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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

December 5, 2014

Gladstone Land Corporation

(Exact name of registrant as specified in its charter)

Maryland

001-35795

54-1892552

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1521 Westbranch Drive , Suite 100, McLean, Virginia

22102

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

7032875893

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

[Top of the Form](#)

Item 1.01 Entry into a Material Definitive Agreement.

On December 5, 2014, Gladstone Land Limited Partnership (the "Operating Partnership"), a wholly-owned subsidiary of Gladstone Land Corporation ("Gladstone Land"), through Gladstone Lending Company, LLC (the "Borrower"), a wholly-owned subsidiary of the Operating Partnership (the Borrower, together with the Operating Partnership and Gladstone Land, collectively, the "Company"), 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").

Pursuant to the Bond Purchase Agreement, the Borrower may, from time to time, issue one or more bonds to the Bond Purchaser that will be secured by a security interest in one or more loans originated by Borrower (pursuant to the Pledge and Security Agreement described below), which, in turn, will be secured by first liens on agricultural real estate owned by subsidiaries of Gladstone Land. The bonds issued will have a maximum aggregate, effective loan-to-value ratio of 60% of the underlying agricultural real estate, after giving effect to the overcollateralization obligations described below.

On December 11, 2014, the Company completed an initial issuance under the Farmer Mac Facility, for which it received proceeds of approximately \$3.7 million (the "Initial Issuance"). The Initial Issuance, which is non-amortizing and has a term of five years, will bear interest at a fixed rate of 3.25% per annum throughout its term. The interest rate for subsequent bond issuances will be based on prevailing market rates at the time of such issuance. Prepayment of each bond issuance will not be permitted unless otherwise agreed upon by all parties to the Bond Purchase Agreement. If the Borrower has not issued bonds to the Bond Purchaser such that the aggregate bond issuances total \$75.0 million by December 11, 2016, Farmer Mac has the option to be relieved of its obligation to purchase additional bonds under this facility.

Proceeds from the Initial Issuance will be used to repay amounts owed under the Company's line of credit with Metropolitan Life Insurance Company and for other general corporate purposes.

The Borrower's ability to borrow under the Farmer Mac Facility is subject to the Company's ongoing compliance with a number of customary affirmative and negative covenants, as well as financial covenants, including:

- o a maximum leverage ratio of not more than 65%;
- o a minimum fixed charge coverage ratio of 1.4; and
- o a minimum tangible net worth in excess of \$50,000,000 (plus a certain percentage of future equity offerings).

In connection with the Bond Purchase Agreement, on December 5, 2014, the Borrower also entered into a pledge and security agreement (the "Pledge and Security Agreement") in favor of the Bond Purchaser and Farmer Mac, which provides for the Borrower to pledge, as collateral for bonds issued pursuant to the Farmer Mac Facility, all of its respective right, title, and interest in mortgage loans made by Borrower, which, among other things, must have at all times a value of not less than 110% of the aggregate principal amount of the outstanding bonds held by the Bond Purchaser.

The Bond Purchase Agreement and the Pledge Agreement include customary events of default, the occurrence of any of which, after any applicable cure period, would permit the Bond Purchaser and Farmer Mac to, among other things, accelerate payment of all amounts outstanding under the Farmer Mac Facility and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the agricultural real estate underlying the pledged mortgage loans.

The foregoing summaries of the Bond Purchase Agreement and the Pledge and Security Agreement are qualified in their entirety by reference to the Bond Purchase Agreement and the Pledge and Security Agreement, copies of which are attached as Exhibits 10.1 and 10.2 hereto and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

10.1 Bond Purchase Agreement, dated as of December 5, 2014, by and among Gladstone Lending Company, LLC, as Issuer, Farmer Mac Mortgage Securities Corporation, as Bond Purchaser, and Federal Agricultural Mortgage Corporation, as Guarantor.

10.2 Pledge and Security Agreement, dated as of December 5, 2014, by and among Gladstone Lending Company, LLC, as Grantor, Farmer Mac Mortgage Securities Corporation, as Purchaser, and Federal Agricultural Mortgage Corporation, as Collateral Agent and Bond Guarantor.

99.1 Press Release issued by Gladstone Land Corporation on December 15, 2014

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 hereunto duly authorized.

December 16, 2014

Gladstone Land Corporation

By: /s/ Lewis Parrish

Name: Lewis Parrish

Title: Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Bond Purchase Agreement, dated as of December 5, 2014, by and among Gladstone Lending Company, LLC, as Issuer, Farmer Mac Mortgage Securities Corporation, as Bond Purchaser, and Federal Agricultural Mortgage Corporation, as Guarantor.
10.2	Pledge and Security Agreement, dated as of December 5, 2014, by and among Gladstone Lending Company, LLC, as Grantor, Farmer Mac Mortgage Securities Corporation, as Purchaser, and Federal Agricultural Mortgage Corporation, as Collateral Agent and Bond Guarantor.
99.1	Press Release issued by Gladstone Land Corporation on December 15, 2014

FARMER MAC MORTGAGE SECURITIES CORPORATION
as Bond Purchaser
GLADSTONE LENDING COMPANY, LLC
as Issuer
FEDERAL AGRICULTURAL MORTGAGE CORPORATION
as Guarantor

AGVANTAGE[®] BOND PURCHASE AGREEMENT

Dated as of December 5, 2014

TABLE OF CONTENTS

Page

RECITALS

ARTICLE I DEFINITIONS

SECTION 1.01. Definitions

SECTION 1.02. Principles of Construction

ARTICLE II PURCHASE OF BONDS

SECTION 2.01. Purchase of Bonds; Minimum Denominations

SECTION 2.02. Interest Rates and Payment

SECTION 2.03. Maturity

ARTICLE III CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to the Purchase of Each Bond

SECTION 3.02. Certificate of Pledged Collateral

ARTICLE IV REPORTING REQUIREMENTS

SECTION 4.01. Annual Reporting Requirements

SECTION 4.02. Additional Reporting Requirements

SECTION 4.03. Default Notices

ARTICLE V REPRESENTATIONS AND COVENANTS OF THE PARTIES

SECTION 5.01. Representations of Farmer Mac and the Purchaser

SECTION 5.02. Representations of Issuer

ARTICLE VI SECURITY AND COLLATERAL

SECTION 6.01. Security and Collateral

ARTICLE VII EVENTS OF DEFAULT

SECTION 7.01. Events of Default

SECTION 7.02. Acceleration

SECTION 7.03. Remedies Not Exclusive

ARTICLE VIII MISCELLANEOUS

SECTION 8.01. GOVERNING LAW

SECTION 8.02. WAIVER OF JURY TRIAL

SECTION 8.03. Notices

SECTION 8.04. Benefit of Agreement

SECTION 8.05. Entire Agreement

SECTION 8.06. Amendments and Waivers

SECTION 8.07. Counterparts

SECTION 8.08. Termination of Agreement

SECTION 8.09. Survival

SECTION 8.10. Severability

ARTICLE IX GUARANTEE

SECTION 9.01. Guarantee.

SECTION 9.02. Control by the Guarantor.

Schedule I – Addresses for Notices

Schedule II – Form of Pricing Agreement

Annex A – Form of AgVantage Bond (Fixed- and Floating-Rate)

Annex B – Reserved

Annex C – REIT Officers' Certificate

Annex D – Issuer Officers' Certificate

Annex E – Qualified Loan Report

AGVANTAGE BOND PURCHASE AGREEMENT

AGVANTAGE BOND PURCHASE AGREEMENT, dated as of December 5, 2014, among FARMER MAC MORTGAGE SECURITIES CORPORATION (the "Purchaser"), a wholly owned subsidiary of FEDERAL AGRICULTURAL MORTGAGE CORPORATION, a federally-chartered instrumentality of the United States and an institution of the Farm Credit System ("Farmer Mac" or the "Guarantor"); **GLADSTONE LENDING COMPANY, LLC**, a Delaware limited liability company (the "Issuer"); and Farmer Mac, as Guarantor.

RECITALS

WHEREAS Issuer wishes from time to time to issue and sell AgVantage Bonds to the Purchaser, and the Purchaser wishes from time to time to purchase such AgVantage Bonds from Issuer, all on the terms and subject to the conditions herein provided; and

WHEREAS Farmer Mac is an instrumentality of the United States formed to provide for a secondary market for agricultural real estate mortgages and rural utilities loans, and Issuer is a limited liability company that intends to originate and service agricultural mortgage loans as contemplated in this Agreement; and

WHEREAS the Issuer believes it to be in its best interests to issue and sell AgVantage Bonds to obtain funding from Farmer Mac; and

WHEREAS Farmer Mac, the Purchaser and Issuer have agreed that the AgVantage Bonds will be guaranteed by Farmer Mac and secured by the pledge of loans secured by first liens on agricultural real estate, as provided herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, Farmer Mac, the Purchaser and Issuer agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Agreement" means this AgVantage Bond Purchase Agreement, as the same may be amended from time to time.

"AgVantage Bonds" or "Bonds" means the debt instruments in the form of Annex A hereto issued and sold under this Agreement, or any one or more of them as the context may require.

"Bond Documents" means the Bonds, this Agreement, and the Pledge Agreement.

"Bond Interest Rate" means the rate of interest applicable to any particular Bond, as set forth in the applicable Pricing Agreement.

“Bond Specific Payment Default” means an Event of Default triggered solely by a payment default of one or more AgVantage Bonds under Section 7.01(a) of this Agreement when no other facts and circumstances exist that have caused an Event of Default under Section 7.01 (other than Section 7.01(a)) to occur and be continuing.

“Borrower” means a limited liability company or other entity organized and domiciled under the laws of any state in the United States of America that is principally-owned by the Operating Partnership and affiliated with Issuer (unless otherwise approved by Farmer Mac) and that owns the agricultural real estate securing one or more Qualified Loans.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which any of the Federal Reserve Bank of New York, Farmer Mac’s office in Washington, DC or Issuer’s main office in McLean, Virginia is not open for business.

“Capitalized Interest” means interest that is added to the cost of a long-term asset rather than expensed.

“Certificate of Pledged Collateral” has the meaning given to that term in the Pledge Agreement.

“Closing Date” means the date of the funding of each issuance of AgVantage Bonds hereunder, which date shall be set forth in the applicable Pricing Agreement.

“Collateral Agent” means Farmer Mac, as collateral agent under the Pledge Agreement, or its successor, as appointed pursuant to the terms set forth in Article 3 of the Pledge and Security Agreement.

“Control Party” means (i) the Guarantor, so long as no Guarantor Default has occurred and is continuing, or (ii) the holders of the AgVantage Bonds for so long as a Guarantor Default has occurred and is continuing.

“Dollar” or “\$” means the lawful money of the United States of America.

“EBITDA” means earnings before interest, taxes, depreciation, and amortization.

“Equity Offering Proceeds” means the amount of net proceeds of any offerings or issuances of common equity securities (including proceeds from issuances of senior common stock but excluding proceeds from issuances of preferred term stock that is required to be accounted for as debt under GAAP) completed by the REIT after the date hereof, as set forth in the offering documents for any such offerings or issuances; *provided, however*, that to the extent any amount of such net proceeds are used to retire or redeem any existing or outstanding class or series of equity or debt securities issued by the REIT, or to repay debt otherwise incurred, directly or indirectly, by the REIT, as set forth in the offering documents for any such offerings or issuances, then the Equity Offering Proceeds shall be reduced by that amount; *provided further*, that to the extent the offering documents for any such offerings or issuances do not clearly identify, in the reasonable judgment of Farmer Mac, the amount of net proceeds used to retire or redeem any existing or outstanding class or series of equity or debt securities issued by the REIT, or to repay debt otherwise incurred, directly or indirectly, by the REIT, then Issuer shall cause the REIT to provide such information as is reasonably requested by Farmer Mac to enable Farmer Mac to perform an accurate calculation of the amount of Equity Offering Proceeds resulting from an offering or issuance of equity securities completed by the REIT.

“Event of Default” has the meaning given to that term in Section 7.01.

“Final Issuance Date” means the earlier of: (a) two years from the date on which an issuance of AgVantage Bonds is first issued hereunder; and (b) such date as Farmer Mac determines that a Material Adverse Change has occurred.

“Final Maturity Date” means December 31, 2029, or such other date as agreed to by the parties.

“Financial Covenants” has the meaning given to that term in Section 5.02.

“Financial Statements”, in respect of a Fiscal Year, means the publicly filed consolidated financial statements (including footnotes) of the REIT prepared in accordance with U.S. generally accepted accounting principles for that Fiscal Year as audited by independent certified public accountants selected by the REIT, and in respect of a Fiscal Quarter, means the publicly filed unaudited interim consolidated financial statements of the REIT prepared in accordance with U.S. generally accepted accounting principles for that Fiscal Quarter.

“Fiscal Quarter” means each fiscal quarter of the REIT, as such may be changed from time to time, which at the date hereof commence on January 1, April 1, July 1, and October 1 of each calendar year and end on March 31, June 30, September 30, and December 31 of the same calendar year, respectively.

“Fiscal Year” means the fiscal year of the REIT, as such may be changed from time to time, which at the date hereof commences on January 1 of each calendar year and ends on December 31 of the same calendar year.

“Fixed Charge Coverage Ratio” means the ratio of (a) the sum of the REIT’s (i) aggregate EBITDA as presented in the Financial Statements, for the prior four Fiscal Quarters for which Financial Statements are available, which includes the most recently reported quarter and (ii) aggregate Non-Cash Expenses as presented in the Financial Statements, for the prior four Fiscal Quarters for which Financial Statements are available, which includes the most recently reported quarter to (b) the sum of the REIT’s (i) aggregate interest expense as presented in the Financial Statements, for the prior four Fiscal Quarters for which Financial Statements are available, which includes the most recently reported quarter (ii) aggregate Capitalized Interest, for the prior four Fiscal Quarters for which Financial Statements are available, which includes the most recently reported quarter (iii) aggregate preferred dividend payments as presented in the Financial Statements, to the extent required to be reflected as debt on the REIT’s Financial Statements, for the prior four Fiscal Quarters for which Financial Statements are available, which includes the most recently reported quarter and (iv) aggregate Lease Payments, for the prior four Fiscal Quarters for which

Financial Statements are available, which includes the most recently reported quarter.

“Goodwill” shall be the aggregate value of the intangible assets held by the REIT, as of the end of each Fiscal Quarter or the Fiscal Year, as applicable, as presented in the Financial Statements, excluding the Intangible Assets.

“Guaranteed Obligations” has the meaning given to that term in Section 9.01.

“Guarantor Default” means a default by the Guarantor under its obligations pursuant to Article IX which is existing and continuing.

“Intangible Assets” means intangible real property assets that are recorded as part of the acquisition of a real property asset, including leasing costs (consisting of leasing commissions and legal fees), in-place lease values and customer relationships, to the extent that such values are included in the line item “Lease intangibles, net” on the consolidated balance sheet of the REIT’s Financial Statements.

“Interest Payment Date” means the dates set forth in the Pricing Agreement for Bonds as the interest payment dates therefor; *provided, however*, that if any such date is not a Business Day, such Interest Payment Date that would otherwise be such date will be the next Business Day following such date.

“Land Asset Fair Value Adjustment” means the difference between (i) the then current aggregate fair value of all of the farm properties directly or indirectly owned by the REIT, as reported in the MD&A Section under the Net Asset Value disclosure in the REIT’s quarterly filings with the Securities and Exchange Commission (“SEC”), representing the value of such properties based on independent third-party appraisals, the purchase price paid for recently purchased properties not included in the previous Fiscal Quarter’s Financial Statements, or the REIT’s internal valuation process, as applicable, and (ii) the net cost basis of all of the farm properties directly or indirectly owned by the REIT representing the initial acquisition price (including the costs allocated to both tangible assets and Intangible Assets) plus subsequent improvements and capitalized costs associated with such properties, and adjusted for accumulated depreciation and amortization, as such value is set forth in the applicable Financial Statements of the REIT. In the absence of the Net Asset Value disclosure within the REIT’s quarterly filing, or the absence of a quarterly filing, the aggregate fair value of such farm properties shall be that as found in the REIT’s most recent SEC filing, updated for any appraisals performed since the time of said filing or the addition of any new properties acquired since the time of such filing, which properties, if any, will be included at their respective purchase price(s).

“Lease Payments” means payments related to capital leases, as presented, as of the end of each Fiscal Quarter or the Fiscal Year, as applicable, as presented in the Financial Statements.

“Leverage Ratio” means the ratio of the REIT’s Total Debt to the REIT’s Total Assets.

“Material Adverse Change” means a material adverse change in the financial condition or business of Issuer, the Operating Partnership, or the REIT since the end of the REIT’s most recently completed Fiscal Year for which audited Financial Statements are available and have been provided to Farmer Mac, unless such material adverse change has otherwise been set forth in documents, certificates or financial information furnished to Farmer Mac or publicly filed prior to the date of this Agreement.

“Minimum Required Collateralization Level” has the meaning given to that term in the Pledge Agreement.

“Minimum Tangible Net Worth” shall be calculated pursuant to the following formula:

$$\$50,000,000 + (0.6 * \text{Equity Offering Proceeds})$$

“Non-Cash Expenses” means any expenses that were accounted for in the calculation of the REIT’s EBITDA that did not, and are not expected to, result in a disbursement of cash. Non-Cash Expenses may include, but are not limited to, stock-based compensation expense and any other compensation for products or services paid in stock of the REIT or units of the Issuer. The REIT or the Issuer shall inform Farmer Mac of the items included in the Non-Cash Expenses calculation to the extent requested by Farmer Mac.

“Nonperforming Assets” means the sum of the unpaid principal balance of all loans owned by Issuer that are 90 or more days delinquent, in foreclosure, or in bankruptcy.

“Nonperforming Asset Rate” means the ratio of Nonperforming Assets to the unpaid principal balance of all loans owned by Issuer.

“Notice of Requested Borrowing” has the meaning set forth in Section 2.01 hereof.

“Operating Partnership” means Gladstone Land Limited Partnership.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Pledge Agreement” means the Pledge and Security Agreement dated as of the date hereof, among Issuer, the Purchaser, Farmer Mac and the Collateral Agent.

“Pricing Agreement” means the Pricing Agreement for each issuance of Bonds among Farmer Mac, the Purchaser and Issuer in the form of Schedule II attached hereto.

“Qualified Collateral” has the meaning given to that term in the Pledge Agreement.

“Qualified Loans” has the meaning given to that term in the Pledge Agreement.

“REIT” means the Gladstone Land Corporation, a Maryland corporation, and the consolidated parent company of Issuer.

“Stockholders’ Equity” shall be the stockholders’ equity of the REIT, as of the end of each Fiscal Quarter or the Fiscal Year, as applicable, as presented in the Financial Statements.

“Tangible Net Worth” means the tangible net worth of the REIT, calculated as follows:

(Stockholders’ Equity + Land Asset Fair Value Adjustment – Goodwill)

“Total Assets” means the sum of (a) the Land Asset Fair Value Adjustment and (b) the total assets as of the end of each Fiscal Quarter or the Fiscal Year, as applicable, as presented in the Financial Statements.

“Total Debt” means the total interest-bearing debt of the REIT (including any preferred term stock that is required to be accounted for as debt under GAAP) as of the end of each Fiscal Quarter or the Fiscal Year, as applicable, as presented in the Financial Statements.

SECTION 1.02. Principles of Construction. Unless the context shall otherwise indicate, the terms defined in Section 1.01 hereof include the plural as well as the singular and the singular as well as the plural. The words “hereafter”, “herein”, “hereof”, “hereto” and “hereunder”, and words of similar import, refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The words “include”, “includes” and “including” shall be construed to be followed by the words “without limitation.” References to Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses shall be construed as references to the Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses of this Agreement. All accounting terms used and not expressly defined herein shall have the meanings given to them in accordance with United States generally accepted accounting principles, and the term “generally accepted accounting principles” shall mean such accounting principles which are generally accepted at the date or time of any computation or at the date hereof. The descriptive headings of the various articles and sections of this Agreement were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of the provisions hereof.

ARTICLE II

PURCHASE OF BONDS

SECTION 2.01. Purchase of Bonds; Minimum Denominations. The Purchaser agrees to purchase Bonds, at 100% of their principal amount, from time to time before the Final Issuance Date, as requested by Issuer by written notice (each, a “Notice of Requested Borrowing”) and approved by Farmer Mac in an aggregate principal amount, for all Bonds outstanding hereunder at any one time, not in excess of \$75,000,000, subject to satisfaction of the conditions set forth herein and agreement between the parties hereto as to the terms of the applicable Pricing Agreement. Issuer may borrow, repay (subject to the terms of the applicable Bonds being repaid) and reborrow funds at any time or from time to time up to, but not including, the Final Issuance Date; provided that Issuer shall not be eligible to borrow funds under this Agreement at any time that Farmer Mac has determined that there has been a Material Adverse Change. Each advance under this Agreement shall be disbursed in a minimum amount of \$1 million and additional increments of \$50,000 or such other amounts as agreed to in the applicable Pricing Agreement. Each Bond shall price, close and fund at times mutually agreeable to the parties hereto, subject to satisfaction of the conditions set forth herein and in accordance with the procedures set forth in Section 2.02(c) hereof, unless otherwise agreed by the parties hereto and set forth in the applicable Pricing Agreement. No Bond will be purchased without the signature of Issuer on such Bond, and each Bond purchased hereunder shall be the obligation of Issuer.

SECTION 2.02. Interest Rates and Payment.

(a) Each Bond shall bear interest, payable semi-annually in arrears (unless otherwise agreed by the parties hereto and set forth in the applicable Pricing Agreement) on the outstanding principal amount thereof (computed on the basis of a 30-day month and a 360-day year unless otherwise agreed by the parties hereto and set forth in the applicable Pricing Agreement) from its date of issuance until final payment on the maturity date thereof or otherwise at a fixed rate or floating rate, as specified for the term of such Bond in the applicable Pricing Agreement. Interest only shall be payable on each Interest Payment Date. The Interest Payment Dates shall be determined at the time of, and set forth in, the applicable Pricing Agreement. The principal amount of each Bond, together with any accrued but unpaid interest, shall be due and payable in full on the applicable maturity date for such Bond.

(b) Default Interest. To the extent any payment of interest or principal is not paid when due, interest shall continue to accrue thereon at the applicable rate per annum determined as provided above plus two (2) percent (2%).

(c) Notice of Requested Borrowing; Determination of Applicable Margin; Procedure for Pricing.(i)

(i) Each Notice of Requested Borrowing shall indicate the requested amount of the Bond and the desired maturity date of such Bond that Issuer requests to be purchased. A Notice of Requested Borrowing may request preliminary pricing indications for more than one maturity. Each Notice of Requested Borrowing shall also provide name, telephone and email contact information of an authorized representative of Issuer.

(ii) Upon receipt of a Notice of Requested Borrowing from Issuer, Farmer Mac shall, within 2 Business Days, subject to the condition that Issuer has already provided information to Farmer Mac concerning Issuer, the proposed Borrowers, the Operating Partnership, or the REIT as reasonably requested by Farmer Mac, provide to Issuer a preliminary indication of the applicable Bond Interest Rate. Farmer Mac shall not be obligated to provide an indication of pricing if Farmer Mac uses its best efforts to

obtain and provide such preliminary indication, but determines in its sole discretion reasonably exercised that market conditions are unfavorable for the issuance of debt to fund Bonds with the terms set forth in the Notice of Requested Borrowing. Upon an acceptance of such preliminary indication of pricing by Issuer, the applicable Bond will price within a mutually agreeable time period (and may price on the day of the preliminary pricing if the parties so agree) with the agreed upon Bond Interest Rate being evidenced in the applicable Pricing Agreement.

(d) Payments and Prepayments. Each Bond shall not be prepayable during the term of such Bond unless otherwise agreed by the parties hereto and set forth in the applicable Pricing Agreement, which will set forth a schedule of any permitted prepayment dates. Unless otherwise agreed by the parties hereto and set forth in the applicable Pricing Agreement, any such permitted prepayment by Issuer shall be in whole upon at least nine business days' written notice to Farmer Mac.

SECTION 2.03. Maturity(a). Each Bond shall mature on the maturity date set forth in the applicable Pricing Agreement and in any event no later than the Final Maturity Date.

ARTICLE III

CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to the Purchase of Each Bond. On each Closing Date, the Purchaser shall be under no obligation to purchase any Bond unless and until the following conditions have been satisfied:

(a) The Bonds. Farmer Mac shall have received the original of such Bonds, each duly executed on behalf of Issuer, in the applicable form attached as Annex A hereto, or otherwise in a form agreed by the parties.

(b) The Pledge Agreement. Farmer Mac shall have received an original of the Pledge Agreement duly executed on behalf of Issuer and the Collateral Agent.

(c) Opinion of Counsel. Farmer Mac shall have received an opinion of counsel to Issuer in form and substance acceptable to Farmer Mac.

(d) Financial and Other Information. Issuer shall have provided Farmer Mac with the REIT's most recent Financial Statements and such other information concerning Issuer, the Borrowers, the Operating Partnership, and the REIT as Farmer Mac shall have reasonably requested.

(e) No Material Adverse Change. Issuer shall have certified to Farmer Mac (in the manner specified in paragraph (i) of this Section 3.01), and Farmer Mac shall be satisfied, that no Material Adverse Change shall have occurred.

(f) UCC Filing. Issuer shall have provided Farmer Mac with evidence that Issuer has filed the applicable UCC financing statement required pursuant to the Pledge Agreement.

(g) No Event of Default. Issuer shall have certified to Farmer Mac and Farmer Mac shall be satisfied that no Event of Default shall have occurred and be continuing.

(h) Compliance with Financial Covenants. Issuer shall have certified to Farmer Mac that it has caused the REIT to provide a certification by any president, vice president, chief financial officer or treasurer of the REIT to Farmer Mac, substantially in the form of Annex C attached hereto, regarding the REIT's compliance with the Financial Covenants contained herein, and Farmer Mac shall be satisfied that the REIT is in compliance with all Financial Covenants contained herein.

(i) Certification of Senior Management. Issuer shall have provided Farmer Mac a certification by any member, president, vice president, chief financial officer or treasurer of Issuer, substantially in the form of Annex D attached hereto, as to the following: (i) that Issuer is an institution organized as a Delaware limited liability company with the appropriate expertise, experience and qualifications to make agricultural mortgage loans to the Borrowers; (ii) the matters to be certified under paragraphs (e), (g) and (h) of this Section 3.01; and (iii) the representations and warranties of Issuer are true and correct in all material respects except with respect to representations or warranties that relate to a specific date or time.

SECTION 3.02. Certificate of Pledged Collateral. No later than three Business Days after each advance hereunder, Issuer shall provide to Farmer Mac and the Collateral Agent (if not Farmer Mac) a copy of a Certificate of Pledged Collateral. The Certificate of Pledged Collateral will be dated not earlier than the last day of the immediately preceding calendar month, or a more recent date at Issuer's option, in accordance with the terms of the Pledge Agreement.

ARTICLE IV

REPORTING REQUIREMENTS

SECTION 4.01. Annual Reporting Requirements. So long as any Bonds remain outstanding, Issuer shall provide or shall cause the REIT to provide Farmer Mac with the following items within 90 days of the end of each Fiscal Year, in each case, in form and substance reasonably satisfactory to Farmer Mac:

(a) the Financial Statements for such Fiscal Year;

(b) a Certificate of Pledged Collateral;

(c) an inventory from the Collateral Agent (if not Farmer Mac), or such other evidence as is reasonably satisfactory to Farmer Mac, as to the Qualified Collateral held by the Collateral Agent (if not Farmer Mac) at the end of such Fiscal Year;

(d) the Nonperforming Asset Rate as of the last day of the end of the immediately preceding Fiscal Year; and

(e) such other information concerning Issuer, the Operating Partnership, the REIT, the Borrowers, or the Qualified Collateral as is reasonably requested by Farmer Mac.

SECTION 4.02. Additional Reporting Requirements. So long as any Bonds remain outstanding, Issuer shall provide or shall cause the REIT to provide to Farmer Mac, not more than thirty-five (35) Business Days following the end of each of Issuer's calendar quarters, a report substantially in the form attached hereto as Annex E and incorporated by reference herein that identifies each Qualified Loan that constitutes Qualified Collateral, and such other information concerning Issuer, the Operating Partnership, the REIT, the Borrowers, or the Qualified Collateral as is reasonably requested by Farmer Mac.

SECTION 4.03. Default Notices. If an action, occurrence or event shall happen that is, or with notice and the passage of time would become (unless Issuer completes the required performance during any applicable grace period), an Event of Default, Issuer shall deliver a notice of such action, occurrence or event to Farmer Mac before 4:00 p.m. (District of Columbia time) on the Business Day following the date Issuer becomes aware of such action, occurrence or event, and, if such Event of Default should occur, shall submit to Farmer Mac, within five days thereafter, a report setting forth its views as to the reasons for the Event of Default, the anticipated duration of the Event of Default and what corrective actions Issuer is taking to cure such Event of Default.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF THE PARTIES

SECTION 5.01. Representations of Farmer Mac and the Purchaser. Each of Farmer Mac and the Purchaser jointly and severally represent to Issuer that on the date hereof and on each date on which the Purchaser purchases a Bond from Issuer:

(a) it has all necessary authority and has taken all necessary corporate action, and obtained all necessary approvals, in order for it to execute and deliver all Bond Documents to which it is a party and for its obligations and agreements under the Bond Documents to constitute valid and binding obligations of Farmer Mac and the Purchaser; and in particular the terms of the transaction, and the actions taken by Farmer Mac and the Purchaser, are in compliance with and in satisfaction of the requirements of the Farm Credit Administration, as amended or waived by the Farm Credit Administration; and

(b) The Purchaser is purchasing the Bonds for its own account and not with a view to the distribution thereof, provided that the disposition by Farmer Mac or the Purchaser of their property shall at all times be within their control. Farmer Mac and the Purchaser each understands that the Bonds have not been registered under the Securities Act of 1933, as amended, and may be resold only if an exemption from registration is available.

SECTION 5.02. Representations of Issuer. Issuer hereby represents to Farmer Mac and the Purchaser that on the date hereof, on each date on which the Purchaser purchases a Bond from Issuer, and, for purposes of paragraph (j), as of the end of each Fiscal Quarter following the date hereof:

(a) Issuer has been duly organized and is validly existing and in good standing in the jurisdiction of its organization;

(b) Issuer has the limited liability company power and authority to execute and deliver this Agreement, each of the other Bond Documents and the applicable Pricing Agreement, to consummate the transactions contemplated hereby and thereby and to perform each of its obligations hereunder and thereunder;

(c) Issuer has taken all necessary limited liability company and other action to authorize the execution and delivery of this Agreement, each of the other Bond Documents and the applicable Pricing Agreement, the consummation by Issuer of the transactions contemplated hereby and thereby and the performance by Issuer of its obligations hereunder and thereunder;

(d) this Agreement, each of the other Bond Documents and the applicable Pricing Agreement have been duly authorized, executed and delivered by Issuer and constitute the legal, valid and binding obligations of Issuer, enforceable against Issuer in accordance with their respective terms, subject to: (i) applicable bankruptcy, reorganization, insolvency, moratorium and other laws of general applicability relating to or affecting creditors' rights generally; and (ii) the application of general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law;

(e) no approval, consent, authorization, order, waiver, exemption, variance, registration, filing, notification, qualification, license, permit or other action is required to be obtained, given, made or taken, as the case may be, with, from or by any regulatory body, administrative agency or governmental authority having jurisdiction over Issuer or any third party under any agreement to which Issuer is a party to authorize the execution and delivery by Issuer of this Agreement, any of the other Bond Documents or the applicable Pricing Agreement, or the consummation by Issuer of the transactions contemplated hereby or thereby or the performance by each of Issuer of each of its obligations hereunder or thereunder;

(f) neither the execution or delivery by Issuer of this Agreement, any of the other Bond Documents or the applicable Pricing

Agreement nor the consummation by Issuer of any of the transactions contemplated hereby or thereby nor the performance by Issuer of its obligations hereunder or thereunder, including, without limitation, the pledge of the Qualified Loans (as such term is defined in the Pledge Agreement) to Farmer Mac, conflicts with or will conflict with, violates or will violate, results in or will result in a breach of, constitutes or will constitute a default under, or results in or will result in the imposition of any lien or encumbrance pursuant to any term or provision of the articles of incorporation or the bylaws of Issuer or any provision of any existing law or any rule or regulation currently applicable to Issuer or any judgment, order or decree of any court or any regulatory body, administrative agency or governmental authority having jurisdiction over Issuer or the terms of any mortgage, indenture, contract or other agreement to which Issuer is a party or by which Issuer or any of each of its properties is bound;

(g) there is no action, suit, proceeding or investigation before or by any court or any regulatory body, administrative agency or governmental authority presently pending or, to the actual knowledge of Issuer, threatened with respect to Issuer, this Agreement, any of the other Bond Documents or the applicable Pricing Agreement challenging the validity or enforceability of this Agreement, any of the other Bond Documents or the applicable Pricing Agreement, or seeking to restrain, enjoin or otherwise prevent Issuer from engaging in its business as currently conducted or the consummation by Issuer of the transactions contemplated by this Agreement, any of the other Bond Documents or the applicable Pricing Agreement, or which, if adversely determined, would have a material adverse effect on Issuer's financial condition or either of its ability to perform each of its obligations under this Agreement, any of the other Bond Documents or the applicable Pricing Agreement;

(h) Issuer has (or will obtain through other affiliated companies directly or indirectly owned by the REIT) the appropriate expertise, experience and qualifications to make agricultural mortgage loans similar to the mortgage loans (to the Borrowers) contemplated hereby;

(i) no Material Adverse Change has occurred;

(j) Issuer has caused the REIT to provide to Farmer Mac a certification within 45 calendar days after the end of the last Fiscal Quarter, substantially in the form of Annex C attached hereto, certifying that the REIT is in compliance with the following covenants (collectively, the "Financial Covenants") as of the end of such Fiscal Quarter:

(i) Leverage Ratio of the REIT shall not be more than sixty-five percent (65%);

(ii) the Fixed Charge Coverage Ratio of the REIT shall be at least 1.4; and

(iii) the Tangible Net Worth of the REIT shall be at least equal to or greater than the Minimum Tangible Net Worth; *provided, however*, that this Financial Covenant shall not restrict the REIT from making the minimum dividend payments required to maintain its status as a real estate investment trust and such dividend payments shall not cause a violation of this Financial Covenant.

(k) As to each Bond purchased by Purchaser, Issuer made a reasonable determination, as of the date on which the Purchaser purchased such Bond from Issuer, that the applicable Borrower under each Qualified Loan pledged to secure such Bond at the time of such purchase had sufficient repayment capacity to perform under such Qualified Loan without requiring repayment support from any other Borrower.

ARTICLE VI

SECURITY AND COLLATERAL

SECTION 6.01. Security and Collateral.

(a) To secure the full and punctual payment of the Bonds, Issuer shall enter into the Pledge Agreement pursuant to which Issuer shall grant a perfected security interest to the Collateral Agent, for the ratable benefit of the holders of the Bonds and the Guarantor, in and shall pledge and collaterally assign to and with the Collateral Agent the Qualified Collateral and all of the rights, remedies, title and interest of Issuer in and to the Qualified Collateral in which the Issuer has rights or the power to transfer rights to a secured party.

(b) Issuer shall cause (i) the value of the Qualified Collateral (as determined in accordance with the Pledge Agreement) to be at all times not less than 110% of the aggregate outstanding principal amount of the Bonds, and (ii) the value of the Qualified Loans (as determined in accordance with the Pledge Agreement) to be at all times not less than 100% of the aggregate outstanding principal amount of the Bonds.

(c) Issuer shall not create, or permit to exist, any pledge, lien, charge, mortgage, encumbrance, debenture, hypothecation or other similar security instrument that secures, or in any way attaches to, such Qualified Collateral, other than the lien of the Pledge Agreement and the Permitted Liens (as defined in the Pledge Agreement), without the prior written consent of Farmer Mac.

(d) The Qualified Loans will at all times meet the Eligibility Criteria as defined in the Pledge Agreement.

ARTICLE VII

EVENTS OF DEFAULT

SECTION 7.01. Events of Default. Each of the following actions, occurrences or events shall, but only (except in the case of subsections (a),

(d), (e), and (f) below) if Issuer does not cure such action, occurrence or event within 45 days after receipt of written notice from Farmer Mac requesting that it be cured, constitute an “Event of Default” under the terms of this Agreement:

(a) a failure by Issuer to make a payment of principal or interest on any Bond for more than two Business Days after the same becomes due and payable;

(b) a material representation by Issuer to Farmer Mac in connection with this Agreement, any Bond or the Pledge Agreement, or any material information reported pursuant to Article V, shall prove to be incorrect or untrue in any material respect when made or deemed made;

(c) a failure by Issuer to comply with any other covenant or provision contained in this Agreement or any Bond or the Pledge Agreement (other than a failure by Issuer to maintain the Minimum Required Collateralization Level);

(d) the entry of a decree or order by a court having jurisdiction in the premises adjudging Issuer, the Operating Partnership or the REIT a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Issuer, the Operating Partnership or the REIT under the Federal Bankruptcy Act or any other applicable Federal or State law or law of the District of Columbia, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Issuer, the Operating Partnership or the REIT or of any substantial part of either of its property, or ordering the winding up or liquidation of either of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(e) the commencement by Issuer, the Operating Partnership or the REIT of proceedings to be adjudicated a bankrupt or insolvent, or the consent by Issuer, the Operating Partnership or the REIT to the institution of bankruptcy or insolvency proceedings against it, or the filing by Issuer, the Operating Partnership or the REIT of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Act or any other applicable Federal or State law or law of the District of Columbia, or the consent by Issuer, the Operating Partnership or the REIT to the filing of any such petition or to the appointment of receiver, liquidator, assignee, trustee, sequestrator (or similar official) of Issuer, the Operating Partnership or the REIT or of any substantial part of its property, or the making by Issuer, the Operating Partnership or the REIT of an assignment for the benefit of creditors, or the admission by Issuer, the Operating Partnership or the REIT in writing of its inability to pay its debts generally as they become due, or the taking of limited liability company action by Issuer, the Operating Partnership or the REIT in furtherance of any such action; or

(f) a failure by Issuer to maintain the Minimum Required Collateralization Level, if Issuer does not cure such action, occurrence or event within 30 days of the earlier of (i) receipt of written notice from Farmer Mac requesting that it be cured, or (ii) the first day on which Issuer becomes aware of such failure; or

(g) a failure or breach by the REIT to comply with any of the Financial Covenants set forth herein.

SECTION 7.02. Acceleration. Upon the occurrence, and during the continuance, of an Event of Default, Farmer Mac may, upon written notice to that effect to Issuer, declare the entire principal amount of, and accrued interest on, the Bonds at the time outstanding to be immediately due and payable. Notwithstanding the foregoing, if a Bond Specific Payment Default has occurred and is continuing with respect to one or more Bonds, Farmer Mac agrees to forbear from enforcing its rights in the Qualified Loans supporting other Bonds issued hereunder for which there is no Bond Specific Payment Default, which forbearance shall be for a period of 30 calendar days after the Bond Specific Payment Default has occurred.

SECTION 7.03. Remedies Not Exclusive. Upon the occurrence, and during the continuance, of an Event of Default, Farmer Mac shall be entitled to take such other action as is provided for by law, in this Agreement, or in any of the other Bond Documents, including injunctive or other equitable relief.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. GOVERNING LAW. EXCEPT AS SET FORTH IN SECTION 9.01 HEREOF, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, FEDERAL LAW. TO THE EXTENT FEDERAL LAW INCORPORATES STATE LAW, THAT STATE LAW SHALL BE THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED THEREIN.

SECTION 8.02. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.02.

SECTION 8.03. Notices. All notices and other communications hereunder to be made to any party shall be in writing and shall be addressed as specified in Schedule I attached hereto as appropriate except as otherwise provided herein. The address, telephone number, or facsimile

number for any party may be changed at any time and from time to time upon written notice given by such changing party to the other parties hereto. A properly addressed notice or other communication shall be deemed to have been delivered at the time it is sent by facsimile (fax) transmission to the party or parties to which it is given.

SECTION 8.04. Benefit of Agreement. This Agreement shall become effective when it shall have been executed by Farmer Mac, the Purchaser and the Issuer, and thereafter shall be binding upon and inure to the respective benefit of the parties and their permitted successors and assigns.

SECTION 8.05. Entire Agreement. This Agreement, including the Schedules and Annexes hereto, and the other Bond Documents, constitute the entire agreement between the parties hereto concerning the matters contained herein and supersede all prior oral and written agreements and understandings between the parties.

SECTION 8.06. Amendments and Waivers.

(a) No provision of this Agreement may be amended or modified except pursuant to an agreement in writing entered into by Farmer Mac, the Purchaser and the Issuer. No provision of this Agreement may be waived except in writing by the party or parties receiving the benefit of and under such provision.

(b) No failure or delay of Farmer Mac, the Purchaser or the Issuer in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No waiver of any provision of this Agreement or consent to any departure by Issuer therefrom shall in any event be effective unless the same shall be authorized as provided in paragraph (a) of this Section 8.06, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on Issuer in any case shall entitle Issuer to any other or further notice or demand in similar or other circumstances.

SECTION 8.07. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 8.08. Termination of Agreement. This Agreement shall terminate upon the indefeasible payment in full of all amounts payable hereunder and under the Bonds.

SECTION 8.09. Survival. The representations and warranties of each of the parties hereto contained in this Agreement and contained in each of the other Bond Documents, and the parties' obligations under any and all thereof, shall survive and shall continue in effect following the execution and delivery of this Agreement, any disposition of the Bonds and the expiration or other termination of any of the other Bond Documents, but, in the case of each Bond Document, shall not survive the expiration or the earlier termination of such Bond Document, except to the extent expressly set forth in such Bond Document.

SECTION 8.10. Severability. If any term or provision of this Agreement or any Bond Document or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or such provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any remaining terms or provisions of such Bond Document or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

ARTICLE IX

GUARANTEE

SECTION 9.01. Guarantee.

(a) The Guarantor agrees to pay in full to the holder of each Bond, the principal of, and interest on, the Bonds when due, whether at maturity, upon redemption or otherwise (the "Guaranteed Obligations"), on the applicable due date for such payment.

(b) The Guarantor's obligations hereunder shall inure to the benefit of and shall be enforceable by any holder of a Bond if, for reason beyond the control of such holder, such holder shall have failed to receive the interest or principal, as applicable, payable to such holder any payment date, redemption date or stated maturity date. The Guarantor hereby irrevocably agrees that its obligations hereunder shall be unconditional, irrespective of the validity, legality or enforceability of, or any change in or amendment to, this Agreement, the Pledge Agreement or any Bond, the absence of any action to enforce the same, the waiver or consent by the holder of any Bond or by the Collateral Agent with respect to any provisions of this Agreement or the Pledge Agreement, or any action to enforce the same or any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor. The Guarantor hereby waives diligence, presentment, demand of payment, protest or notice with respect to each Bond or the interest represented thereby, and all demands whatsoever, and covenants that the guarantee will not be discharged except upon complete irrevocable payment of the principal and interest obligations represented by the Bonds.

(c) The Guarantor shall be subrogated to and is hereby assigned all rights of the holder of the Bonds against Issuer and the proceeds of the Qualified Collateral, all in respect of any amounts paid by the Guarantor pursuant to the provisions of the guarantee contained in this Article IX. Each holder shall execute and deliver to the Guarantor in each holder's name such instruments and documents as the Guarantor may reasonably request in writing confirming or evidencing such subrogation and assignment.

(d) No reference herein shall alter or impair the guarantee, which is absolute and unconditional, of the due and punctual payment of principal of, and interest on, the Bonds, on the dates such payments are due.

(e) The guarantee is not an obligation of, and is not a guarantee as to principal or interest by the Farm Credit Administration, the United States or any other agency or instrumentality of the United States (other than the Guarantor).

(f) The guarantee shall be governed by, and construed in accordance with, Federal law. To the extent Federal law incorporates state law, that state law shall be the laws of the State of New York applicable to contracts made and performed therein.

SECTION 9.02. Control by the Guarantor. If the Guarantor is the Control Party, the Guarantor shall be considered the holder of all Bonds outstanding for all purposes under the Pledge Agreement and shall be permitted to take any and all actions permitted to be taken by the holder thereunder. The Control Party will have the sole right to direct the time, method and place of conducting any proceeding for any remedy available to the Collateral Agent or any holder with respect to the Bonds or exercising any power conferred on the Collateral Agent with respect to the Bonds provided that:

(a) such direction shall not be in conflict with any rule of law or with the Pledge Agreement;

(b) the Collateral Agent shall have been provided with indemnity from the Control Party reasonably satisfactory to it; and

(c) the Collateral Agent may take any other action deemed proper by such Collateral Agent that is not inconsistent with such direction, provided, however, that the Collateral Agent need not take any action which it determines might expose it to liability.

[SIGNATURE PAGE FOLLOWS]IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed by an authorized officer as of the day and year first above written.

FARMER MAC MORTGAGE SECURITIES CORPORATION

By:
Name: R. Dale Lynch
Title: Vice President and Treasurer

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

By:
Name: R. Dale Lynch
Title: Senior Vice President – Chief Financial Officer and Treasurer

GLADSTONE LENDING COMPANY, LLC, a Delaware limited liability company
By: GLADSTONE LAND LIMITED PARTNERSHIP, a Delaware limited partnership, its sole member and manager

By: GLADSTONE LAND PARTNERS, LLC, a Delaware limited liability company, its General Partner

By: GLADSTONE LAND CORPORATION, a Maryland corporation, its Manager
By:

Name:
Title:

SCHEDULE I
TO
BOND PURCHASE AGREEMENT
Addresses for Notices

1. The addresses referred to in Section 8.03 hereof, for purposes of delivering communications and notices, are as follows:

If to the Purchaser or Farmer Mac:

Federal Agricultural Mortgage Corporation
1999 K Street, NW 4th Floor
Washington, DC 20006
Fax: 202-872-7713
Attention of: Chief Financial Officer

With a copy to:

Federal Agricultural Mortgage Corporation
1999 K Street, NW 4th Floor
Washington, DC 20006
Fax: 202-872-7713
Attention of: Capital Markets Group

With a copy also to:

Federal Agricultural Mortgage Corporation
1999 K Street, NW 4th Floor
Washington, DC 20006
Fax: 202-872-7713
Attention of: General Counsel

If to Issuer:

Gladstone Lending Company, LLC
c/o Gladstone Land Corporation
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Fax: 703-287-5801
Attn: Michael Licalsi

With copy to:

Gladstone Lending Company, LLC
c/o Gladstone Land Corporation
1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
Fax: 703-287-5801
Attn: Lewis Parrish and Jay Beckhorn

With a copy also to:

Bass Berry & Sims PLC
100 Peabody Place, Suite 900
Memphis, TN 38103
Fax: 901-543-5999
Attention: Richard R. Spore and Robert P. McDaniel, Jr.

SCHEDULE II

TO AGVANTAGE BOND PURCHASE AGREEMENT

FORM OF PRICING AGREEMENT

The Federal Agricultural Mortgage Corporation, a federally chartered instrumentality of the United States and an institution of the Farm Credit System ("Farmer Mac"), Farmer Mac Mortgage Securities Corporation, a wholly owned subsidiary of Farmer Mac (the "Purchaser"), and **Gladstone Lending Company, LLC** ("Issuer"), a Delaware corporation, agree that, on ____, 20__ (the "Closing Date"), the Purchaser will purchase from Issuer and Issuer will sell to the Purchaser \$__ aggregate principal amount of [Fixed Rate] [Floating Rate] AgVantage Bonds (the "Bonds") with the following terms:

Bond Interest Rate:

[Initial Bond Interest Rate: ____]

[Floating Rate Index: ____]

[Interest Rate Margin: ____]

[Interest Rate Reset Dates: ____]

Interest Payment Dates: ____

Interest Periods: ____

[The Bonds may not be prepaid at any time.][The Bonds may not be prepaid prior to ____, 20__. On or after ____, 20__ the Bonds may be prepaid on the scheduled call dates set forth herein, in whole [only] [or in part], at the option of Issuer, according to the terms of the Bond Purchase Agreement (as defined below).][The Bonds may be prepaid in whole [only] [or in part] at any time.]

[Scheduled call dates: ____]

Maturity Date: ____

The Bonds shall be obligations of Issuer. The issuance and sale of the Bonds by Issuer to the Purchaser shall occur under the terms and

conditions of the AgVantage Bond Purchase Agreement, dated as of December 5, 2014, among Farmer Mac, the Purchaser and Issuer (the "Bond Purchase Agreement"). All of the provisions contained in the Bond Purchase Agreement are hereby incorporated by reference in their entirety and shall be deemed to be a part of this Pricing Agreement to the same extent as if such provisions had been set forth in full herein. Capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Bond Purchase Agreement. This Pricing Agreement may be executed in two or more counterparts.

In the event of any inconsistency between the terms of this Pricing Agreement and the Bond Purchase Agreement, the terms of this Pricing Agreement shall apply.

Agreed to this ___ day of ___, 20___.

Federal Agricultural Mortgage Corporation

By: ___
Name: ___
Title: ___

Farmer Mac Mortgage Securities Corporation

By: ___
Name: ___
Title: ___

Gladstone Lending Company, LLC, a Delaware

limited liability company

By: Gladstone Land Limited Partnership, a Delaware limited partnership, its sole member and manager

By: Gladstone Land Partners, LLC, a Delaware

limited liability company, its General Partner

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

By:
Name:
Title:

[FORM OF BOND]

GLADSTONE LENDING COMPANY, LLC

___% Fixed Rate Senior AgVantage Bond due _____

_____, 20__

FOR VALUE RECEIVED, the undersigned, **GLADSTONE LENDING COMPANY, LLC** (the "Issuer"), hereby promises to pay to **FARMER MAC MORTGAGE SECURITIES CORPORATION**, a wholly owned subsidiary of Farmer Mac (as defined below) ("the Purchaser"), or registered assigns, the principal sum of ___MILLION DOLLARS (\$___,000,000.00) on ___, together with interest computed from the date hereof according to the terms of the Bond Purchase Agreement (as defined below).

Payments of principal and interest on this Bond are to be made in lawful money of the United States of America at such place as shall have been designated by written notice to Issuer from the registered holder of this Bond as provided in the Bond Purchase Agreement referred to below.

This Bond is issued pursuant to an AgVantage Bond Purchase Agreement, dated as of December 5, 2014, as well as the Pricing Agreement for \$___ Fixed Rate Bonds dated as of ___ ___, 20__ (together, as from time to time amended, the "Bond Purchase Agreement"), among the Issuer, the Purchaser and Federal Agricultural Mortgage Corporation ("Farmer Mac"), and is entitled to the benefits thereof. This Bond is also entitled to the benefits of the Pledge Agreement, dated as of December 5, 2014, among the Issuer, the Purchaser, Farmer Mac and the Collateral Agent named therein.

Capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Bond Purchase Agreement.

This Bond is a registered Bond and, upon surrender of this Bond for registration of transfer or exchange, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Bond will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, Issuer may treat the person in

whose name this Bond is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and Issuer will not be affected by any notice to the contrary. This Bond is the obligation of the Issuer.

[This Bond may not be prepaid at any time.][This Bond may not be prepaid prior to ____, 20__. On or after ____, 20__ this Bond may be prepaid at any time, in whole [only] [or in part], at the option of Issuer, according to the terms of the Bond Purchase Agreement and provided that, if such optional prepayment is made on a date other than an Interest Payment Date, accrued interest on the principal amount hereof that is being prepaid shall be payable through and excluding the date such optional prepayment is made.][This Bond is prepayable at any time by Issuer, in whole [only] [or in part] at the option of Issuer on the terms set forth in the Bond Purchase Agreement.]

If an Event of Default, as defined in the Bond Purchase Agreement, occurs and is continuing, the principal of this Bond may be declared due and payable in the manner, at the price and with the effect provided in the Bond Purchase Agreement.

This Bond shall be construed and enforced in accordance with, and the rights of Issuer and the holder hereof shall be governed by, the laws of the State of New York, excluding choice-of-law principles of the law of the State of New York that would require the application of the laws of another jurisdiction.

GLADSTONE LENDING COMPANY, LLC, a Delaware limited liability company
By: GLADSTONE LAND LIMITED PARTNERSHIP, a Delaware limited partnership, its
sole member and manager
By: GLADSTONE LAND PARTNERS, LLC, a Delaware limited liability company, its
General Partner
By: GLADSTONE LAND CORPORATION, a Maryland corporation, its Manager
By:

Name:

Title:

ANNEX B
[RESERVED]ANNEX C

FORM OF REIT OFFICERS' CERTIFICATE

We, ____, and ____, of Gladstone Land Corporation, a Maryland corporation (the "REIT"), in connection with that certain AgVantage Bond Purchase Agreement dated as of December 5, 2014, among Gladstone Lending Company, LLC, an indirectly owned subsidiary of the REIT, Farmer Mac Mortgage Securities Corporation, and Federal Agricultural Mortgage Corporation (the "Bond Purchase Agreement"), hereby certify on behalf of the REIT that as of the end of the most recent Fiscal Quarter:

(1) the REIT's Leverage Ratio is as follows:

- a. Total Debt:
- b. Total Assets:
 - i. Land Asset Fair Value Adjustment:
 - ii. Total assets:

(2) the REIT's Fixed Charge Coverage Ratio is as follows:

- a. Aggregate EBITDA:
- b. Aggregate Non-Cash Expenses:
- c. Aggregate interest expense:
- d. Aggregate Capitalized Interest:
- e. Aggregate preferred dividend payments to the extent required to be reflected as debt on the REIT's Financial Statements:
- f. Aggregate Lease Payments:

(3) the REIT's Tangible Net Worth is as follows:

- a. Stockholders' Equity:
- b. Land Asset Fair Value Adjustment:
 - i. Intangible Assets:
- c. Goodwill:

(4) to the best of our knowledge, the values set forth above in paragraphs (1)-(3) are correct and accurate in all material respects.

(5) the REIT is in compliance with all of the Financial Covenants contained in the Bond Purchase Agreement.

Capitalized terms used in this certificate shall have the meanings given to those terms in the Bond Purchase Agreement.

DATED as of this ___ day of ___, ___.

GLADSTONE LAND CORPORATION

By: ___

Name: ___

By: ___

Name: ___

Title ___ Title ___

ANNEX D

FORM OF ISSUER OFFICERS' CERTIFICATE

Officers' Certificate

TO: Federal Agricultural Mortgage Corporation

We, ___, and ___, of Gladstone Lending Company, LLC ("Issuer"), pursuant to the AgVantage Bond Purchase Agreement dated as of December 5, 2014, among Issuer, Farmer Mac Mortgage Securities Corporation, and Federal Agricultural Mortgage Corporation (the "Bond Purchase Agreement"), hereby certify on behalf of Issuer that as at the date hereof:

(1) Issuer is an institution organized as a Delaware limited liability company with the appropriate expertise, experience and qualifications to make agricultural mortgage loans to the Borrowers;

(2) no material adverse change has occurred in the financial condition of Issuer, the Operating Partnership, or the REIT between the date of the end of the REIT's most recently completed Fiscal Year for which Financial Statements are available and have been provided to Farmer Mac and the date hereof, which has not been set forth in documents, certificates, or financial information furnished to Farmer Mac or publicly filed;

(3) all of the representations contained in Section 5.02 of the Bond Purchase Agreement remain true and correct in all material respects on and as of the date hereof;

(4) no Event of Default exists; and

(5) Issuer has caused the REIT to provide a certification by any president, vice president, chief financial officer or treasurer of the REIT to Farmer Mac, substantially in the form of Annex C attached to the Bond Purchase Agreement, regarding the REIT's compliance with the Financial Covenants contained therein.

Capitalized terms used in this certificate shall have the meanings given to those terms in the Bond Purchase Agreement.

DATED as of this ___ day of ___, ___.

GLADSTONE LENDING COMPANY, LLC

By: ___

Name: ___

By: ___

Name: ___

Title ___ Title ___

ANNEX E
QUALIFIED LOAN REPORT

PLEDGE AND SECURITY AGREEMENT
among
GLADSTONE LENDING COMPANY, LLC
as Grantor

FARMER MAC MORTGAGE SECURITIES CORPORATION,
as Purchaser,
and
FEDERAL AGRICULTURAL MORTGAGE CORPORATION,
as Collateral Agent and Bond Guarantor,
Dated as of December 5, 2014

Table of Contents

	Page
THIS PLEDGE AND SECURITY AGREEMENT effective as of December 5, 2014 (this “ Agreement ”), between Gladstone Lending Company, LLC , a Delaware limited liability company (including its successors and permitted assigns, the “ Grantor ”), Farmer Mac Mortgage Securities Corporation (including its successors and permitted assigns, the “ Purchaser ”), which is a wholly-owned subsidiary of the Federal Agricultural Mortgage Corporation, a federally chartered instrumentality of the United States (“ Farmer Mac ”), and Farmer Mac, as Collateral Agent and Bond Guarantor, for the benefit of the AgVantage Bond Holders.	

W i t n e s s e t h

WHEREAS, the Grantor may from time to time issue one or more secured debt obligations (the “**AgVantage Bonds**”) to the Purchaser, and the Purchaser may purchase such AgVantage Bonds, all upon the terms and subject to the conditions set forth in the Bond Purchase Agreement; and

WHEREAS, the Grantor desires to grant to the Collateral Agent, for the benefit of the Control Party, a security interest in the collateral hereinafter described as security for the obligations of the Grantor under the AgVantage Bonds issued pursuant to the Bond Purchase Agreement; and

WHEREAS, the transactions contemplated herein and in the Bond Purchase Agreement are in the interest of the Grantor.

NOW THEREFORE, for valuable consideration and intending to be legally bound, the Grantor and the Collateral Agent do hereby agree as follows.

ARTICLE 1

Definitions; Interpretations
SECTION 1.1

Certain Terms Defined.

In this Agreement, the following terms shall have the meanings specified in this Section for all purposes of this Agreement, unless otherwise expressly provided.

“**AgVantage Bond**” has the meaning set forth in the first recital to this Agreement.

“**AgVantage Bond Balance**” means the outstanding balance of all the AgVantage Bonds issued pursuant to the Bond Purchase Agreement from time to time.

“**AgVantage Bond Documents**” has the meaning set forth in Section 5.1.

“**AgVantage Bond Holder**” means the holders from time to time of any AgVantage Bonds issued pursuant to the Bond Purchase Agreement, which initially shall be Farmer Mac Mortgage Securities Corporation as Purchaser.

“**AgVantage Bond Resolutions**” has the meaning set forth in Section 6.1(a)(i).

“**Agreement**” means this instrument as originally executed and delivered and as the same may be amended, supplemented, modified, restated or replaced from time to time.

“**AMBS**” means securities representing interests solely in, or obligations fully backed by, pools of Qualified Loans.

“**Appraised Value**” means with respect to any agricultural real estate securing the Qualified Collateral, the most recent appraised value of such agricultural real estate; *provided*, that the related appraisal was performed by a licensed and certified, independent appraiser, excludes all Tenant Improvements, and is reasonably acceptable to Farmer Mac in form and substance.

“**Bond Guarantor**” means Farmer Mac.

“**Bond Guarantor Default**” means a default by the Bond Guarantor that is existing and continuing with respect to an AgVantage Bond under its obligations pursuant to the Bond Purchase Agreement.

“**Bond Purchase Agreement**” means the AgVantage Bond Purchase Agreement dated the date hereof among the Grantor, the Purchaser and Farmer Mac, as the same may be amended from time to time in accordance with the terms thereof.

“**Borrower**” has the meaning set forth in the Bond Purchase Agreement.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in New York, New York or the District of Columbia.

“**Certificate of Pledged Collateral**” means a certificate delivered by the Grantor to the Collateral Agent and the Control Party substantially in the form of Schedule II attached hereto.

“**Collateral Agent**” means Farmer Mac or its successor, as appointed pursuant to the terms set forth in Article 3.

“**Commission**” means the Securities and Exchange Commission.

“**Control Party**” means, (i) Farmer Mac for so long as there is no Bond Guarantor Default existing and continuing with respect to the applicable AgVantage Bonds, or (ii) the AgVantage Bond Holder (or a majority of the aggregate outstanding principal amount of the applicable AgVantage Bonds if held by more than one holder) for so long as a Bond Guarantor Default is existing and continuing.

“**Eligibility Criteria**” means the eligibility criteria listed on Schedule I attached hereto.

“**Event of Default**” has the meaning set forth in Section 4.1.

“**Excluded Agent**” means Farmer Mac or any of its affiliates acting as Sub-Agents pursuant to this Agreement.

“**Farmer Mac**” has the meaning set forth in the first paragraph of this Agreement.

“**Fitch**” means Fitch, Inc.

“**Grantor**” has the meaning set forth in the first paragraph of this Agreement.

“**Guaranteed Obligation**” has the meaning set forth in the Bond Purchase Agreement.

“**Market Value**” means with respect to any item of Qualified Collateral, the market value of such item of Qualified Collateral, determined by the Grantor in accordance with (i) in respect of any Qualified Loan, the Grantor’s customary procedures for determining the market value of agricultural loans included in the Grantor’s portfolio from time to time; (ii) in respect of any cash, the amount of such cash; (iii) in respect of any security included in the Qualified Substitute Collateral, the market value of such security as determined by the Grantor’s customary procedures for determining the market value of that type of security included in its portfolio from time to time; and (iv) in respect of any other property included in the Qualified Substitute Collateral, the Grantor’s customary procedures for determining the market value of any like property. Notwithstanding anything herein to the contrary, the parties agree that Grantor’s “customary procedures” for the purposes of this definition shall be the customary internal practices of the REIT (defined below) for valuing assets owned by the REIT or its partially or wholly owned subsidiaries or affiliates, which internal practices are consistent with industry standards for comparable real estate investment trusts and their property portfolios; *provided*, that for purposes of determining the Market Value of agricultural real estate securing the Qualified Collateral, the Market Value shall be the most recent Appraised Value.

“**Minimum Required Collateralization Level**” has the meaning set forth in Section 2.3(a).

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Mortgage Documents**” means the following documents contained in the Qualified Loan File for each Qualified Loan:

- (i) the original mortgage note endorsed in blank or in the name of the Collateral Agent;
- (ii) a copy of the mortgage with evidence of recording thereon;
- (iii) a copy of an assignment of the mortgage in blank or in the name of the Collateral Agent;
- (iv) copies of all applicable appraisals;
- (v) copies of any assumptions, modifications, or substitutions with evidence of recording thereon, if applicable;
- (vi) copies of any security documents, including UCC financing statements, if applicable;

- (vii) if the Borrower under a Qualified Loan is acquiring the agricultural real estate property that will secure such Qualified Loan substantially simultaneously with obtaining the Qualified Loan, (a) a copy of the proforma policy of owner's title insurance to be obtained by such Borrower (to be followed by a copy of the actual policy of owner's title insurance obtained by the Borrower within three (3) Business Days after such policy has been obtained) and (b) an owner's affidavit delivered by the seller of such agricultural real estate property in connection with the Borrower's acquisition; or if the Borrower under a Qualified Loan is financing or refinancing the subject agricultural real estate property after a period of ownership, (a) a title report that is up to date within five (5) business days of the date of issuance of an AgVantage Bond under the Bond Purchase Agreement and (b) a copy of a standard owner's affidavit in favor of Grantor.
- (viii) any applicable settlement documentation; and
- (ix) such other documentation as the Collateral Agent may reasonably request to evidence the Collateral Agent's first lien position in the Qualified Collateral.

"Mortgage Guidelines" means the mortgage loan underwriting, appraisal, and servicing guidelines and procedures that the Grantor has adopted in accordance with its underwriting, appraising, and servicing activities with respect to the Qualified Collateral.

"Operating Partnership" means Gladstone Land Limited Partnership.

"Permitted Liens" means, in respect of any item of Qualified Collateral, (i) liens for taxes, assessments and governmental charges or levies; and (ii) liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's liens and other similar liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days after Grantor first receives notice of such lien.

"Proceeds" means: (i) all "proceeds" as defined in Article 9 of the UCC as in effect from time to time in the State of New York; (ii) all interest, dividends, payments or distributions made with respect to any of the Qualified Collateral; and (iii) whatever is receivable or received when the Qualified Collateral or proceeds are sold, exchanged, collected, converted or otherwise disposed of, whether such disposition is voluntary or involuntary.

"Purchaser" has the meaning set forth in the first paragraph of this Agreement.

"Qualified Collateral" means: (i) Qualified Loans or AMBS; (ii) Mortgage Documents and other documents, instruments or liens representing or securing the Qualified Loans or AMBS; (iii) all payment records with respect to the Qualified Loans or AMBS; (iv) the Securities Account; (v) all Qualified Substitute Collateral; (vi) all documents relating to the Securities Account; (vii) all Proceeds of the foregoing regardless of the form thereof, including, without limitation, all Proceeds in the form of accounts, chattel paper, payment intangibles, promissory notes and goods subject to a consignment; and (viii) with respect to any portion of the Qualified Collateral in excess of 100% of the AgVantage Bond Balance, any Qualified Substitute Collateral.

"Qualified Collateral Schedule" means the schedule setting forth the Qualified Collateral pledged under this Agreement delivered by the Grantor pursuant to Section 2.2, as the schedule may be amended, supplemented or modified from time to time.

"Qualified Loans" means, as of any date of determination, the agricultural mortgage loans meeting the Eligibility Criteria and identified as of such date of determination on the Qualified Collateral Schedule. For purposes of the Eligibility Criteria, taxes and assessments in respect of any Qualified Loan shall be deemed to be paid current as of such date if (i) (A) taxes and assessments were paid current at the time of the initial funding of such Qualified Loan and (B) taxes or assessments due and payable after the time of the initial funding of such Qualified Loan shall have been paid within 45 Business Days of the Grantor's actually becoming aware that such taxes or assessments on such Qualified Loan are overdue and/or delinquent, or (ii) such taxes or assessments are being contested by the Grantor or the obligor on such Qualified Loan in good faith.

"Qualified Loan File" has the meaning ascribed thereto in Exhibit A attached hereto and incorporated herein by reference.

"Qualified Substitute Collateral" means, at any time, (i) cash, (ii) U.S. Treasury securities, or (iii) securities issued or fully guaranteed by an agency or instrumentality of the United States, in each case deposited or held in or transferred or credited to or carried in the Securities Account and listed as of such time on the Qualified Collateral Schedule.

"REIT" means the Gladstone Land Corporation, a Maryland corporation, and the consolidated parent company of Issuer.

"Responsible Officer" means, with respect to the Collateral Agent, any officer of the Collateral Agent, including any vice president, assistant vice president, secretary, assistant treasurer, trust officer, or any other officer of the Collateral Agent assigned by the Collateral Agent to administer the transactions contemplated hereby.

"S&P" means Standard & Poor's Ratings Service, a Standard & Poor's Financial Services LLC business.

"Securities Account" means the securities account established with the Securities Intermediary pursuant to the Securities Account Control Agreement.

"Securities Account Control Agreement" means the Securities Account Control Agreement among the Grantor, the Securities Intermediary and the Collateral Agent, in the form substantially in the form attached as Exhibit B attached hereto (or such other form reasonably acceptable to the Grantor, the Securities Intermediary and the Collateral Agent), with such changes as the parties may agree, as may

be amended, supplemented, modified, restated or replaced from time to time.

“**Securities Intermediary**” means the institution serving as securities intermediary under the Securities Account Control Agreement.

“**Security Interest**” has the meaning set forth in Section 2.1.

“**Sub-Agent**” has the meaning set forth in Section 4.3.

“**Tenant Improvements**” has the meaning set forth in Schedule I attached hereto and incorporated herein.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“**Valuation Date**” means the last Business Day of each calendar quarter.

SECTION 1.2

Interpretation.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article shall have the meanings ascribed in this Article and shall include the plural as well as the singular;
- (b) all accounting terms used and not expressly defined herein shall have the meanings given to them in accordance with United States generally accepted accounting principles, and the term “generally accepted accounting principles” shall mean such accounting principles which are generally accepted at the date or time of any computation or at the date hereof, consistently applied;
- (c) references to Exhibits, Articles, Sections, Schedules, paragraphs, subparagraphs and clauses shall be construed as references to the Exhibits, Articles, Sections, Schedules, paragraphs, subparagraphs and clauses of this Agreement;
- (d) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;
- (e) the words “include”, “includes” and “including” shall be construed to be followed by the words “without limitation”; and
- (f) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Agreement or the intent of the parties hereto.

ARTICLE 2

Security Interest

SECTION 2.1

Creation of Security Interest in Qualified Collateral.

As security for the AgVantage Bonds issued pursuant to the Bond Purchase Agreement and any other amounts that are due hereunder or thereunder from the Grantor to the holders of AgVantage Bonds, the Grantor hereby assigns, transfers, pledges, and grants to the Collateral Agent for the benefit of the Control Party a security interest in and continuing lien on, subject to the terms of this Agreement, all of the Grantor’s right, title and interest in and to the Qualified Collateral (the “**Security Interest**”). The Grantor shall, not later than three (3) Business Days after either the issuance of each AgVantage Bond under the Bond Purchase Agreement, or, so long as the AgVantage Bond Balance exceeds \$0, upon substitution or modification of any of the Qualified Collateral, (A) deliver to the Collateral Agent, and the Collateral Agent, on behalf of the Control Party, shall hold, the Mortgage Documents, and (B) to the extent that the Qualified Collateral contains Qualified Substitute Collateral, a fully-signed copy of the Securities Control Agreement. Notwithstanding the foregoing, in the event that a recorded copy of any document or instrument is not yet available from the applicable recorder or register within such time frame, Grantor shall deliver an unrecorded copy to Collateral Agent, and Grantor shall subsequently deliver a recorded copy to Collateral Agent within three (3) Business Days after Grantor’s receipt of the same. Upon occurrence of an Event of Default, the Collateral Agent, on behalf of the Control Party, shall have the right (in its sole and absolute discretion), to the extent a register is maintained therefor, to register the Qualified Collateral in the Collateral Agent’s own name as pledgee, or in the name of the Collateral Agent’s nominee (as pledgee or as sub-agent) or to continue to hold the Qualified Collateral in the name of the Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Upon cessation of such Event of Default, the Collateral Agent shall take such action as is necessary to again cause the Qualified Collateral to be registered in the name of the Grantor (or its respective nominees).

SECTION 2.2 *Maintenance of Qualified Collateral Schedule.*

Upon the issuance of any AgVantage Bond under the Bond Purchase Agreement, the Grantor will deliver to the Collateral Agent (with a copy to Farmer Mac) a Qualified Collateral Schedule setting forth the Qualified Collateral pledged hereunder, which Qualified Collateral Schedule shall form a part of this Agreement. The Grantor shall also cause a copy of the Qualified Collateral Schedule to be attached as a schedule to each UCC financing statement filed in connection with the grant of a security interest under this Agreement. Following the date of issuance of any AgVantage Bond, if either (i) there have been additions, modifications or reductions in the Qualified Collateral; or (ii) on any Business Day on which the value of the Qualified Collateral identified in a schedule to the most recently filed UCC financing statement falls below the Minimum Required Collateralization Level and additional Qualified Collateral is provided by the Grantor to the Collateral Agent pursuant to Section 2.3(b), then the Grantor shall, within fifteen (15) Business Days after each Valuation Date with respect to (i) and on the same Business Day with respect to (ii): (x) prepare and deliver to the Collateral Agent (with a copy to Farmer Mac, if Farmer Mac is no longer serving as Collateral Agent) a new Qualified Collateral Schedule setting forth the revised list of Qualified Collateral, the value of which shall

be at least equal to the Minimum Required Collateralization Level; and (y) cause the filing of such UCC statements and amendments thereto as may be necessary for the Grantor to comply with its undertakings pursuant to Section 2.4. After the UCC filing required upon the issuance of any AgVantage Bond has been filed, this Section 2.2 shall be interpreted to require the preparation and filing of new UCC statements only after the value of the Qualified Collateral pledged hereunder and listed on the most recently filed UCC statement becomes less than the Minimum Required Collateralization Level.

SECTION 2.3 *Qualified Collateral.*

- (a) On each Business Day prior to the termination of the Security Interest pursuant to Section 9.1(i), (i) the value of the Qualified Loans, including any Qualified Loans supporting AMBS, (as determined by the Grantor in accordance with the immediately succeeding sentence) pledged hereunder shall be at least equal to 100% of the AgVantage Bond Balance and (ii) the value of the Qualified Collateral, including the value of the Qualified Loans referred to in clause (i) (as determined by the Grantor in accordance with the immediately succeeding sentence) pledged hereunder shall be at least equal to 110% of the AgVantage Bond Balance (clauses (i) and (ii), collectively, the “**Minimum Required Collateralization Level**”). For the avoidance of doubt, for all purposes of this Agreement, as of any date of determination, the value of any Qualified Loan and any other items included in the Qualified Collateral shall be equal to the Market Value of such Qualified Loan or item, as applicable, as of such date of determination.
- (b) Subject to all applicable notice and cure periods, if the value of Qualified Collateral (as determined by the Grantor in accordance with Section 2.3(a)) falls below the Minimum Required Collateralization Level as of any Business Day, the Grantor shall provide additional Qualified Collateral in which the Grantor has rights or the power to transfer rights to a secured party, such that the value of Qualified Collateral (as determined by the Grantor in accordance with Section 2.3(a)) pledged to the Collateral Agent under this Agreement as of such Business Day shall be at least equal to the Minimum Required Collateralization Level.
- (c) For as long as the value of Qualified Collateral (as determined by the Grantor in accordance with Section 2.3(a)) is above the Minimum Required Collateralization Level, the Grantor may freely withdraw, replace or substitute or sell, dispose, pledge, assign or otherwise transfer any Qualified Collateral and any other item of Qualified Collateral then listed on the Qualified Collateral Schedule free and clear of the Security Interest, pledge, lien and encumbrance created under this Agreement, in accordance with Section 9.1 and 9.2, so long as any such withdrawal, replacement or substitution or any such sale, disposition, pledge, assignment or other transfer would not cause the value of the Qualified Collateral (as determined by the Grantor in accordance with Section 2.3(a)) after such action to be below the Minimum Required Collateralization Level (in the case of any replacement or substitution, after taking into account any replacement or substitute Qualified Collateral provided by the Grantor to the Collateral Agent simultaneously therewith, as evidenced by a revised Qualified Collateral Schedule provided simultaneously by the Grantor to the Collateral Agent (with a copy to Farmer Mac, if Farmer Mac is no longer serving as Collateral Agent), which revised Qualified Collateral Schedule shall form a part of this Agreement.)
- (d) At any time, the Grantor may pledge additional Qualified Collateral (in which such party has rights or the power to transfer rights to a secured party) under this Agreement by filing the appropriate UCC statements and delivering a Certificate of Pledged Collateral to the Collateral Agent specifying such additional collateral.
- (e) The Grantor shall certify to the Collateral Agent (with a copy to Farmer Mac, if Farmer Mac is no longer serving as Collateral Agent), within fifteen (15) Business Days following each Valuation Date, that (i) the value of Qualified Collateral (as determined by the Grantor in accordance with Section 2.3(a)) shall have been at least equal to the Minimum Required Collateralization Level as of such Valuation Date, and (ii) the Grantor has provided adequate Qualified Collateral (in which the Grantor has rights or the power to transfer rights to a secured party) to maintain the Minimum Required Collateralization Level with respect to the AgVantage Bond Balance, in each case, which certification shall be in substantially the form of a Certificate of Pledged Collateral.

SECTION 2.4 *Undertakings Regarding Qualified Collateral.*

With respect to the Qualified Collateral, the Grantor undertakes and agrees as follows:

- (a) to keep and maintain such Qualified Collateral free and clear of pledges, liens, and encumbrances except for the security interest created by this Agreement and except for Permitted Liens;
- (b) to keep and maintain the Qualified Collateral in an amount at or above the Minimum Required Collateralization Level;
- (c) upon the pledge of AMBS, cash, U.S Treasury securities, securities issued or fully guaranteed by an agency or instrumentality of the United States, or any Qualified Substitute Collateral, to establish and maintain the Securities Account and to enter into the Securities Account Control Agreement;
- (d) upon the establishment of the Securities Account and upon execution and delivery of the Securities Account Control Agreement, and upon the delivery of the Qualified Collateral to the Collateral Agent, to furnish to the Collateral Agent and the Bond Guarantor an opinion of counsel reasonably satisfactory to the Control Party that in the opinion of such counsel such action has been taken as is necessary to create and perfect and enforceable lien and security interest of the Collateral Agent in the Qualified Collateral; and
- (e) to ratify any financing statements previously filed.

The Grantor, in connection with any modification of the Qualified Collateral Schedule on any Business Day on which the value of the Qualified Collateral pledged hereunder and identified in a schedule to the most recently filed UCC statement becomes less than the Minimum Required Collateralization Level, shall cause the concurrent filing of such UCC financing statements and amendments thereto as may be

necessary or desirable to maintain the perfection of the security interest granted hereunder, naming the Collateral Agent or its transferees or assigns as secured party and the Grantor as debtor. The Collateral Agent shall have no duty to monitor, prepare or file any UCC financing statement or amendments.

SECTION 2.5 Risk of Loss of Qualified Collateral.

The Grantor bears the risk of loss for any Qualified Collateral held in its possession prior to delivery or in transit to or from the Grantor to the Collateral Agent or its agent. In the event the Grantor delivers any Qualified Collateral to the Collateral Agent or its agent, the duty of the Collateral Agent with respect to such Qualified Collateral shall be solely to use reasonable care in the custody and preservation of the security in its possession.

ARTICLE 3

COLLATERAL AGENT
SECTION 3.1

Appointment as Collateral Agent.

Subject to the terms and conditions hereof, the Grantor hereby appoints the Collateral Agent and the Collateral Agent hereby accepts such appointment to act as Collateral Agent pursuant to the terms of this Agreement. The Collateral Agent acknowledges the grant of the Security Interest upon the issuance of the AgVantage Bonds under the Bond Purchase Agreement, accepts the trusts under this Agreement in accordance with the provisions of this Agreement, and agrees to perform its duties in this Agreement to the end that the interests of the AgVantage Bond Holder and the Bond Guarantor may be adequately and effectively protected.

SECTION 3.2 Resignation of the Collateral Agent.

The Collateral Agent may resign at any time by providing not less than thirty (30) days' prior written notice to the Control Party and the Grantor. If a successor Collateral Agent is not appointed by the Grantor within thirty (30) days after the Collateral Agent gives notice of its intent to resign, the retiring Collateral Agent may petition any court of competent jurisdiction to appoint a successor Collateral Agent. The Grantor shall notify the Control Party in writing upon the appointment of a successor Collateral Agent and the agreement by such person to act as successor Collateral Agent in connection with this Section 3.2.

SECTION 3.3 Eligibility of Successor Collateral Agent.

Any successor Collateral Agent appointed by the Grantor pursuant to Section 3.2 shall be a national banking association or banking corporation authorized under its laws of incorporation and the laws of the jurisdiction in which it administers this Agreement to exercise the powers required by this Agreement having at all times an aggregate capital surplus and undivided profits of at least \$1,000,000,000.00.

SECTION 3.4 Merger or Consolidation.

Any person (i) into which the Collateral Agent may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Collateral Agent shall be party, or (iii) that may succeed to the properties and assets of the Collateral Agent substantially as a whole, shall be the successor to the Collateral Agent under this Agreement without further act of any of the parties to this Agreement.

SECTION 3.5 Duties and Responsibilities of the Collateral Agent.

- (a) The Collateral Agent shall perform any and all duties required of it pursuant to the terms of this Agreement.
- (b) The Collateral Agent shall in the event it is so directed in writing by the Control Party exercise any rights or remedies granted to the Collateral Agent under this Agreement.
- (c) The Collateral Agent will hold all Mortgage Documents and other instruments or documents representing the Qualified Loans in accordance with the procedures set forth on Exhibit A attached hereto.
- (d) The Collateral Agent makes no warranty or representation and shall have no responsibility as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership, or transferability of the Qualified Collateral or any Qualified Substitute Collateral and will not be required to and will not make any representations as to the validity or value of any of the Qualified Collateral or Qualified Substitute Collateral.
- (e) The Collateral Agent shall have no duties or responsibilities, except such duties and responsibilities as are specifically set forth in this Agreement, and no covenants or obligations shall be implied in this Agreement against the Collateral Agent.
- (f) No provision of this Agreement shall be construed to relieve the Collateral Agent from liability for its own negligent action, its own negligent failure to act or its own willful misconduct or bad faith, except that:
 - (i) the Collateral Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Collateral Agent unless it shall be proved that the Collateral Agent was negligent in ascertaining the pertinent facts;

- (ii) the Collateral Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of either Grantor or the Control Party relating to the time, method and place of conducting any proceeding for any remedy available to the Collateral Agent or exercising any trust or power conferred upon the Collateral Agent under this Agreement;
- (iii) no provision of this Agreement shall require the Collateral Agent to expend or risk its own funds or otherwise incur any liability other than as provided in Section 3.5(f) in the performance of its duties hereunder unless adequate indemnity has been assured to it; and
- (iv) the Collateral Agent shall not be obligated to take any legal action hereunder which might in its judgment involve any expense or liability unless it has been furnished with an indemnity satisfactory to it.

SECTION 3.6 *Limitation on Liability of the Collateral Agent.*

Subject to Section 3.5(f) with respect to clauses (a), (b) and (d) below, the Collateral Agent:

- (a) shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith or for any mistakes of fact or law or for anything that it may do or refrain from doing in connection herewith;
- (b) may consult with counsel satisfactory to it and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken suffered or omitted by it hereunder in good faith and in the opinion of such counsel;
- (c) shall not be responsible for delays or failures in performance resulting from acts beyond its control, including, without limitation, strikes, lockouts, riots, acts of war or terrorism, epidemics, nationalization, earthquakes, hurricanes or other natural disasters of similar nature;
- (d) may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties; and
- (e) shall not be liable for any consequential, indirect, special or punitive damages under any circumstances.

SECTION 3.7 [Fees of the Collateral Agent].

[RESERVED]

ARTICLE 4

Events of Default

SECTION 4.1

Events of Default.

The Collateral Agent may consider the Grantor in default hereunder upon the occurrence and continuance of any of the following events or conditions beyond any applicable notice or cure periods (each an “**Event of Default**”) hereunder:

- (a) the occurrence and continuance of an “Event of Default” as such term is defined in the Bond Purchase Agreement with respect to any AgVantage Bond;
- (b) the failure to maintain the Minimum Required Collateralization Level as of any Business Day, which failure shall not have been cured within thirty (30) days of the earlier of (i) notice from Farmer Mac requesting that it be cured, or (ii) the first day on which Grantor becomes aware of such failure;
- (c) breach of or failure to perform by the Grantor any other covenant, promise, condition, obligation or liability contained or referred to herein which shall not have been cured within forty-five (45) days after notice thereof to the Grantor from the Collateral Agent; or
- (d) any representation, statement or warranty made to the Collateral Agent by or on behalf of the Grantor in connection with this Agreement which shall prove to have been false in any material respect when made or furnished and which shall not have been cured within forty-five (45) days after notice thereof to the Grantor from the Collateral Agent.

The Collateral Agent shall not be deemed to have knowledge of any Event of Default until written notice thereof is delivered to it. Upon receipt of written notice of an Event of Default, the Collateral Agent shall deliver the Notice of Exclusive Control required by the Securities Account Control Agreement.

SECTION 4.2 *Remedies Upon an Event of Default.*

- (a) If an Event of Default shall occur and be continuing, the Collateral Agent shall (subject to Section 3.5), at the written direction of the Control Party, pursue any of the following remedies, separately, successively, or cumulatively:

- (i) take possession of any instruments, agreements, mortgages and other documents (including the Mortgage Documents) representing the Qualified Collateral, and all payment records relating to the Qualified Collateral, not already in the Collateral Agent's possession, immediately upon demand, and the Grantor grants to the Collateral Agent the right (to the extent of the Grantor's own right), for this purpose, to enter into any premises where the Qualified Collateral or any part thereof may be located during normal business hours and upon reasonable notice to the Grantor; and
 - (ii) pursue any other remedy available at law or in equity to collect, enforce, or satisfy obligations of the Grantor under the AgVantage Bond and this Agreement, including exercising its rights as secured creditor to collect income on the Qualified Collateral, or to sell, assign, transfer, lease, or otherwise dispose of the Qualified Collateral whether or not the Qualified Collateral is in the Collateral Agent's possession, in each case subject to the immediately preceding clause (i) above.
- (b) If the Collateral Agent exercises its rights subject to Section 4.2(a) in respect of the Qualified Collateral upon the occurrence and during the continuance of an Event of Default, to the fullest extent permitted by applicable law:
- (i) the Collateral Agent may sell, assign, transfer and deliver, at the Collateral Agent's option, the whole or any part of the Qualified Collateral at private or public sale, at such prices as the Collateral Agent may, in good faith, deem best, without public advertisement, and the Grantor waives notice of the time and place of sale, except any notice that is required by law and may not be waived;
 - (ii) the Collateral Agent has no obligation to prepare any Qualified Collateral for sale, and the Collateral Agent may sell any Qualified Collateral and disclaim any warranties without adversely affecting the commercial reasonableness of the sale; and
 - (iii) the Collateral Agent may purchase any or all Qualified Collateral and shall apply the purchase price to reduce amounts owed by the Grantor to the Collateral Agent as set forth in (c) below.
- (c) Subject to Section 9-615 of the UCC, the Proceeds realized by the Collateral Agent upon selling or disposing of the Qualified Collateral will be applied in the following order:
- (i) *first*, for so long as a Bond Guarantor Default has occurred and is continuing, to pay all reasonable costs and expenses of every kind incurred by the Collateral Agent for the collection, sale and foreclosure of the Qualified Collateral (including reasonable expenses incurred in the protection of Collateral Agent's title to or lien upon or right in connection therewith, reasonable expenses for out-of-pocket legal fees in connection therewith or in making any such sale or sales, insurance, commission for sales and guaranty);
 - (ii) *second*, to the Collateral Agent for any amounts due and unpaid in accordance with applicable agreements;
 - (iii) *third*, to the Bond Guarantor in respect of any amounts previously paid by the Bond Guarantor in respect of the Guaranteed Obligations;
 - (iv) *fourth*, to interest owed under the AgVantage Bond;
 - (v) *fifth*, to the principal amount owed under the AgVantage Bond; and
 - (vi) *sixth*, any remaining Proceeds will be paid by the Collateral Agent to the Grantor.

SECTION 4.3 Appointment of Collateral Agent as Attorney-in-Fact; Sub-Agents.

- (a) If an Event of Default occurs and is continuing, and without limiting any other rights the Collateral Agent might have as a collateral agent under applicable law and under this Agreement, the Grantor does hereby make, constitute and appoint the Collateral Agent (and any sub-agent thereof appointed by the Collateral Agent for purposes of this Agreement in accordance with Section 4.3(b) (each, a "**Sub-Agent**")) its true and lawful attorney-in-fact to deal with the Qualified Collateral and, in its name and stead to release, collect, compromise, settle and release or record any mortgage or deed of trust that is a part of such Qualified Collateral as fully as the Grantor could do if acting for itself. The powers herein granted are coupled with an interest, and are irrevocable, and full power of substitution is granted to the Collateral Agent in the premises.
- (b) All services to be furnished by the Collateral Agent under this Agreement may be furnished or subcontracted by the Collateral Agent to a Sub-Agent; *provided*, that prior written notice is given to the Grantor of the appointment of such Sub-Agent and the Grantor consents to such appointment within ten Business Days after its receipt of such notice; *provided, however*, that: (i) the Collateral Agent shall remain ultimately responsible for the provision of such services; and (ii) the Grantor shall not withhold or delay consent to the appointment of an Excluded Agent.

ARTICLE 5

- (a) a certified copy of the relevant portion of the minutes of the meeting at which the Grantor's board of directors or other governing body adopted the AgVantage Bond Resolutions (as defined in Section 6.1(a)(i) below);
- (b) a current copy of the schedules listing the Qualified Collateral pledged hereunder and setting forth, among other things, the outstanding principal amount of such collateral as of the most recent Valuation Date; and
- (c) a statement of the AgVantage Bond Balance.

ARTICLE 6

Representations, Warranties and Covenants

SECTION 6.1

Representations and Warranties.

The Grantor represents and warrants as of the date of this Agreement and as of each date on which the Qualified Collateral Schedule is modified, that:

- (a) it is authorized under applicable law and its charter, bylaws, or similar governing documents, to execute and perform its obligations under the applicable AgVantage Bond and this Agreement. Without limiting the generality of the foregoing, the Grantor represents that: (i) its board of directors or other governing body has adopted resolutions (the "**AgVantage Bond Resolutions**") (A) authorizing the execution and delivery of any AgVantage Bond issued and this Agreement and the taking or consummation of such other actions as necessary or appropriate to carry out the provisions or intentions of any AgVantage Bond issued and this Agreement, and (B) adopting or ratifying, as applicable, the Mortgage Guidelines; and (ii) the foregoing resolutions are duly reflected in the official records of the Grantor;
- (b) each AgVantage Bond is enforceable against the Grantor and this Agreement is valid, binding and enforceable against the Grantor in accordance with its terms subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject to enforceability to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law; and
- (c) with respect to each Qualified Loan that is pledged as Qualified Collateral, (i) such Qualified Loan is secured by a first lien mortgage on the real estate securing the Qualified Loan and was originated in accordance with the Mortgage Guidelines in all material respects, and (ii) the Grantor has advised the Purchaser and Farmer Mac in writing of any other loan secured by any portion of such real estate with an equal lien position to the Qualified Loan. The Grantor covenants that any interest obtained by the Purchaser, Farmer Mac, or the Collateral Agent in any such Qualified Loan by operation of this Agreement will be prior in right to any lien on such security of which the Purchaser and Farmer Mac had not been so advised.

SECTION 6.2 *Covenants.*

The Grantor covenants that:

- (a) the Grantor has rights in the Qualified Collateral granted by it, and its title to the portion of the Qualified Collateral that is required to meet the Minimum Required Collateralization Level is free and clear of pledges, liens and encumbrances, except as created hereunder and except for Permitted Liens, and the Grantor will maintain such amount of Qualified Collateral free and clear of pledges, liens and encumbrances except as created hereunder and except for the Permitted Liens as long as such Qualified Collateral remains pledged hereunder;
- (b) the Grantor has obtained all necessary approvals and consents before pledging the Qualified Collateral under this Agreement;
- (c) each Qualified Loan is freely transferable by assignment or negotiation;
- (d) each mortgage or deed of trust securing a note or bond included in the Qualified Collateral has been recorded;
- (e) the Grantor will provide the Collateral Agent with any reports or statements that the Collateral Agent or the Control Party reasonably requests; *provided, however*, that the filing of a report or statement via the Electronic Data Gathering, Analysis, and Retrieval system of the Commission (or such subsequent official electronic filing system established by the Commission) shall constitute delivery of such report or statement, as the case may be, to the Collateral Agent or the Control Party upon notification by the Grantor to the Collateral Agent or the Control Party, as the case may be.
- (f) upon reasonable prior notice and during normal business hours, and with approval of the Grantor (such approval to not be reasonably withheld), the Grantor will permit the Collateral Agent or its designee to inspect or copy the AgVantage Bond Documents and any other documents or evidence in the Grantor's possession or control relating to the Qualified Collateral;
- (g) the Grantor will promptly notify the Collateral Agent upon the occurrence of any change in its respective credit rating by S&P, Moody's or Fitch, as applicable;
- (h) the Grantor will promptly notify the Collateral Agent of any change in applicable law or regulations, or its respective charter, bylaws, or other governing documents, or any legal or regulatory process asserted against the Grantor, that materially affects or may materially affect the Grantor's authority or ability to lawfully perform its obligations under the Bond Purchase Agreement or this Agreement; and

- (i) the Grantor will promptly notify the Collateral Agent of: (i) any material adverse change in its business or financial condition or in the business or financial condition of the Operating Partnership, the REIT or any other affiliate that would materially and adversely affect the Collateral Agent's interests; (ii) the execution of a definitive agreement which by its terms provides for a reorganization, merger or consolidation of the Grantor, the Operating Partnership or the REIT; (iii) any legal or regulatory action (including any pending or threatened litigation or judgment) directly involving the Grantor, the Operating Partnership or the REIT as a party that would reasonably be expected to have a materially adverse financial or business impact on the Grantor; or (iv) the occurrence of any Event of Default.

SECTION 6.3 *Negative Covenants.*

The Grantor covenants that the Grantor shall not, and shall not purport, propose or undertake to, consent to any modification of any AgVantage Bond without the Collateral Agent's or Control Party's prior written consent, which consent shall not be unreasonably withheld.

ARTICLE 7

Indemnification
SECTION 7.1

Indemnification by Grantor.

The Grantor agrees to indemnify the Collateral Agent or Sub-Agent for any loss, claim, damage, liability, and expense (including reasonable attorneys' fees, court costs and reasonable expenses of litigation) incurred by the Collateral Agent (and any Sub-Agent), in the course of or arising out of the Bond Purchase Agreement or this Agreement, any action relating to the Qualified Collateral, or any action to which the Collateral Agent (and any Sub-Agent), may become subject in connection with the AgVantage Bond Holder's exercise of any right or remedy granted to it under the Bond Purchase Agreement or this Agreement, except to the extent that such loss, claim, damage, liability or expense results from the Collateral Agent's (and any Sub-Agent thereof) negligence or willful misconduct; *provided, however*, that if Farmer Mac is appointed as a Sub-Agent of the Collateral Agent under this Agreement, Farmer Mac's indemnification pursuant to this Section 7.1 will be limited solely to actions taken as Sub-Agent to the Collateral Agent.

ARTICLE 8

Miscellaneous
SECTION 8.1

Successors and Assigns of Grantor Bound by Agreement.

All obligations, covenants, agreements and duties of the parties contained in this Agreement shall bind the respective permitted successors and assigns of the parties, whether so expressed or not.

SECTION 8.2 *Amendments; Assignments.*

- (a) This Agreement will not be amended, supplemented, modified, restated, or replaced in any manner, except with the written consent of the Grantor and the Collateral Agent.
- (b) This Agreement may not be transferred, assigned, hypothecated or alienated in any manner whatsoever, except with the prior written consent of the Grantor and the Collateral Agent.

SECTION 8.3 *No Liability for the Collateral Agent.*

Subject to Section 7.2, the Collateral Agent has no liability for acting in reliance upon any communication (including a facsimile transmission, electronic transmission, telex, or similar communication) reasonably believed by the Collateral Agent to be genuine or to be sent by an individual acting on behalf of the Grantor. The Collateral Agent has no fiduciary duty to the Grantor.

SECTION 8.4 *Governing Law.*

This Agreement shall be construed and enforced according to the laws of the State of New York, including, without limitation, Section 5-1401 of the General Obligations Law of the State of New York, but without regard to the conflicts of law provisions thereof.

SECTION 8.5 *Consent to Jurisdiction.*

Each party to this Agreement submits for itself and in connection with its properties, generally and unconditionally, to the nonexclusive jurisdiction of the United States federal court located in The City of New York, Borough of Manhattan, for purposes of any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party to this Agreement hereby consents to process being served in any suit, action or proceeding with respect to this Agreement, or any document delivered pursuant hereto, by the mailing of a copy thereof, by registered or certified mail, postage prepaid, return receipt requested, to its respective address specified at the time for notices under this Agreement or to any other address of which it shall have given written notice to the other party hereto. The foregoing shall not limit the ability of any party hereto to bring suit in the courts of any other jurisdiction.

SECTION 8.6 *Waiver of Jury Trial.*

Each of the parties to this Agreement irrevocably and expressly waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Agreement or any claims or transactions in connection herewith. Each of the parties hereto hereby acknowledges that such waiver is made with full understanding and knowledge of the nature of the rights and benefits waived hereby.

SECTION 8.7 Entire Agreement.

This Agreement and the Bond Purchase Agreement embody the entire agreement and understanding between the parties hereto relating to the subject matter hereof and supersede all prior agreements between such parties that relate to the subject matter.

SECTION 8.8 Limitation on Rights of Others.

The provisions of this Agreement are solely for the benefit of the Grantor and the Collateral Agent and nothing in this Agreement, whether express or implied, shall be construed to give to any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 8.9 Severability.

If any provision of, or obligation under, this Agreement, or the application thereof to any person or under any circumstance, shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions of, and any obligations under, this Agreement, or the application of such provision in any other jurisdiction shall not in any way be affected or impaired thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by applicable law.

SECTION 8.10 Counterparts.

This Agreement and any amendments, supplements, modifications, restatements, or replacements hereof, or waivers or consents hereto, may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute one and the same instrument. This Agreement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 8.11 No Waiver.

No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder (or operate as an acquiescence of any default or Event of Default hereunder) shall operate as a waiver thereof (including by the Collateral Agent upon the occurrence and during the continuance of an Event of Default), nor shall any single or partial exercise thereof or the exercise of any other right, power or privilege operate as such a waiver.

SECTION 8.12 Remedies Cumulative.

No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

SECTION 8.13 Notices.

All demands, notices, instructions or other communications required or permitted to be given hereunder shall be given in writing by delivering the same against receipt by facsimile transmission (confirmed by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows (and if so given, shall be deemed given when mailed or upon receipt of a confirmation, if sent by facsimile):

If to the Grantor, to:

Gladstone Lending Company, LLC
c/o Gladstone Land Corporation
1521 Westbranch Drive, Suite 200
McLean, Virginia 22102
Fax: 703-287-5801
Attn: Michael Licalsi

with a copy to:

Bass Berry & Sims PLC
100 Peabody Place, Suite 900
Memphis, TN 38103
Fax: 901-543-5999
Attention: Richard R. Spore and Robert P. McDaniel, Jr.

If to the Purchaser, Collateral Agent or the Bond Guarantor, to:

Federal Agricultural Mortgage Corporation
1999 K Street, NW 4th Floor
Washington, DC 20006

Fax: 202-872-7713
Attention: Chief Financial Officer

with a copy to:

Federal Agricultural Mortgage Corporation
1999 K Street, NW 4th Floor
Washington, DC 20006
Fax: 202-872-7713
Attention: General Counsel

ARTICLE 9

Termination of Security Interest SECTION 9.1

Termination of Security Interest.

The Security Interest in respect of any item of Qualified Collateral shall terminate, and all rights to any item of Qualified Collateral shall revert to the Grantor upon: (i) the termination of the Bond Purchase Agreement in accordance with its terms; or (ii) the withdrawal, replacement or substitution or the sale, disposition, pledge, assignment or other transfer, of such item of Qualified Collateral by the Grantor pursuant to, and in accordance with, Section 2.3; *provided* that this Agreement shall survive any permitted assignment of the Bond Purchase Agreement and any AgVantage Bond.

SECTION 9.2 *Evidence of Termination.*

Upon the termination of this Agreement, the Collateral Agent will execute and deliver to the Grantor such documents as the parties shall prepare at their own expense and reasonably request to evidence the termination of this Agreement. Without limiting the foregoing, upon the occurrence of a withdrawal, replacement, substitution, sale, disposition, pledge, assignment or other transfer under Section 9.1(ii) or Section 2.3(c) above, Collateral Agent will cooperate with Grantor in the release or termination (or partial release or termination) of all filings or instruments evidencing any applicable lien or liens in favor of Collateral Agent with respect to such collateral. Without limiting the foregoing, upon the request of Grantor in such event, Collateral Agent shall promptly terminate (or authorize Grantor to terminate) any UCC financing statement(s) necessary to evidence the release of such lien(s).

In Witness Whereof, the parties have caused this Agreement to be duly executed and delivered as of the day first above written.

GLADSTONE LENDING COMPANY, LLC, a Delaware limited liability company

By: Gladstone Land Limited Partnership, a Delaware limited partnership, its sole member and manager

By: Gladstone Land Partners, LLC, a Delaware

limited liability company, its General Partner

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

By:
Name:
Title:

FARMER MAC MORTGAGE SECURITIES CORPORATION,

as Purchaser

By:

Name: R. Dale Lynch
Title: Vice President and Treasurer

FEDERAL AGRICULTURAL MORTGAGE CORPORATION,
as Collateral Agent and Bond Guarantor

By:

Name: R. Dale Lynch
Title: Senior Vice President – Chief Financial Officer and Treasurer

Schedule I

Eligibility Criteria Agricultural real estate can consist of land, buildings and fixtures used in agricultural production, processing or storage.

Each such mortgage loan will:

- be secured by a first lien fee simple or leasehold mortgage on agricultural real estate (land, buildings and fixtures used in agricultural production, processing or storage) located in the United States (or by a junior lien on such agricultural real estate, so long as the Grantor holds each lien on such agricultural real estate that is senior to such junior lien and each mortgage loan secured by any such senior lien is pledged by the Grantor under this Agreement);
- be an obligation of a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States or a private corporation, limited liability company, limited partnership or partnership whose members, stockholders, or partners holding a majority interest in the corporation or partnership are such individuals;
- have a loan-to-value ratio at the time of origination of not greater than 66 percent, as determined by the Appraised Value of the related agricultural real estate securing the mortgage loan;
- if secured by:
 - not more than 1,000 acres, have an unpaid principal balance not greater than \$30,000,000 (or any higher amount permitted by Farmer Mac and communicated to Grantor in writing);
 - more than 1,000 acres, have an unpaid principal balance not greater than \$12,000,000 (or any higher amount permitted by Farmer Mac and communicated to Grantor in writing);
- be not more than 30 days delinquent in the payment of interest;
- have all taxes and assessments paid prior to delinquency;
- contain cross-default provisions in the related mortgage loan documents, instruments, and agreements, providing that any default or Event of Default in this Agreement or the Bond Purchase Agreement shall also constitute a default under the related mortgage loan and providing for immediate acceleration of the balance due on such mortgage loan without further notice, thereby entitling the Collateral Agent or Control Party, as applicable, to all rights and remedies under the terms of such mortgage loan;
- encumber any improvements with a first priority lien by and through the mortgage. For purposes of this paragraph, “improvements” means: any buildings, improvements, equipment, fixtures and permanent plantings located in or on or appurtenant to the collateral, and all additions, replacements, and improvements hereafter made to or placed in or on the collateral; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles from the collateral, tenements, hereditaments, remainders, reversions, privileges and appurtenances belonging unto the collateral, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed; all water and water rights now owned or hereafter acquired whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the collateral, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating to the collateral; all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the collateral, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by the Grantor and which are located on the collateral described above together with all additional accessions, replacements, improvements, repairs and substitutions to the collateral and the proceeds thereof and all other fixtures now or hereafter located upon the collateral, all of which are declared to be appurtenant to the collateral, or incident to the ownership thereof, or used in connection therewith. Notwithstanding the foregoing or anything herein to the contrary, the Grantor is not granting any lien or security interest with respect to, and references to the pledged real property or improvements shall not include, any agricultural operations, crops and related permanent plantings, irrigation facilities and water rights that are owned by tenants at such property (“**Tenant Improvements**”); and
- contain provisions, consistent with standard industry practice, requiring that upon default of the mortgage loan, (i) all leases and security deposits on the related collateral shall be assigned to the lender and (ii) all rents and revenues from the related collateral shall be assigned to the lender.

Schedule II

PLEDGE AND SECURITY AGREEMENT DATED AS OF DECEMBER 5, 2014
CERTIFICATE OF PLEDGED COLLATERAL FILED WITH
FEDERAL AGRICULTURAL MORTGAGE CORPORATION, Collateral Agent

____, Chief Executive Officer (or Chief Financial Officer or Controller) and ____, Vice-President [**Chief Financial Officer**] [**Treasurer**], of Gladstone Land Corporation, the Manager of Gladstone Land Partners, LLC, the General Partner of Gladstone Land Limited Partnership, the sole member and manager of Grantor, hereby certify to the Control Party and the Collateral Agent under the above-mentioned Pledge and Security Agreement as amended to the date hereof (herein called the “Pledge Agreement”) as follows:

1. The value of the Qualified Collateral certified hereby and pledged to the Collateral Agent, as shown on Schedule A hereto, is..... \$ _____

2. The value of the Qualified Collateral certified hereby and being pledged to the Collateral Agent, as shown on Schedule B hereto, is.. \$ _____
3. The aggregate principal amount of the AgVantage Bond(s) outstanding at the date hereof is..... \$ _____
4. The aggregate amount, if any, of the AgVantage Bond(s) to be issued on the basis of this Certificate is..... \$ _____
5. The sum of amounts in items 3 and 4 is..... \$ _____
6. The aggregate amount by which the value of Qualified Collateral exceeds the aggregate principal amount of the AgVantage Bond(s) outstanding (the sum of items 1 and 2 minus item 5) is..... \$ _____
7. To the knowledge of the undersigned, each Qualified Loan included as Qualified Collateral satisfies the Eligibility Criteria set forth in the Pledge Agreement.
8. The value of the Qualified Collateral pledged to the Collateral Agent satisfies the Minimum Required Collateralization Level.
9. So far as is known to the undersigned, no Event of Default exists.

All terms which are defined in the Pledge Agreement are used herein as so defined.

Dated: ____

Exhibit A

QUALIFIED LOAN FILE CUSTODY PROCEDURES

1. *Delivery of Custodial Files.* (a) The Grantor is required to deliver to the Collateral Agent any and all documents or records relating to the Qualified Loans (with respect to any Qualified Loan, a “**Qualified Loan File**”), which shall be listed by the Grantor on the Qualified Collateral Schedule, and the Collateral Agent shall hold such Qualified Loan Files in accordance with the terms of this Exhibit A.

(b) From time to time, the Grantor may forward to the Collateral Agent additional original documents or additional documents evidencing an assumption, modification, consolidation or extension of a Qualified Loan. Upon receipt of such documents by the Collateral Agent, such documents shall constitute a part of the Qualified Loan File for the related Qualified Loan. The Collateral Agent is entitled to rely upon the Qualified Collateral Schedule provided as of the most recent date of delivery as the conclusive schedule in its review of the submitted Qualified Loan File. The Collateral Agent is under no duty to verify the existence of any endorsements to the policy of title insurance or the existence, validity or priority of any liens of security interest in any personal property securing the related Qualified Loan.

(c) Within thirty (30) days after the later of (i) the date of delivery of the Qualified Loan Files by the Grantor and (ii) receipt by the Collateral Agent of check-in instructions for the Qualified Loan Files and, if applicable, the Mortgage Documents and any other instruments and/or documents contained in the Qualified Loan Files, from the Grantor, the Collateral Agent shall review the Qualified Loan Files received by it in accordance with the check-in instructions, and shall deliver to the Bond Guarantor, the Grantor or their designees a certification (a “**Trust Receipt**”) substantially in the form agreed to by the parties hereto and the Bond Guarantor, as to each Qualified Loan listed on the Qualified Collateral Schedule. The Collateral Agent shall not be responsible to verify the validity, sufficiency or genuineness of any document in any Qualified Loan File.

2. *Custody of Qualified Loan Documents.* The Collateral Agent shall segregate and maintain continuous custody of all documents constituting each Qualified Loan File received by it in secure and fire-resistant facilities in accordance with its customary standards for such custody and shall provide the Grantor written notice of such location.

3. *Release for Servicing.* From time to time and as appropriate for the foreclosure or servicing of any of the Qualified Loans or in connection with a Qualified Loan which has been paid in full, the Collateral Agent is hereby authorized, upon delivery by the Grantor to the Collateral Agent, with a copy to the parties hereto and the Bond Guarantor of a written request in a form agreed upon by the parties hereto and the Bond Guarantor (a “**Request for Release of Qualified Loan File**”), to release to the Grantor the related Qualified Loan Files. The Collateral Agent shall have no duties or obligations and no liability with respect to any Qualified Loan File so released to the Grantor for any period of time so released to the Grantor. In the event that the Grantor returns a Qualified Loan File or other documents previously released by the Collateral Agent to the Grantor the Qualified Loan File or other documents so returned shall once again be subject to the provisions of the Pledge and Security Agreement.

4. *Copies of Qualified Loan Documents.* Upon the written request of any of the Grantor or the Control Party and at the cost and expense of the Grantor under the Pledge and Security Agreement, the Collateral Agent shall provide the requesting Grantor, the Control Party or their designees with copies of any documents in the possession of the Collateral Agent relating to the Qualified Collateral.

5. *Examination of Qualified Loan Files.* Upon five (5) Business Days prior written notice to the Collateral Agent, the Bond Guarantor, the Grantor, or any of their agents, accountants, attorneys, auditors and prospective purchasers will be permitted during normal business hours to examine the Qualified Loan Files and any other documents, records and papers in the possession of or under the control of the Collateral Agent relating directly to the administration of any or all of the Qualified Loans. Any costs associated with such examination shall be paid by the Grantor under the Pledge and Security Agreement.

6. *Attachment of Qualified Loan Files.* In the event that any party to the Pledge and Security Agreement shall be served by a third party with any type of levy, attachment, writ or garnishment with respect to any document contained in a Qualified Loan File, or in the event any

third party shall institute any court proceeding by which any document included in the Qualified Loan Files shall be required to be delivered otherwise than in accordance with the provisions of the Pledge and Security Agreement, the party which received such service shall immediately deliver or cause to be delivered to the other parties hereto, and to the Grantor and the Bond Guarantor, copies of all court papers, orders, documents and other materials concerning such proceedings. The Collateral Agent shall continue to hold and maintain all documents contained in the Qualified Loan Files received by it pursuant to the provisions of the Pledge and Security Agreement pending an order of a court of competent jurisdiction permitting or directing disposition hereof. Upon final determination of such court, the Collateral Agent shall dispose of such documents held by it as directed by such determination or, if no such determination is made, in accordance with the provisions of the Pledge and Security Agreement. Expenses of the Collateral Agent incurred as a result of the attachment of any document contained in a Qualified Loan File shall be paid pursuant to the Pledge and Security Agreement. This subsection shall not be deemed to create any rights in property belonging to the Grantor or the Bond Guarantor in favor of any third party.

Exhibit B

SECURITIES ACCOUNT CONTROL AGREEMENT *among*

[],
[] *and*
[], as Securities Intermediary

Dated as of

Table of Contents

This Securities Account Control Agreement (the “**Agreement**”) is dated as of [], 20[], between Gladstone Lending Company, LLC, a Delaware limited liability company (the “**Grantor**”), [____], as collateral agent (in such capacity, the “**Collateral Agent**”), and [____], as securities intermediary (in such capacity, the “**Securities Intermediary**”).

W i t n e s s e t h

WHEREAS, the Grantor has issued one or more AgVantage Bonds pursuant to an AgVantage Bond Purchase Agreement dated as of [____] (as amended, supplemented or modified from time to time, the “**AgVantage Bond**”);

WHEREAS, the Grantor desires to grant to the Collateral Agent, for the benefit of the AgVantage Bond Holder, a security interest in the collateral hereinafter described as security for the obligations of the Grantor under the AgVantage Bond as more particularly described below;

WHEREAS, the Grantor has entered into the Pledge and Security Agreement, dated as of [____] (as amended, supplemented or modified from time to time, the “**Security Agreement**”), with the Collateral Agent;

WHEREAS, the Grantor, the Securities Intermediary and the Collateral Agent are entering into this Agreement to provide for the control of the Collateral and to perfect the security interest of the Collateral Agent therein.

NOW THEREFORE, for valuable consideration and intending to be legally bound, the Grantor, the Securities Intermediary and the Collateral Agent do hereby enter into this Agreement.

ARTICLE 1 Definitions; Interpretations

SECTION 1.1 *Certain Terms Defined.* In this Agreement, the following terms shall have the meanings specified in this Section for all purposes of this agreement, unless otherwise expressly provided.

“**Account**” means a securities account number ___ established at [], which is a securities account within the meaning of Section 8-501(a) of the UCC.

“**Agreement**” means this instrument as originally executed and delivered and as the same may be amended, supplemented, modified, restated or replaced from time to time.

“**AgVantage Bond**” has the meaning in the first recital of this Agreement.

“**Assignee**” has the meaning set forth in Section 6.2(c) hereof.

“**Bond Purchase Agreement**” means the AgVantage Bond Purchase Agreement dated as of [____] among the Grantor, the Purchaser and Farmer Mac, as the same may be amended from time to time in accordance with the terms thereof.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in New York, New York.

“**Collateral**” means the Account, cash, U.S. Treasury securities or securities fully guaranteed by an agency or instrumentality of the United States, security entitlements, financial assets, credit balances and other assets and property and all instruments, in each case from time to

time deposited or held in or transferred or credited to or carried in the Account.

“**Collateral Agent**” shall mean [____].

“**Entitlement Order**” has the meaning set forth in Section 3.1 hereof.

“**Event of Default**” has the meaning set forth in Section 3.1 of the Security Agreement.

“**Notice of Exclusive Control**” has the meaning set forth in Section 3.2 hereof.

“**Responsible Officer**” shall mean any officer within the corporate trust department of the Collateral Agent, including any vice president, assistant vice president, secretary, assistant treasurer, trust officer or any other officer of the Collateral Agent who customarily performs functions similar to those performed by persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and, in each case, who shall have responsibility for the administration of the Security Agreement.

“**Securities Intermediary**” has the meaning set forth in the first paragraph of this Agreement.

“**Security Agreement**” has the meaning in the third (3rd) recital of this Agreement.

“**Trade**” has the meaning set forth in Section 3.2 hereof.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York

SECTION 1.2 *Interpretation*. For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article shall have the meanings ascribed in this Article and shall include the plural as well as the singular;
- (b) all accounting terms used and not expressly defined herein shall have the meanings given to them in accordance with United States generally accepted accounting principles, and the term “generally accepted accounting principles” shall mean such accounting principles which are generally accepted at the date or time of any computation or at the date hereof;
- (c) references to Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses shall be construed as references to the Exhibits, Articles, Sections, paragraphs, subparagraphs and clauses of this Agreement;
- (d) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;
- (e) the words “include”, “includes” and “including” shall be construed to be followed by the words “without limitation”;
- (f) Article and Section headings are for the convenience of the reader and shall not be considered in interpreting this Agreement or the intent of the parties hereto; and
- (g) capitalized terms used herein and not otherwise defined shall have the meanings ascribed in the Bond Purchase Agreement.

ARTICLE 2 The Account

SECTION 2.1 *UCC Provisions*. Each party hereto agrees that the Account constitutes a “securities account” within the meaning of Article 8 of the UCC and with respect to the property from time to time credited to the Account, the Securities Intermediary is the “securities intermediary” and that the Grantor is the “entitlement holder” within the meaning of the UCC. For purposes of perfecting the security interest of the Collateral Agent in any property (at any time now or hereafter held in or credited to the Account), the Securities Intermediary hereby acknowledges that it holds and will hold such property as collateral for the benefit of the Collateral Agent, subject to the terms and conditions of this Agreement. All property delivered to the Securities Intermediary and directed by the Grantor to be included in the Account pursuant to the terms of the Security Agreement shall be promptly credited to the Account. All parties agree that the Account and all property held by the Securities Intermediary in the Account, including without limitation cash or credit balances, will be treated as investment property under Article 9 of the UCC and financial assets under Article 8 of the UCC.

SECTION 2.2 *Indorsements*. The Grantor agrees that all securities or other property underlying any financial assets credited to the Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and that in no case will any financial asset credited to the Account be registered in the name of the Grantor, payable to the order of the Grantor or specially indorsed to the Grantor. The Securities Intermediary agrees that it shall promptly (and in any event within five (5) Business Days) notify the Collateral Agent and the Grantor in writing after becoming aware (using reasonable care in the Securities Intermediary’s normal business practices) that any financial asset credited to the Account is registered or indorsed in contravention of this Section 2.2; *provided, however*, that the Securities Intermediary shall have no liability hereunder for the failure to deliver such notice except to the extent such failure results from its gross negligence or willful misconduct.

SECTION 2.3 *Priority of Lien*. The Securities Intermediary hereby acknowledges the security interest granted to the Collateral Agent by the Grantor. The Securities Intermediary hereby waives and releases all liens, encumbrances, claims and rights of setoff it may have against the

Collateral or any credit balance in the Account and agrees that it will not assert any such lien, encumbrance, claim or right against the Account (including any financial asset carried in the Account or any credit balance in the Account) or any other Collateral, except for the right to be reimbursed for amounts advanced to settle authorized transactions under the Security Agreement.

ARTICLE 3 Control

SECTION 3.1 *Grant of Control.* Subject to Section 3.2 below, the Securities Intermediary will comply with all notifications it receives directing it to transfer or redeem any property in the Account (each an “**Entitlement Order**”) or other directions concerning the Account (including, without limitation, directions to distribute to the Collateral Agent proceeds of any such transfer or redemption or interest or dividends on property in the Account) to the extent directed by the Collateral Agent without further consent from the Grantor or any other person. The Securities Intermediary will not agree with any third party that the Securities Intermediary will comply with Entitlement Orders concerning the Collateral originated by such third party without the prior written consent of the Collateral Agent and, unless an Event of Default has occurred and is continuing, the Grantor.

SECTION 3.2 *Grantor’s Rights in Account.* Until the Securities Intermediary receives a notice from the Collateral Agent in the form of Exhibit A attached hereto (a “**Notice of Exclusive Control**”) that the Collateral Agent will exercise exclusive control over the Account, the Securities Intermediary shall: (i) distribute to the Grantor all interest and regular cash dividends on property in the Account, if any, (ii) allow the Grantor to exercise all voting rights, if any, relating to the security entitlements and financial assets credited to the Account and (iii) settle purchases, sales, free receipts, free deliveries, exchanges, substitutions and other transactions initiated by Grantor or Grantor’s authorized representatives (collectively, “**Trades**”, and each individually, a “**Trade**”). The Grantor shall be solely responsible to comply with the valuation requirements on the Collateral described in the Security Agreement. If the Securities Intermediary receives from the Collateral Agent a Notice of Exclusive Control, the Securities Intermediary will cease (a) distributing to the Grantor any interest and dividends on property in the Account, (b) allowing the Grantor to exercise any voting rights and (c) settling Trades initiated by Grantor or Grantor’s authorized representatives. The Collateral Agent may deliver to the Securities Intermediary a Notice of Exclusive Control only if an Event of Default has occurred and is continuing.

ARTICLE 4 Representations and Warranties; Undertakings

SECTION 4.1 *The Representations and Warranties of the Securities Intermediary.* The Securities Intermediary hereby represents and warrants to the Grantor and the Collateral Agent that:

- (a) the Account has been established in the name of the Grantor as recited above;
- (b) the Account statements to be provided from time to time to the Grantor pursuant to this Agreement will contain a complete and accurate statement of the “financial assets,” as defined in Article 8 of the UCC, maintained in the Account, which account has been titled to reflect the security interest of the Collateral Agent therein;
- (c) there are no claims to or interests in the Account arising by, through or from the Securities Intermediary (other than those expressly permitted hereby) and, to the best of a Responsible Officer of the Securities Intermediary’s knowledge, there is no other claim to or interest in the Account except for the claims and interest of the Collateral Agent and Grantor in the Account; and
- (d) valid and legally binding “security entitlements,” as defined in Article 8 of the UCC, have been created with respect to the financial assets to be carried in the Account and pledged to the Collateral Agent pursuant to the Security Agreement, and the Securities Intermediary hereby acknowledges the creation and existence of such security entitlements.

SECTION 4.2 *Undertakings of the Securities Intermediary.* The Securities Intermediary hereby undertakes as follows:

- (a) to send copies of: (i) all monthly statements concerning the Account to each of Grantor and the Collateral Agent at their respective addresses set forth in the heading of this Agreement and (ii) any other information concerning the Account or Collateral reasonably requested by the Collateral Agent to the Collateral Agent at the address set forth in the heading of this Agreement;
- (b) to provide to the Collateral Agent with online access to the Account upon execution of such documentation as the Securities Intermediary shall reasonably request; and
- (c) upon receipt of written notice of any lien, encumbrance or adverse claim against the Account or in any financial asset carried therein, to make reasonable efforts to notify the Collateral Agent and the Grantor thereof.

ARTICLE 5 Limitation of Responsibility; Indemnification

SECTION 5.1 *Limitation of Responsibility of Securities Intermediary.*

The Securities Intermediary shall have no responsibility or liability to the Collateral Agent for complying with Trade directions from the Grantor, or the Grantor’s authorized representatives, which are received by the Securities Intermediary before the Securities Intermediary receives a Notice of Exclusive Control. The Securities Intermediary shall have no responsibility or liability to the Grantor for (i) complying with any Notice of Exclusive Control or (ii) for complying with Entitlement Orders concerning the Collateral originated by the Collateral Agent. The Securities Intermediary shall have no responsibility or liability to the Collateral Agent with respect to the value of the Collateral.

The Securities Intermediary shall have no duty to investigate or make any determination as to whether an Event of Default exists under any agreement between the Grantor and the Collateral Agent and shall comply with all notices whether or not it believes that any such Event of Default exists. This Agreement does not create any obligation or duty of the Securities Intermediary other than those expressly set forth herein.

SECTION 5.2 *Indemnification of Securities Intermediary.* The Grantor hereby agrees to indemnify, defend and hold harmless the Securities Intermediary, its directors, officers, agents and employees against any and all claims, causes of action, liabilities, lawsuits, demands and damages, including without limitation, any and all court costs and reasonable attorney's fees, in any way related to or arising out of or in connection with this Agreement or any action taken or not taken pursuant hereto, except to the extent as a result of the Securities Intermediary's gross negligence or willful misconduct.

ARTICLE 6 Miscellaneous

SECTION 6.1 *Successors and Assigns of Grantor Bound By Agreement.* All obligations, covenants, agreements and duties of the Grantor contained in this Agreement shall bind the permitted successors and assigns of the Grantor, whether so expressed or not.

SECTION 6.2 *Amendments; Assignments.*

- (a) This Agreement will not be amended, modified, restated, supplemented or replaced in any manner, except with the written consent of the Grantor, the Securities Intermediary and the Collateral Agent.
- (b) Subject to clause (c) below, this Agreement may not be transferred, assigned, hypothecated or alienated in any manner whatsoever, except with the prior written consent of the Grantor, the Securities Intermediary and the Collateral Agent.
- (c) The Grantor hereby agrees that, in the event that the Collateral Agent assigns, transfers or conveys its rights and duties under the Security Agreement to any party (the "**Assignee**"), the Collateral Agent shall have the right to assign and transfer this Agreement and the control created hereby to the Assignee, and the Grantor and the Securities Intermediary hereby consent to such assignment and transfer.

SECTION 6.3 *Governing Law.* This Agreement shall be construed and enforced according to the laws of the State of New York, including, without limitation, Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without regard to the conflicts of law provisions thereof. The parties hereto agree that the jurisdiction of the Account is the State of New York.

SECTION 6.4 *Customer Agreement.* In the event of a conflict between this Agreement and any other agreement between the Securities Intermediary and the Grantor, the terms of this Agreement will prevail. Regardless of any provision in any such agreement relating to the law governing the Account, the parties hereto agree that the establishment and maintenance of the Account, and all interests, duties and obligations with respect thereto, shall be governed by the laws of the State of New York.

SECTION 6.5 *Consent to Jurisdiction.* Each party to this Agreement submits for itself and in connection with its properties, generally and unconditionally, to the nonexclusive jurisdiction of the United States federal court located in the Southern District of New York, for purposes of any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party to this Agreement hereby consents to process being served in any suit, action or proceeding with respect to this Agreement, or any document delivered pursuant hereto, by the mailing of a copy thereof, by registered or certified mail, postage prepaid, return receipt requested, to its respective address specified at the time for notices under this Agreement or to any other address of which it shall have given written notice to the other party hereto. The foregoing shall not limit the ability of any party hereto to bring suit in the courts of any other jurisdiction.

SECTION 6.6 *Waiver of Jury Trial.* Each of the parties to this Agreement irrevocably and expressly waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Agreement or any claims or transactions in connection herewith. Each of the parties hereto hereby acknowledges that such waiver is made with full understanding and knowledge of the nature of the rights and benefits waived hereby.

SECTION 6.7 *Future Agreement.* This Agreement and the Security Agreement embody the entire agreement and understanding between the parties hereto relating to the subject matter hereof and supersedes all prior agreements between such parties that relate to the subject matter, unless otherwise agreed to in writing by all parties.

SECTION 6.8 *Limitation on Rights of Others.* The provisions of this Agreement are solely for the benefit of the Grantor, the Securities Intermediary and the Collateral Agent and nothing in this Agreement, whether express or implied, shall be construed to give to any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 6.9 *Notices.* All communications hereunder shall be in writing (including facsimile) and shall be personally delivered, mailed or transmitted by facsimile, respectively, to a party at the address previously furnished in writing to each other party.

SECTION 6.10 *Severability.* If any provision of, or obligation under, this Agreement, or the application thereof to any person or under any circumstance, shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions of, and any obligations under, this Agreement, or the application of such provision in any other jurisdiction shall not in any way be

affected or impaired thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by applicable law.

SECTION 6.11 *Counterparts*. This Agreement and any amendments, modifications, restatements, supplements and/or replacements hereof, or waivers or consents hereto, may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute one and the same instrument. This Agreement shall become effective upon the execution of a counterpart by each of the parties hereto.

SECTION 6.12 *No Waiver*. No failure on the part of the parties hereto to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof or the exercise of any other right, power or privilege operate as such a waiver.

SECTION 6.13 *Remedies Cumulative*. No right, power or remedy of the parties hereunder shall be exclusive of any other right, power or remedy, but shall be cumulative and in addition to any other right, power or remedy thereunder or now or hereafter existing by law or in equity.

ARTICLE 7
Termination of Agreement

SECTION 7.1 *Termination of this Agreement*. The rights and powers granted herein to the Collateral Agent have been granted in order to perfect its security interest in the Collateral, are powers coupled with an interest and will not be affected by the lapse of time or any other matter or circumstance. The obligations of the Securities Intermediary hereunder shall continue in effect until the earlier of (i) the date on which the Grantor makes suitable arrangements with the consent of the Collateral Agent following the resignation of the Securities Intermediary and (ii) the Collateral Agent, upon termination of the Security Agreement, has notified the Securities Intermediary in writing that this Agreement is to be terminated.

SECTION 7.2 *Evidence of Termination*. Upon the termination of this Agreement, each of the Securities Intermediary and the Collateral Agent will execute and deliver to the Grantor such documents as the Grantor shall prepare at its own expense and reasonably request to evidence the termination of this Agreement.

In Witness Whereof, the undersigned have duly caused this Agreement to be executed and delivered as a deed as of the date first above written.

as Grantor

Gladstone Lending Company, LLC, a Delaware limited liability company

By: **Gladstone Land Limited Partnership**, a Delaware limited partnership, its sole member and manager

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

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

By:
Name:
Title:

as Securities Intermediary

By:
Name:
Title:

as Collateral Agent

By:
Name:
Title:

Exhibit A
Notice of Exclusive Control

?, 20?

[Name and address of
Securities Intermediary]

Ladies and Gentlemen:

Reference is made to that Securities Account Control Agreement, dated as of [], 20[] among [], as Securities Intermediary, [], as Grantor, and [], as the Collateral Agent (the “**Control Agreement**”). Terms used but not defined herein shall have the meanings assigned to them in the Control Agreement.

In accordance with Section 3.2 of the Control Agreement, the Collateral Agent hereby provides notice to the Securities Intermediary of its intent to exercise exclusive control over the Account; this notice shall serve as a Notice of Exclusive Control under the Control Agreement.

as Collateral Agent

By:

Name:

Title:

•

Gladstone Land Announces a \$75.0 Million Agreement with Farmer Mac

MCLEAN, Va., December 15, 2014 Gladstone Land Corporation (NASDAQ: LAND) (the “Company”) announced today that it, through one of its wholly-owned subsidiaries, has completed an initial issuance under a secured bond purchase agreement with Federal Agricultural Mortgage Corporation (“Farmer Mac”) that provides for borrowings up to an aggregate principal amount of \$75.0 million. The initial issuance of approximately \$3.7 million, which is non-amortizing and has a term of five years, will bear interest at a fixed rate of 3.25% per annum throughout its term. Each note issued will be secured by mortgage loans on agricultural real estate owned by the Company, with the notes issued having an aggregate effective loan-to-value ratio of 60% of the underlying agricultural real estate. The Company intends to use the proceeds received through the initial issuance to repay existing debt and for general corporate purposes.

“We are very pleased to add a third credit provider to help us to grow our company,” said David Gladstone, Chairman of the Company. “We have a large number of farms that we would like to purchase in the near-term future, and we believe the timing of this new facility is particularly helpful by providing us with the financing we require for these potential acquisitions, given the current state of the equity capital market. We are excited to partner with Farmer Mac, as we believe this new facility provides us with favorable terms and the flexibility to allow us to continue the desired growth of our portfolio. In addition, some callers have asked about the drought in California and the significant rain storms that are now occurring there. Despite these environmental adversities, all of our farms are currently doing fine. There have also been questions regarding a potential dividend increase. The quarter ended September 30, 2014, was a good one for us, but with the farms we acquired during that period only being on the books for a portion of the quarter, their full impact on earnings won’t be felt until the quarter ending December 31, 2014. Further, we believe that the farms we’ve acquired during the third and fourth quarters will improve our future performance and allow our board to consider the possibility of a dividend increase in early 2015.”

About Gladstone Land Corporation:

Gladstone Land is a real estate investment trust that pays monthly distributions to its stockholders. The Company invests in farmland located in major agricultural markets in the United States that it leases to corporate and independent farmers and intends to report the current value of its farmland on a quarterly basis. As of September 30, 2014, the net asset value of the Company was \$13.77 per share. The Company currently owns 32 farms, comprised of 8,039 acres in 5 different states across the U.S., valued at approximately \$191 million. Its acreage is predominantly concentrated in locations where its tenants are able to grow row crops, such as berries and vegetables, which are planted and harvested annually or more frequently, as well as permanent crops, such as blueberries. The Company also may acquire property related to farming, such as storage facilities utilized for cooling produce, processing buildings, packaging facilities and distribution centers. The Company has paid 22 consecutive monthly cash distributions on its common stock since its initial public offering in January 2013. The current distribution is \$0.03 per share per month. Additional information can be found at www.GladstoneLand.com.

Owners or brokers who have farmland for sale in the western part of the United States should contact Bill Reiman at (805) 263-4778 or Bill.Reiman@GladstoneCompanies.com, and those with farmland for sale in the eastern part of the United States should contact Bill Frisbie at (703) 287-5839 or Bill.Frisbie@GladstoneCompanies.com.

For stockholder information on Gladstone Land, call (703) 287-5893. For Investor Relations inquiries related to any of the monthly dividend-paying Gladstone funds, please visit www.Gladstone.com.

All statements contained in this press release, 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. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of the foregoing words and similar expressions are intended to identify forward-looking statements. Readers should not rely upon forward-looking statements because the matters they describe are subject to known and unknown risks and uncertainties that could cause the Company’s business, financial condition, liquidity, results of operations, funds from operations or prospects to differ materially from those expressed in or implied by such statements. Such risks and uncertainties are disclosed under the caption “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as filed with the SEC on February 24, 2014. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE: Gladstone Land Corporation

For further information: Gladstone Land, 703-287-5893