of Seller's knowledge and except as may be set forth in any of the documents provided to Buyer by Seller under Section 4.1(a), Seller hereby represents and warrants, that Seller has no knowledge and has not received written notice that: (x) any person or entity has a right of first refusal, right to purchase, to lease or to possess or occupy the Property; and, (y) there are no uncured breaches of the easements included in the Conditions of Title. To the best of Seller's knowledge, Seller also hereby represents and warrants the following specifically with regard to the Lease: (i) any rent or additional rent due, owing and payable under the Lease has been paid in full and timely by Tenant; (ii) to the best of Seller's knowledge, no breach exists on the part of Seller under the Lease; (iii) except as otherwise set forth in the letter of Seller to Tenant dated June 14, 2016, to the best of Seller's knowledge, no breach exists on the part of Tenant under the Lease; (iv) there are no rights or options whatsoever to purchase or otherwise acquire the Property or any portion thereof under the Lease; and, (v) no person or firm other than Seller and Tenant are in possession of the Property. Nothing contained in the Deed shall limit the foregoing warranty;

g. To the best of Seller's knowledge, Seller hereby represents and warrants that the Property and/or the operations thereon are not in any material violation in any way of any applicable Law, including, without limitation, any zoning restriction;

h. Except for agricultural chemicals and fuel used in agricultural operations, some of which may be considered toxic or hazardous, that have been, and continue to be legally used and stored thereon by Seller and/or Tenant, also except as disclosed in the Property Documents, and additionally subject to the best of Seller's knowledge, Seller, hereby represents and warrants as follows: (i) that there are no underground storage tanks on the Property; (ii) that there are no Hazardous Materials on the Property, whether on, in or under the soil, groundwater or otherwise; (iii) that Seller has not stored, deposited, buried or in any other way left beneath the ground on the Property any materials whatsoever, whether organic or inorganic, except in accordance with applicable Laws, including, without limitation, Environmental Laws; (iv) that there are no and have been no private or governmental claims or judicial or administrative actions or proceedings pending, or threatened, against Seller relating to environmental impairment or regulatory requirements in connection with the Property or any operations thereon; and, (v) that there has been no release of Hazardous Materials located on or under the Property that would require notice to Buyer pursuant to California Health and Safety Code Section 25359.7;

i. With the exception of the Lease, Seller represents and warrants that, as of the Closing, there shall be no outstanding contracts made by Seller for any improvements to the Property which have not been fully paid, except for contracts assigned and assumed by Buyer as provided in this Agreement, or any unpaid utility charges or employee salaries or other accrued benefits relating to operations on the Property prior to the Closing Date. Seller shall cause to be discharged as of the Closing all other encumbrances, liens, bonds and mechanics' or materialmen's liens arising from any labor and material furnished to the Property prior to the Closing;

***Party Status***

j. Seller represents and warrants that it is not a foreign individual, foreign corporation, foreign limited liability company, foreign partnership or foreign estate as defined in the Internal Revenue Code and Income Tax Regulations. Seller shall deliver to the Title Company and Buyer on the Closing a duly executed Affidavit of Non-Foreign Status for each Seller;

k. Seller represents and warrants as follows: (i) it is a single-member limited liability company duly organized under and by virtue of the Laws of the State of Washington, is active and in good standing, authorized to do business in the State of California, and disregarded for federal income tax purposes; (ii) it has the full right and authority to enter into this Agreement, and to consummate the sale, transfer, assignment and further encumbrance contemplated herein; (iii) that the person or persons signatory to this Agreement and any documents executed pursuant hereto on behalf of Seller have full power and authority to bind Seller and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

l. Buyer represents and warrants as follows: (i) it is a a limited partnership duly organized under and by virtue of the Laws of the State of Delaware, active and in good standing, and authorized to do business in the State of California; (ii) it has the full right and authority to enter into this Agreement, and to consummate the sale, transfer, assignment and further encumbrance contemplated herein; (iii) that the person or persons signatory to this Agreement and any documents executed pursuant hereto on their behalf have full power and authority to bind them and shall duly execute and, if required, acknowledge such documents; and, (iv) all such authorizations shall remain in full force and effect at all times necessary to fully consummate the transaction subject to this Agreement;

m. Each party represents and warrants that: (i) it is not acting on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department, through its Office of Foreign Assets Control or otherwise, as a terrorist, "Specially Designated National," "Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any Law that is enforced or administered by **OFFICE OF FOREIGN ASSETS CONTROL** , a federal public agency, or another federal Governmental Agency; and, (ii) Buyer is not engaged in this transaction on behalf of, or instigating or facilitating this transaction on behalf of, any such person, group, entity or nation. Notwithstanding anything contained in the foregoing to the contrary, Buyer shall have no duty to investigate or confirm that any stockholders of **GLADSTONE LAND CORPORATION**, a Maryland corporation, or unit holders of **GLADSTONE LAND LIMITED PARTNERSHIP** , a Delaware limited partnership, are in compliance with the provisions of this section, and any violation by any such shareholders or unit holders shall not be a breach or default by Seller hereunder;

n. Seller represents and warrants that it has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Seller's creditors; (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets; (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets; or, (v) admitted in writing its inability to pay its debts as they come due;

o. Buyer represents and warrants that it is a knowledgeable, experienced, and sophisticated buyer of land and property used in agriculture and a developer of real estate, and that it is relying solely on its own expertise and that of Buyer's advisors and consultants in purchasing the Property. Buyer acknowledges and agrees that it will have the opportunity to conduct such inspections, investigations and other independent examinations of the Property and related matters, including, without limitation, the physical and environmental conditions thereof, during the Due Diligence Period and will rely upon same and not upon any statements of Seller except as expressly set forth in this Agreement; and,

p. Except as otherwise provided in Section 7.5, the parties shall each be liable for their own attorneys' fees and disbursements incurred in connection with the drafting and negotiation of this Agreement and matters related thereto.

This Section 5.1 shall survive the Closing and the recordation of the Deed. However, upon the expiration of six (6) months following the Closing, the liability of each party in connection with each representation or warranty made by it either in this Section 5.1 or elsewhere in this Agreement or in any of the documents delivered in connection with the Closing shall cease, except as regards to: (i) the liabilities of the Seller in connection with the implied warranties made in each Deed as specified in California Civil Code Section 1113; and, (ii) as regards to the liabilities of Seller and Buyer in connection with each breach or inaccuracy of any other representation or warranty of which a party has given written notice to the other party prior to the end of such six (6) months period. To be effective for such purpose, any such written notice must identify or refer to with reasonable particularity the circumstance or state of affairs that constitutes or has resulted in such a breach or inaccuracy by the party to whom the notice is delivered. The parties acknowledge, understand and agree that this Section 5.1 is meant to control, govern, take precedence and prevail over any applicable statute of limitations.

5.2. General Disclaimer; Release; Limitation of Damages.

5.2.1. General Disclaimer. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AND EXCEPT FOR: (a) SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 5.1; (b) IMPLIED WARRANTIES MADE IN THE DEED AS SPECIFIED IN CALIFORNIA CIVIL CODE SECTION 1113; AND/OR, (c) ELSEWHERE IN THIS AGREEMENT, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT NEITHER SELLER NOR ITS GENERAL PARTNER, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF (COLLECTIVELY "SELLER GROUP"), HAS MADE AND IS NOT NOW MAKING, AND BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY GUARANTIES, REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION GUARANTIES, REPRESENTATIONS AND/OR WARRANTIES AS TO: (i) MATTERS OF TITLE; (ii) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF; (iii) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES; (iv) WHETHER, AND TO THE EXTENT TO WHICH, THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (v) DRAINAGE; (vi) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING; (vii) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT; (viii) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, ELECTRICITY, GAS, SEWAGE AND WATER; (ix) USAGES OF ADJOINING PROPERTY; (x) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF; (xi) THE VALUE, COMPLIANCE WITH THE DESIGNS, DRAWINGS, PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF; (xii) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF; (xiii) THE PRESENCE OF HAZARDOUS SUBSTANCES IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (xiv) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE APPLICABLE LAWS, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS; (xv) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS; (xvi) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY; (xvii) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY; (xviii) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (xix) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, INCLUDING AGRICULTURE (BUYER AFFIRMING THAT BUYER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF SELLER OR ANY MEMBER OF SELLER GROUP TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE); OR, (xx) TAX CONSEQUENCES (INCLUDING, WITHOUT LIMITATION THE AMOUNT, USE OR PROVISIONS RELATING TO ANY TAX CREDITS). BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES ALSO THAT, SUBJECT TO SECTION 5.1(e), ANY DOCUMENTATION AND/OR INFORMATION OF ANY TYPE WHICH BUYER HAS RECEIVED OR MAY RECEIVE FROM SELLER OR ANY MEMBER OF SELLER GROUP, INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL ASSESSMENTS, AUDITS, STUDIES AND SURVEYS, IS FURNISHED ON THE EXPRESS CONDITION THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUYER SHALL NOT RELY THEREON, BUT SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF SUCH INFORMATION, ALL SUCH INFORMATION BEING FURNISHED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

/s/ LP
Buyer's Initials

5.2.2. Release. Buyer shall rely solely upon its due diligence upon and inspection of the Property in determining the Property's physical condition and upon the following: (a) Seller's express representations and warranties set forth in Section 5.1; and, (b) the implied warranties made in the Deed as specified in California Civil Code Section 1113 or elsewhere in this Agreement. Except for the foregoing, Buyer waives, as of the Closing, Buyer's right to recover from Seller or any member of Seller Group, any and all damages, losses, liabilities, costs or expenses whatsoever, and claims therefor, whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to: (i) the physical condition of the Property; and, (ii) the Property's compliance, or lack of compliance with any applicable Laws, including, without limitation, Environmental Laws. Buyer expressly waives the benefits of California Civil Code Section 1542, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In this connection and to the extent permitted by applicable Law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges

that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends, subject to Seller's express representations and warranties set forth in Section 5.1, and the implied warranties made in the Deed as specified in California Civil Code Section 1113, or elsewhere in this agreement, to release, discharge and acquit Seller and each and every member of Seller Group, from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance hereunder. Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section 5.2.2.

Each party has initialed this Section 5.2.2 to further indicate their awareness and acceptance of each and every provision of this Section 5.2.2.

/s/ AH /s/ LP
Seller's Initials Buyer's Initials

5.2.3. Limitation of Damages; Waiver of Consequential Damages. TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND SUBJECT TO THE PROVISIONS OF SECTION 7.1 BELOW, THE PARTIES AGREE TO LIMIT THE LIABILITY OF EACH PARTY, WHETHER SINGULARLY, COLLECTIVELY OR IN ANY COMBINATION WHATSOEVER, TO THE OTHER FOR ANY AND ALL DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES WHATSOEVER, AND CLAIMS THEREFOR, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, OR FORESEEN OR UNFORESEEN, INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND DISBURSEMENTS, AND EXPERT WITNESS FEES AND COSTS, SO THAT THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY TO THE OTHER UNDER THIS AGREEMENT AND THE TRANSACTION CONTEMPLATED THEREUNDER SHALL NOT EXCEED THE CUMULATIVE SUM OF TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS AND NO CENTS ($285,00,000.00) (THE "CAP"). AGAIN TO THE MAXIMUM EXTENT PERMITTED UNDER THE LAWS OF THE STATE OF CALIFORNIA AND SUBJECT TO THE CAP AND THE PROVISIONS OF SECTION 7.1 BELOW, EACH PARTY ALSO AGREES TO WAIVE THE RIGHTS TO SEEK AND TO BE ENTITLED TO RECOVER FROM THE OTHER GROUP CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES. THE LIMITATION OF DAMAGES AND THE WAIVER OF CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, PUNITIVE AND/OR SPECIAL DAMAGES CONTAINED IN THIS SECTION 5.2.3 SHALL APPLY: (a) REGARDLESS OF THE CAUSE OF ACTION OR LEGAL THEORY PLED OR ASSERTED EXCEPT FOR FRAUD; AND, (b) BOTH TO: (i) EACH PARTY'S DUTIES, OBLIGATIONS OR RESPONSIBILITIES UNDER THIS AGREEMENT; AND, (ii) TO ANY PROPERTY DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT.

/s/ AH /s/ LP
Seller's Initials Buyer's Initials

5.3 Effect of Contrary Actual Knowledge on Representations. Seller shall have no liability to Buyer by reason of any breached or inaccurate representation or warranty made by either Seller in this Agreement, in any of the Property Documents, or in any other documents delivered in connection with the applicable Closing if, prior to such Closing, Buyer has or comes to have (from whatever source, including, due diligence investigations or inspections, or the written disclosure by a Seller or its agents or employees) actual knowledge of such breach or inaccuracy, and Buyer nevertheless consummates the subject Closing.

5.4. Indemnification.

5.4.1. By Seller. Subject to Sections 5.4.3 and 5.4.4, Seller shall waive any claim against Buyer for, and shall indemnify, hold harmless and defend Buyer against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Buyer resulting from the following: (i) any breach by Seller of this Agreement; (ii) any liability or obligation of Seller to a third party that Buyer is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property by a third party or relating thereto occurring before the Closing (except that attributable to the negligence or intentional acts of Buyer or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Seller herein, including, without limitation, breach of the warranty contained in Section 7.22.

5.4.2. By Buyer. Subject to Sections 5.4.3 and 5.4.4, Buyer shall waive any claim against Seller for, and shall indemnify, hold harmless and defend Seller against any claim, loss, damage or expense, including, without limitation, any and all reasonable attorneys' fees and disbursements, asserted against or suffered by Seller resulting from the following: (i) any breach by Buyer of this Agreement; (ii) any liability or obligation of Buyer which Seller is not required to assume hereunder or accruing prior to such assumption, including, without limitation, any personal injury or property damage suffered in, on or about the Property or relating thereto occurring on or after the Closing (except that attributable to the negligence or intentional acts of Seller or its agents, employees or representatives); or, (iii) the breach of any of the covenants, representations or warranties made by Buyer herein, including, without limitation, breach of the warranty contained in Section 7.22. Liability of Buyer to Seller for Buyer's default or breach of this Agreement resulting in Buyer's failure to close the Escrow shall be governed by Section 7.1.

5.4.3. Notice of Claim or Demand. In the event either Seller or Buyer receives notice of a claim or demand against which it is entitled to indemnification pursuant to either Section 5.4.1, or 5.4.2, as applicable, such party shall promptly give notice thereof to the other party. The party obligated to defend and indemnify shall, within ten (10) days after receipt of such notice, take such measures as may be reasonably required to properly and effectively defend such claim, and may defend same with counsel of its own choosing approved by the other party (which approval shall not be unreasonably withheld or delayed). In the event the party obligated to defend and indemnify refuses to defend such claim or fails to properly and effectively defend such claim, then the party entitled to a defense and indemnification may defend such claim with counsel of its own choosing at the expense of the party obligated to indemnify. Each party and their counsel shall cooperate with the other party in the defense of any claim and shall keep the party being indemnified reasonably informed of the status of the claim. The party being indemnified may participate in (but not control) the defense of such action all at its own expense without right of reimbursement from the indemnifying party. In such event, the indemnified party may settle such claim without the consent of the indemnifying party.

5.4.4. Remedies to Enforce Indemnification Rights. Subject to Sections 5.1(a) and 7.2, the parties may enforce such indemnification rights by any legal or equitable remedies available to them; provided, however, that each party shall be liable to the other party in any such legal or equitable action solely for such party's actual out-of-pocket/compensatory damages but shall not be liable to such party in any manner for consequential, incidental or punitive damages, or lost profits.

5.4.5. Survival. This Section 5.4 shall survive the Closing and the recordation of the Deed, or the earlier termination of this Agreement, except that Sections 5.4.1(i) and (ii), and 5.4.2(i), (ii) and (iii) shall not survive the termination of this Agreement prior to the Closing.

5.5. Risk of Loss. Risk of loss from all causes except the fault of Buyer shall remain upon Seller until the Close of Escrow occurs. Seller shall continue to maintain the insurance, if any, that Seller currently maintains on the Property until the Closing or the earlier termination of this Agreement. If, while risk of loss remains on Seller, the Property is damaged, except through fault of Buyer, in an amount less than twenty-five percent (25%) of the Purchase Price, Buyer shall elect to either terminate this Agreement (in which event the provisions of Section 4.2(a) shall apply) or maintain this Agreement in full force (in which event the provisions of Section 4.4.1, shall apply). Damage in an amount equal to twenty-five percent (25%) or more of the Purchase Price is "material," in which event, either party shall have the right to terminate this Agreement upon written notice to the other.

## ARTICLE VI. TITLE, ESCROW AND CLOSING

6.1. Conditions of Title; Evidence of Title. Seller shall convey title to the Property to Buyer by the Assignment, the Deed (subject only to the Conditions of Title, excluding any Title Defects which Seller is obligated to cure hereunder) and the Lease Assignment. Delivery of title to the Land shall be evidenced by the willingness of the Title Company to issue, upon payment of its normal premium, the Title Policy.

6.2. Escrow; Closing Date. The parties acknowledge that they shall open the Escrow with the Title Company within three (3) business days of the Effective Date. The parties also agree that the parties shall execute, deliver and deposit the Escrow Instructions, if any, to the Title Company within two (2) business days after the Title Company prepares and delivers them to the parties. The parties shall consummate the transaction contemplated by this Agreement for the Property through the Escrow on or before the Closing Date. Except as set forth in Sections 7.1 and 7.2, if the Escrow does not close on or before the Closing Date, then this Agreement shall automatically terminate and the Deposit shall be retained by Seller, and except for the obligations of either party that survive termination, the parties shall have no further obligations to one another.

6.3 Conflicting Demands. Should Title Company receive or become aware of conflicting demands or claims with respect to the Escrow, the rights of any party, or funds, documents or property deposited with Title Company, Title Company shall have the right to discontinue any further acts until such conflict is resolved to its satisfaction, and it shall have the further right to commence or defend any action for the determination of such conflict. The parties shall, immediately after demand therefore by Title Company, reimburse Title Company (in such respective proportions as Title Company shall determine) any reasonable attorneys' fees and court costs incurred by Title Company pursuant to this Section 6.3.

6.4. Deposit of Documents and Funds.

6.4.1. By Seller. Seller shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following documents executed and, if applicable, acknowledged by Seller as required:

a. Duplicate originals of the Assignment to each party;

b. Original of the Deed;

c. Duplicate originals of the Lease Assignment;

d. A duly completed and executed affidavit of non-foreign status in compliance with Internal Revenue Code Section 1445 in the form attached hereto as Exhibit "G" attached hereto and incorporated herein by reference as if fully set forth at length;

e. A duly completed and executed Form 593-C in compliance with California Revenue and Taxation Code Sections 18805 and 2613 for each Seller; and

f. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing.

6.4.2. By Buyer. Buyer shall deposit or cause to be deposited into the Escrow at least one (1) business day before the Closing Date the following funds and documents:

a. Cash, a cashier's check issued by a federally-insured financial institution or wire transfer to Title Company in the amount of the Purchase Price (less the Deposit previously delivered) plus an additional amount sufficient to pay Buyer's portion of the closing and escrow charges, costs, expenses and fees pursuant to Section 6.7 and also plus an additional amount to pay any sums due and owing to Seller pursuant to Section 6.6.1;

b. Duplicate originals of the Assignment to each party;

c. Duplicate originals of the Lease Assignment;

d. A duly completed respective preliminary change of ownership report in accordance with Revenue and Taxation Code Section 480.3 for the Land; and

e. Such other documents as the Title Company may reasonably request or as may be reasonably requested to effect the transaction contemplated by this Agreement or to facilitate the Closing.

To the extent not delivered to Buyer as of the Closing Date, all original Property Documents shall be delivered to Buyer as of the Closing Date outside of Escrow.

6.5. Closing. No later than the Closing Date, the Title Company shall effectuate the Closing when: (i) the requirements of Section 6.4 have been satisfied; and, (ii) it is in a position to issue the Title Policy. As part of the Closing, the Title Company shall provide the following documents to the parties indicated:

a. Providing an original of the Assignment to each party;

b. Recording the Deed (marked for return to Buyer) against the Nevada Ranch in the Merced County Official Records;

c. Providing a copy of the duly recorded Deed to Seller after its recordation;

d. Providing an original of the Lease Assignment to each party and a copy of same to Tenant;

e. Issuing the Title Policy for the Land to Buyer;

f. Delivering Seller's funds after deducting therefrom the amounts necessary to pay its portion of the Closing Costs, after adjusting for prorations;

g. Obtaining written confirmation from the parties that they each have satisfied or waived all conditions outside of the Escrow prior to Closing;

h. Preparing and delivering to each party a signed copy of the Title Company's closing statement showing all receipts and disbursements of the Escrow prior to Closing; and,

i. Confirming that all disclosures and notices have been given as required by any applicable Law or Governmental Agency were given upon or prior to Closing.

6.6. Prorations.

6.6.1. Generally. If all general, special, ordinary or extraordinary real and personal ad valorem taxes and assessments which are Conditions of Title arising out or, concerning or related in any way to the Property, including, without limitation, any licenses, fees, commercial rental tax, improvement bonds, levies, or other taxes (other than inheritance, personal income or estate taxes) levied or assessed against the Property or levied by any Governmental Agency (collectively the "Taxes"), for the year of Closing are not known or cannot be reasonably estimated, and solely to the extent not payable by Tenant under the Lease, such Taxes, if any, shall be prorated based on Taxes for the year prior to Closing. Seller shall be responsible for all Taxes that are attributable to periods on and before the Closing Date. Buyer shall be responsible for all Taxes that are attributable to periods after the Closing Date. All costs, expenses, fees, income, payables, receivables, revenues and utilities, of the Property, including, without limitation, any payments related to the Property from the **FARM SERVICE AGENCY** , a federal public agency, and the Lease shall be prorated between the parties on the basis of the actual number of days in the month as of 12:01 a.m., Pacific Time, on the Closing, with all such credits prior to Closing attributed to Seller and all such credits attributed to Buyer after the Closing. If the amount of any proration cannot be determined upon the Closing, the reconciliation and, if applicable, reimbursement shall be made between the parties as soon after the Closing as possible. Notwithstanding the foregoing, all prorations shall be deemed final six (6) months from the Closing.

6.6.2. Final Adjustment After Closing . If final bills are not available or cannot be issued prior to Closing for any item being prorated under Section 6.6.1, then the parties agree to allocate such items on a fair and equitable basis in accordance with Section 6.6.1 as soon as such bills are available, final adjustment to be made as soon as reasonably possible after the Closing; provided, however, such final adjustment shall be made by the date which is sixty (60) days after the Closing. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. This Section 6.6.2 shall survive the Closing and the recordation of the Deed.

6.7. Closing Costs. Closing Costs shall be allocated between the parties as set forth in Section 1.7. All other costs and expenses of Escrow and Closing shall be borne by the parties in accordance with custom and usage in the central San Joaquin Valley, California, and as set forth in the Escrow Instructions. In the event this Agreement is terminated by either party for failure of a condition set forth in this Agreement, or either party fails to Close the Escrow as provided herein, such terminating or defaulting party shall pay all charges, costs, expenses and fees of the Title Company incurred in

connection with this transaction prior to such termination, including, without limitation, Escrow and title cancellation fees; provided, however, that in the event Buyer terminates this Agreement because Seller is unwilling or unable to remove a Title Defect, Seller shall pay all such costs and charges.

6.8. Pre-Closing Settlement Statement. At least three (3) business days prior to the Closing, the parties shall provide to Title Company as much information as is then available to enable Title Company to prepare a pre-audit settlement statement setting forth in detail all prorations and adjustments contemplated by this Agreement, including, without limitation, Sections 6.6 and 6.7, based on the information available to Title Company. Title Company shall provide such pre-audit settlement statement to the parties and their respective legal counsel no later than two (2) business days prior to the Closing and shall include therewith an indication of any specific information remaining to be provided to Title Company by the parties to enable Title Company to show all final prorations and adjustments calculated by the parties, and required by this Agreement.

6.9. IRS Real Estate Sales Reporting. The parties hereby appoint Title Company, and Title Company agrees to act, as "the person responsible for closing" the transaction contemplated under this Agreement pursuant to Internal Revenue Code Section 6045(e). Title Company shall prepare and file all informational returns, including, without limitation, IRS Form 1099-S and shall otherwise comply with the provisions of Internal Revenue Code Section 6045(e). Title Company shall indemnify, protect, hold harmless and defend Seller, Buyer and their respective attorneys for, from and against any and all claims, actions, costs, loss, liability or expense arising out of or in connection with the failure of Title Company to comply with the provisions of this Section 6.9.

6.10. Possession. Right to possession of the Property shall transfer to Buyer on the Closing, subject only to the Conditions of Title and the Lease. If applicable, Seller shall transfer to Buyer on the Closing Date, to the extent in Seller's control, custody or possession, the originals of all permits and other documents to be transferred to Buyer under this Agreement which have not yet been delivered to Buyer, provided that Seller may retain copies of all or any of the foregoing documents. This Section 6.10 shall survive the Closing and the recordation of the Deed.

6.11. Notice to Tenant. Immediately after the Closing, the parties understand and agree that Buyer shall cause a "Notice to Tenant" to be sent to Tenant, informing it of the conveyance of title to the Property from Seller to Buyer as of the Closing in substantially the same form attached hereto as Exhibit "H" and incorporated herein by reference as if fully set forth at length. This Section 6.11 shall survive the Closing and the recordation of the Deed.

## ARTICLE VII. MISCELLANEOUS PROVISIONS

7.1. Default by Buyer; Liquidated Damages. IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE TO THE DEFAULT OR BREACH BY BUYER UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY BUYER OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY SELLER), THE PARTIES AGREE THAT SELLER SHALL BE PAID THE DEPOSIT AND ANY INTEREST ACCRUED THEREON AS LIQUIDATED DAMAGES, WHICH SUM THE PARTIES AGREE IS A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE AMOUNT TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BE ANTICIPATED, AND THE ANTICIPATION THAT PROVING ACTUAL DAMAGES WOULD BE COSTLY, IMPRACTICABLE AND EXTREMELY DIFFICULT. THE PARTIES FURTHER AGREE THAT, EXCEPT AS TO BUYER'S OBLIGATION OF INDEMNITY AND DUTY TO DEFEND IN SECTION 5.1(a), SUCH AMOUNT SHALL BE THE SOLE DAMAGES, AND THE SOLE AND EXCLUSIVE REMEDY OF SELLER, LEGAL, EQUITABLE OR OTHERWISE, INCLUDING SPECIFIC PERFORMANCE, DAMAGES AND ALL OTHER LEGAL OR EQUITABLE REMEDIES, AS A RESULT OF THE CLOSING NOT OCCURRING BY THE CLOSING DATE DUE TO BUYER'S DEFAULT OR BREACH UNDER THIS AGREEMENT, AND THAT, IN SUCH EVENT, BUYER SHALL HAVE NO FURTHER RIGHT TO PURCHASE THE PROPERTY OR OTHER RIGHTS UNDER THIS AGREEMENT, THROUGH SPECIFIC PERFORMANCE OR OTHERWISE. THE PARTIES FURTHER AGREE THAT THIS SECTION 7.1 SHALL SPECIFICALLY CONSTITUTE A WAIVER OF SELLERS RIGHT TO SPECIFIC PERFORMANCE, AS SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389 AND ANY INTERPRETIVE CASE LAW UNDER SUCH SECTIONS, INCLUDING BLEECHER V. CONTE (1981) 29 CAL.3D 345. THE PARTIES FURTHER AGREE THAT RETENTION OF THE DEPOSIT BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. IN PLACING THEIR INITIALS AT THE PLACES PROVIDED BELOW, EACH PARTY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS EITHER REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS MADE, OR WAS ADVISED TO SEEK INDEPENDENT LEGAL ADVICE REGARDING THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

IF THE CLOSING DOES NOT OCCUR BY THE CLOSING DATE DUE SOLELY TO SUCH A DEFAULT OR BREACH BY BUYER UNDER THIS AGREEMENT (AND THUS NOT AS A RESULT OF THE TIMELY DISAPPROVAL BY BUYER OF ANY CONTINGENCY CONTAINED HEREIN, OR DUE TO THE DEFAULT OR BREACH BY SELLER), THEN SELLER MAY COLLECT SUCH LIQUIDATED DAMAGES FROM BUYER BY MAKING WRITTEN DEMAND ON BUYER AND THE TITLE COMPANY, IF THE DEPOSIT IS BEING HELD BY THE TITLE COMPANY.

UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL MEMBER, DIRECTOR, MANAGER, OFFICER OR EMPLOYEE OF BUYER HAVE ANY LIABILITY ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

| /s/ AH | /s/ LP |
|---|---|
| Seller's Initials | Buyer's Initials |

7.2. Default by Seller. In the event the Closing and the consummation of a transaction contemplated by this Agreement does not occur as a result of any default by Seller, Buyer's sole remedies shall be to either: (i) terminate this Agreement and receive a refund of the Deposit together with reimbursement of actual third party out of pocket costs incurred by Buyer in connection with its "due diligence" investigation of the Property in an aggregate sum not to exceed Ten Thousand Dollars and No Cents ($10,000.00); or, (ii) file an action against Seller for specific performance of this

Agreement. Buyer's failure to file an action for specific performance within ninety (90) days of any claimed breach by Seller shall be deemed to be a waiver of that remedy. In no event shall Buyer be entitled to or seek any form of monetary damages from Seller, including but not limited to punitive, compensatory, general, special and/or incidental damages, except as set forth in this Section 7.2. Under no circumstances shall Seller's agents, conservators, directors, employees, guardians, managers, members, officers, representatives stockholders or trustees, as applicable, have any liability to Buyer for any claims made by Buyer arising out of or connected to this Agreement.

7.3. Limitation of Liability. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY'S GENERAL PARTNERS, LIMITED PARTNERS, MEMBERS, MANAGERS, AGENTS, INDEPENDENT CONTRACTORS, CONSULTANTS (INCLUDING, WITHOUT LIMITATION, ACCOUNTANTS AND ATTORNEYS), EMPLOYEES AND/OR REPRESENTATIVES, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF, HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE. THE FOREGOING LIMITATION ON LIABILITY SHALL SURVIVE THE CLOSING AND THE RECORDATION OF THE DEED, OR ANY EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT DIMINISH OR OTHERWISE AFFECT THE PARTY'S WAIVERS AND RELEASES IN ANY OTHER CONDITION, PROVISION OR TERM OF THIS AGREEMENT.

/s/ AH — Seller's Initials

/s/ LP — Buyer's Initials

7.4. Remedies Exclusive; Exercise of Remedies. The remedies specified herein for the enforcement of this Agreement are exclusive; provided, however, nothing contained herein is intended to abrogate, modify or affect either party's right to be indemnified, held harmless and defended as expressly set forth in this Agreement, it being understood that such obligations of the parties shall survive termination of this Agreement and, if applicable, the Closing and the recordation of the Deed. The exercise of any right or remedy by either party pursuant to this Agreement shall not in any way constitute a cure or waiver of any default hereunder, invalidate any act done pursuant to any notice of default, or prejudice either party in the exercise of any of their respective rights pursuant to this Agreement.

7.5. Attorneys' Fees and Disbursements. In the event of any arbitration, litigation or other dispute between the parties in connection with the interpretation, performance or enforcement of this Agreement, the prevailing party in such arbitration, litigation or other dispute shall be entitled, in addition to equitable relief or damages or both or other relief, to be reimbursed by the nonprevailing party for all reasonable costs and expenses of the arbitration, litigation, or other dispute including, without limitation, arbitration costs, arbitrator's fees court costs, expert witness fees, investigation costs and such reasonable attorneys' fees and disbursements, incurred therein by such prevailing party or parties and, if such prevailing party or parties shall recover judgment in any such action or proceedings, such costs, expenses and attorneys' fees may be included in and as a part of such judgment. The prevailing party or parties shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. If no costs of suit are awarded, the arbitrator(s) or court, as applicable, shall determine the prevailing party. Notwithstanding the foregoing, in the event the parties agree to mediate a dispute, each party shall pay its own costs and expenses, including attorney's fees and disbursements, of mediation.

7.6. Notices. All notices, demands, or other communications that either party desires or is required or permitted to give or make to the other party under or pursuant to this Agreement (collectively referred to as "notices") shall be made or given in writing and shall either be: (i) personally served; (ii) sent by registered or certified mail, postage prepaid, return receipt requested; (iii) sent by facsimile ("fax") or electronic mail ("email"); or, (iv) sent by a nationally recognized commercial delivery service or courier (such as Federal Express). All notices shall be addressed or faxed to or sent via e-mail to or personally served on the parties as set forth in Section 1.8. Counsel for a party may give notice on behalf of that party. Notices given by a party pursuant to the alternative methods described in this Section 7.6 shall be deemed to have been delivered to and received by the other party at the following times: (a) for notices personally served, on the date of hand delivery to the other party or its duly authorized employee, representative, or agent; (b) for notices given by registered or certified mail, on the date shown on the return receipt as having been delivered to and received by the other party or parties; (c) for notices given by fax or email, on the date the notice is faxed or sent by e-mail to the other party or parties; provided, however, that notices given by fax or e-mail, shall not be effective unless either: (i) a duplicate copy of such faxed notice is promptly given by first-class mail, postage prepaid, or commercial courier, and addressed as provided above, or (ii), in the case of a fax, the sending party's facsimile equipment is capable of providing a written confirmation of the receiving party's receipt of such notice; provided further, however, any notice given by fax or e-mail shall be deemed received on the next business day if such notice is received after 5:00 p.m. (recipient's time) or on a nonbusiness day; or, (d) for notices delivered by commercial courier, on the day on which same has been delivered by the courier as evidenced by the receipt provided by such courier to the party giving notice. Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this Section 7.6, and that any person to be given notice actually receives such notice. A party may change or supplement its designated agent, address, or fax number given above, or designate additional agents, addresses or fax numbers for notice purposes, by giving notice to the other party in the manner set forth in this Section 7.6, provided that any such address change shall not be effective until five (5) days after the notice is delivered or received by the other party.

7.7. Survival of Covenants. Subject to Sections 5.1 and 5.2, each of the covenants contained in this Agreement shall, to the extent applicable, survive the performance of the executory provisions of this Agreement, the Closing, and the recordation of the Deed, which will not effectuate a merger of interests unless otherwise expressly noted.

7.8. Further Assurances. The parties shall in good faith cooperate with each other in satisfying all conditions contained in this Agreement, including, without limitation, executing any and all documents required to be executed by Seller as record owner of the Property to accomplish any verifications, approvals or determinations. Seller specifically shall cooperate in good faith with Buyer in satisfying all conditions contained in Article IV, including, without limitation, the execution of any and all documents required to be executed by Seller as record owner of the Property to accomplish any verifications, approvals or determinations. Each party shall execute and deliver any and all additional papers, documents or other assurances and shall perform any further acts that may be reasonably necessary to carry out the intent of the parties and the provisions of this Agreement.

7.9. Binding Effect. Subject to Section 7.10, this Agreement shall inure to and for the benefit of and be binding upon each party's respective parent, subsidiary or affiliated organizations, administrators, agents, attorneys, beneficiaries, conservators, custodians, directors, employees, executors, guardians, heirs, independent contractors, joint venturers, members, officers, partners, predecessors, representatives, servants, stockholders, successors, trustees and all others acting for, under, or in concert with it, including associations, corporations, limited liability companies, and general or limited

partnerships, present and future.

7.10. Assignability. Notwithstanding Section 7.9, except for an Internal Revenue Code Section 1031 exchange, any assignment by either party of its rights and duties, obligations and responsibilities under this Agreement shall be subject to the other party's prior written consent, exercisable in it's sole and absolute discretion, provided that no such assignment shall relieve the assigning party of its duties, obligations and responsibilities under this Agreement.

7.11. No Third Party Beneficiary. This Agreement is made for the sole benefit of the parties and their respective successors and permitted assigns and no other person or persons shall have any right of action hereon.

7.12. No Partnership or Joint Venture Created. The parties' relationship is that of seller and buyer and this Agreement is not intended to nor does create a partnership or joint venture or relationship between the parties.

7.13. Entire Agreement. This Agreement, including the attached exhibits (all of which are incorporated by this reference), supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such matter, and each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement, including the attached exhibits, shall be valid or binding. The exhibits are an integral part of this Agreement.

7.14. Modification. This Agreement may be modified only by a written document signed by the parties.

7.15. Partial Invalidity. If any condition, covenant, provision or term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each remaining condition, covenant, provision or term of this Agreement shall be valid and shall be enforced to the fullest extent permitted by Law it being the intent of the parties each to receive the material benefit of their bargain.

7.16. Waiver. Notwithstanding any agreement between the parties, the waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or waiver of any subsequent breach whether of the same or another provision thereof.

7.17. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the internal Laws, and not the Law of conflicts, of the State of California, where it is to be executed, delivered and performed. This Agreement is entered into and is to be performed in Kern County, California, and accordingly the only appropriate venue for a dispute under this Agreement is in the Kern County Superior Court, Metropolitan District. The parties hereby expressly consent to the jurisdiction by the Kern County Superior Court, Metropolitan District.

7.18. Tax-Deferred Exchange. The parties acknowledge that either party may wish to structure all or a portion of this transaction as a tax deferred exchange of like-kind property within the meaning of Section 1031 of the Internal Revenue Code. Each party agrees to reasonably cooperate with the other party to effect such an exchange; provided, however, that: (i) the cooperating party shall not be required to acquire or take title to any exchange property; (ii) the cooperating party shall not be required to incur any expense (excluding its own attorneys' fees incurred in reviewing any drafts of Exchange Documents, as defined below) or liability whatsoever in connection with the exchange, including, without limitation, any obligation for the payment of any escrow, title, brokerage or other costs incurred with respect to the exchange; (iii) no substitution of the effectuating party shall release said party from any of its obligations, warranties or representations set forth in this Agreement or from liability for any prior or subsequent default under this Agreement by the effectuating party, its successors, or assigns, which obligations shall continue as the obligations of a principal and not of a surety or guarantor; (iv) the effectuating party shall give the cooperating party at least five (5) business days prior notice of the proposed changes required to effect such exchange and the identity of any party to be substituted in the Escrow; (v) the effectuating party shall be responsible for preparing all additional agreements, documents and escrow instructions (collectively, the "Exchange Documents") required by the exchange, at its sole cost and expense; (vi) the effectuating party shall be responsible for making all determinations as to the legal sufficiency, tax considerations and other considerations relating to the proposed exchange, the Exchange Documents and the transactions contemplated thereby, and the cooperating party shall in no event be responsible for, or in any way be deemed to warrant or represent any tax or other consequences of the exchange transaction arising by reason of the cooperating party's performance of the acts required hereby; and, (vii) except as provide in Section 1.6, the Closing shall not be delayed as a result of a party's election to structure the transaction as a tax deferred exchange in accordance with this Section 7.18.

7.19. No Recordation of Memorandum of Agreement. The parties agree that no memorandum of this Agreement shall be recorded against the Property in either the Merced County Official Records. Upon the termination of this Agreement without consummating the transaction contemplated thereunder, Buyer agrees to execute and acknowledge and then record quitclaim deeds in favor of Seller in the Merced County Official Records.

7.20. Time of the Essence. Time is of the essence under this Agreement.

7.21. Separate Counterparts; Facsimile & Electronic Signatures. This Agreement shall be executed in two (2) separate counterparts, each of which, when so executed, shall be deemed to be an original and to constitute the one and same contract. This Agreement may be signed and signatures transmitted by facsimile, and any such facsimile copy shall be equivalent to a binding signed original for all purposes, and the party transmitting facsimile signatures shall transmit original "hard copies" of the signature pages as provided in Section 7.6 within twenty-four (24) hours after transmission of such facsimile copy. This Agreement may also be executed electronically, whether using an electronic signature and delivery service such as DocuSign or eSignLive, or by use of electronically copied/saved and transmitted executed documents, such as by emailing a PDF of the signed document. The Parties expressly agree that the actual execution and delivery of this Agreement by electronic means shall specifically be governed by the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C § 7001, and the governing law applicable to the remainder of the agreement shall be as otherwise stated herein.

7.22. Warranties of the Parties. Each party understands, acknowledges, agrees, represents and warrants to the other party that it has received independent legal advice from its attorneys with respect to the advisability of entering into this Agreement or has intentionally elected not to seek the

advice of counsel and has carefully reviewed and considered the terms and conditions of this Agreement, that it is empowered to execute this Agreement, and that its execution of this Agreement is free and voluntary.

7.23. Authority of the Parties. Where required in this Agreement or by the Title Company, the parties shall deliver documentation that authorizes the transaction contemplated herein and also evidences the authority of the individuals or officers who are empowered to execute and carry out the terms of this Agreement.

7.24. Broker's Commissions. Each party represents and warrants to the other parties that there is no broker, finder or intermediary with whom they have dealt in connection with the transaction contemplated under this Agreement. In the event of any such claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Agreement, the party through whom said broker, salesman or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorney's fees, that may be incurred by such other party in connection with such claim. The foregoing indemnity shall survive the Closing and the recordation of the Deed.

7.25. Confidentiality. Buyer entered into a non-disclosure agreement with Seller effective as of March 11, 2016 ("NDA"). The NDA is hereby incorporated by reference. Prior to Closing, the parties shall hold as confidential and shall not disclose to any third party either the conditions, covenants, provisions or terms of this Agreement, the transaction contemplated under this Agreement, activities and information acquired during the Due Diligence Period related to Seller, Tenant or the Property and Buyer shall not disclose to any third party any information received, obtained or discovered relating in any manner to the Property, Seller and Tenant, unless such disclosure is made to either party's financial, legal or tax advisors, partners, members, and investors on a confidential basis, is required by applicable Law or the other party consents in writing to the disclosure, without first obtaining the written consent of the other party.

7.26 Rule 3-14 Audit. Seller agrees to reasonably cooperate, at no cost or expense to Seller, with Buyer in connection with any SEC Regulation SX Rule 3-14 audit that Buyer may conduct with respect to the Property within one (1) year after the Closing Date.

**[SIGNATURES BEGIN ON THE NEXT PAGE; REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

7.26. Effectiveness. This Agreement shall become effective as of the Effective Date upon its execution and delivery by all of the parties.

DATED: September 13, 2016

**SAN JOAQUIN FARMS, LLC**, a Washington limited liability company authorized to do business in the State of California as **WASHINGTON SAN JOAQUIN FARMS, LLC** ("Seller")

By: /s/ Alan Heuberger
[*Print*] Alan Heuberger
Its: Authorized Signatory

DATED: September 13, 2016

**NEVADA RANCH MERCED, LP**, a Delaware limited partnership ("Buyer")

By: GLADSTONE CALIFORNIA FARMLAND GP, LLC, a Delaware limited liability company
Its: General Partner

By: GLADSTONE LAND LIMITED PARTNERSHIP, a Delaware limited partnership
Its: Sole Member

By: GLADSTONE LAND PARTNERS, LLC, a Delaware limited liability company
Its: General Partner

By: GLADSTONE LAND CORPORATION, a Maryland corporation
Its: Manager

By: /s/ Lewis Parrish
[*Print*]: Lewis Parrish
Its: CFO

[SIGNATURES CONTINUED ON THE NEXT PAGE; REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ACCEPTANCE BY TITLE COMPANY:**

Title Company hereby acknowledges that it has received a fully executed counterpart of this Agreement and agrees to act as Title Company thereunder and to be bound by and perform the terms thereof as such terms apply to Title Company.

DATED: September 13, 2016

**CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation ("Title Company")

By: /s/ Melodie Rochelle
MELODIE T. ROCHELLE
Title: Vice President, Sr. Commercial Title Officer



**EXHIBITS**

| EXHIBIT | NAME OF EXHIBIT |
|---|---|
| "A" | LEGAL DESCRIPTION OF THE LAND |
| "B" | THE EXCLUDED IMPROVEMENTS |
| "C" | THE FORM OF THE ASSIGNMENT |
| "D" | THE FORM OF THE DEED |
| "E" | THE FORM OF LEASE ASSIGNMENT |
| "F" | THE FORM OF THE TENANT ESTOPPEL CERTIFICATE |
| "G" | THE FORM OF THE FEDERAL FIRPTA CERTIFICATE |

| "H" | THE FORM OF THE NOTICE TO TENANT |
|---|---|

**EXHIBIT "A"**

**Legal Description of the Land**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN AN UNINCORPORATED AREA, COUNTY OF MERCED, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL A:**

Parcel 1, as shown on that certain parcel map for First Harvest, filed for record on December 16, 1976 in Volume 31 of Parcel Maps, Page 42, Merced County Records, and being portions of Section 35 and Section 36, Township 8 South, Range 16 East, M.D.B.&M.

Merced County Assessor's Parcel No. 068-130-029

**PARCEL B:**

ADJUSTED PARCEL 2 of Property Line Adjustment No. 02034 for Albert Gedrimas described in Certificate of Compliance recorded February 21, 2003 as Instrument No. 2003-010215 described as follows:

All that certain real property situate in a portion of Section 36, Township 8 South, Range 16 East, Mount Diablo Base and Meridian, in the County of Merced, State of California, also being a portion of Parcel 2 and all of Parcel 3 as shown on that certain Parcel Map for "FIRST HARVEST" filed for record in Volume 31 of Parcel Maps at page 42, Merced County Records, described as follows:

Excepting the following described portion of said Parcel 2:

Commencing at the northwest corner of said Parcel 2, said northwest corner being a point on the south line of a 60.00 foot wide County Road now known as "BUCHANAN HOLLOW ROAD"; thence N.89°01'09"E. along the north line of said Parcel 2 and the south line of said road a distance of 612.96 feet, more or less to the point of intersection with the centerline of an existing creek and the TRUE POINT OF BEGINNING of this description; thence along the centerline of said creek the following eleven (11) courses:

1. S.27°45'41"E. 332.56 feet, more or less
2. S.38°36'15"E. 255.04 feet, more or less
3. S.03°52'22"E. 101.54 feet, more or less
4. S.61°56'12"E. 90.67 feet, more or less
5. N.49°13'11"E. 124.78 feet, more or less
6. N.71°13'29"E. 263.05 feet, more or less
7. N.12°13'24"E. 111.58 feet, more or less
8. N.59°58'59"W. 113.05 feet, more or less
9. N.23°50'49"W. 134.24 feet, more or less
10. N.41°01'12"E. 87.04 feet, more or less
11. S.82°34'17"E. 210.29 feet, more or less

to a point on the most westerly, east line, of said Parcel 2; thence N.00°31'14"W. along said line a distance of 159.59 feet to a point on said south line of Buchanan Hollow Road; thence S.89°01'09"W. along said south line a distance of 880.24 feet to the point of beginning.

Merced County Assessor's Parcel No. 068-130-044 and 068-130-031

**PARCEL C:**

Parcel 4, as shown on that certain parcel map for First Harvest, filed for record on December 16, 1976 in Volume 31 of Parcel Maps, Page 42, Merced County Records, and being portions of Section 35 and Section 36, Township 8 South, Range 16 East, M.D.B.&M.

Merced County Assessor's Parcel No. 068-130-032

**PARCEL D:**

Parcel 5, as shown on that certain parcel map for First Harvest, filed for record on December 16, 1976 in Volume 31 of Parcel Maps, Page 42, Merced County Records, and being portions of Section 35 and Section 36, Township 8 South, Range 16 East, M.D.B.&M.

Merced County Assessor's Parcel No. 068-130-033.

**PARCEL E:**

Parcel 6, as shown on that certain parcel map for First Harvest, filed for record on December 16, 1976 in Volume 31 of Parcel Maps, Page 42, Merced County Records, and being portions of Section 35 and Section 36, Township 8 South, Range 16 East, M.D.B.&M.

Merced County Assessor's Parcel No. 068-130-034.

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**PARCEL F:**

The Northwest quarter of Section 35, Township 8 South, Range 16 East, M.D.B.&M., in the County of Merced, State of California, according to the Official Plat thereof.

Excepting and reserving unto Hazel Ellen Mathews an undivided one-half interest in all minerals, oil, gas and other hydrocarbons therein and thereunder by deed recorded December 29, 1976 as Instrument No. 28439 in Volume 2057 of Official Records, Page 1, Merced County Records.

Merced County Assessor's Parcel No. 068-130-028

Merced County Assessor's Parcel Nos. 068-130-028, -029, -031, -032, -033, -034 and -044

## EXHIBIT "B"

## The Excluded Improvements

## EXHIBIT "C"

## The Form of the Assignment

## EXHIBIT "D"

**The Form of the Deed**

**EXHIBIT "E"**

**The Form of the Lease Assignment**

**EXHIBIT "F"**

**The Form of the Tenant Estoppel Certificate**

**EXHIBIT "G"**

**The Form of the Federal FIRPTA Certificate**

**EXHIBIT "H"**

**The Form of the Notice to Tenant**

**Exhibit 31.1**

**CERTIFICATION**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David Gladstone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2016

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

**Exhibit 31.2**

**CERTIFICATION**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lewis Parrish, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2016

/s/ Lewis Parrish

Lewis Parrish
Chief Financial Officer and
Assistant Treasurer

**Exhibit 32.1**

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer of Gladstone Land Corporation (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 ("Form 10-Q"), filed concurrently herewith by the Company, fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 14, 2016

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

**Exhibit 32.2**

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer and Assistant Treasurer of Gladstone Land Corporation (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 ("Form 10-Q"), filed concurrently herewith by the Company, fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 14, 2016

/s/ Lewis Parrish

Lewis Parrish
Chief Financial Officer and
Assistant Treasurer