

GLADSTONE LAND Corp
Form 8-K
August 11, 2016

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): August 11, 2016 (August 10, 2016)

Gladstone Land Corporation
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-35795
(Commission
File Number)

54-1892552
(IRS Employer
Identification No.)

1521 Westbranch Drive, Suite 100

McLean, Virginia
(Address of Principal Executive Offices)

22102
(Zip Code)

Registrant's telephone number, including area code: (703) 287-5800

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))

Introductory note.

All statements contained herein, other than historical facts, may constitute forward-looking statements. These statements may relate to, among other things, the future performance of the Company (as defined below), the anticipated use of proceeds and the closing of any transaction. In some cases, you can identify forward-looking statements by terminology such as estimate, may, might, will, future, intend, expect, if or the negative or comparable terminology. Factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, those factors listed under the caption Risk Factors of the Company's final prospectus supplement for the offering described herein, dated August 10, 2016, and the accompanying base prospectus dated April 2, 2014, as filed with the U.S. Securities and Exchange Commission (SEC) on March 13, 2014. The Company cautions readers not to place undue reliance on any such forward-looking statements. 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, after the date of this report, except as required by law.

Item 1.01. Entry into a Material Definitive Agreement.

Underwriting Agreement

On August 10, 2016, Gladstone Land Corporation (the Company), a Maryland corporation, and Gladstone Land Limited Partnership (the Operating Partnership), a Delaware limited partnership controlled by the Company through its ownership of Gladstone Land Partners, LLC, the general partner of the Operating Partnership, entered into an underwriting agreement (the Underwriting Agreement) with Janney Montgomery Scott, as representative of the several underwriters named in Schedule A annexed thereto (the Underwriters). Pursuant to the terms and conditions of the Underwriting Agreement, the Company agreed to sell 1,000,000 shares of 6.375% Series A Cumulative Term Preferred Stock, par value \$0.001 per share, at a purchase price to the public of \$25.00 per share (the Series A Term Preferred Stock). Pursuant to the Underwriting Agreement, the Company also granted the Underwriters a 30-day option to purchase up to an additional 150,000 shares of Series A Term Preferred Stock on the same terms and conditions to cover over-allotments, if any. The Series A Term Preferred Stock was offered and sold pursuant to a prospectus supplement, dated August 10, 2016, and a base prospectus, dated April 2, 2014, which are part of the Company's effective shelf registration statement on Form S-3 (File No. 333-194539). The Company expects the transaction to close on or about August 17, 2016.

The Underwriting Agreement contains customary representations, warranties and agreements by the Company, conditions to closing, indemnification rights and obligations of the parties and termination provisions. The description of the Underwriting Agreement set forth above is qualified by reference to the Underwriting Agreement, a copy of which is filed as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The Company has a controlled equity offering sales agreement with one of the Underwriters, Ladenburg Thalmann & Co. Inc., under which it may, from time to time, issue and sell shares of its common stock with an aggregate sales price of up to \$30 million on the open market through or to Ladenburg Thalmann & Co. Inc.

Amendment to Operating Partnership Agreement

On August 11, 2016, the Operating Partnership adopted the First Amendment to its First Amended and Restated Agreement of Limited Partnership, including Exhibit SA thereto (collectively, the Amendment), as amended from time to time (the Partnership Agreement), establishing the rights, privileges and preferences of 6.375% Series A Cumulative Term Preferred Units, a newly-designated class of limited partnership interests (the Series A Term

Preferred Units). The Amendment provides for the Operating Partnership's establishment and issuance of an equal number of Series A Term Preferred Units as are issued by the Company in connection with the Company's offering of Series A Term Preferred Stock upon the Company's contribution to the Operating Partnership of the net proceeds of the Series A Term Preferred Stock offering. Generally, the Series A Term Preferred Units provided for under the Amendment have preferences, distribution rights and other provisions substantially equivalent to those of the Company's Series A Term Preferred Stock.

The foregoing description of the Amendment is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 and is incorporated by reference herein.

Item 3.03. Material Modification to Rights of Security Holders.

The authorization and issuance of the Series A Term Preferred Stock, pursuant to the Articles Supplementary (defined below) filed August 11, 2016, materially impacts the rights of the holders of the Company's common stock (the Common Stock): (i) the Articles Supplementary prohibit the Company from issuing dividends or making distributions to the holders of its Common Stock while any shares of Series A Term Preferred Stock are outstanding, unless all accumulated and unpaid dividends on the Series A Term Preferred Stock are paid in their entirety; (ii) if dividends on any Series A Term Preferred Stock shall be in arrears for 18 or more consecutive months, then holders of the Series A Term Preferred Stock will have the right to elect two additional directors to serve on our board of directors until such dividend arrearage is eliminated; (iii) if the shares of Series A Term Preferred Stock are not redeemed or called for redemption on or before the mandatory redemption date of September 30, 2021, the dividend rate on the shares of Series A Term Preferred Stock will increase 3.0% to 9.375% until such shares of the Series A Term Preferred Stock are redeemed or called for redemption; and (iv) the shares of Series A Term Preferred Stock have a liquidation preference equal to \$25.00 (the Liquidation Preference) plus all accumulated but unpaid dividends in the event of an acquisition, dissolution, liquidation or winding up of the Company. The Company expects the date of issuance to be August 17, 2016.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On August 11, 2016, the Company filed with the Maryland Department Articles Supplementary 6.375 % Series A Cumulative Term Preferred Stock (the Articles Supplementary) (i) setting forth the rights, preferences and terms of the Series A Term Preferred Stock and (ii) reclassifying and designating 2,000,000 shares of the Company s authorized and unissued shares of Common Stock as shares of Series A Term Preferred Stock. The reclassification decreased the number of shares classified as Common Stock from 20,000,000 shares immediately prior to the reclassification to 18,000,000 shares immediately after the reclassification. The following is a summary of the material terms of the Articles Supplementary, as it pertains to the Series A Term Preferred Stock:

Dividends

Investors will be entitled to receive preferential cumulative cash dividends on the Series A Term Preferred Stock at a rate of 6.375% per annum of the Liquidation Preference (equivalent to \$1.59375 per annum per share). Beginning on the date of issuance, dividends on the Series A Term Preferred Stock will be payable monthly in arrears. The first dividend will be payable on September 30, 2016. Dividends on the Series A Term Preferred Stock will be cumulative from (but excluding) the date of original issuance.

Mandatory Redemption

The Series A Term Preferred Stock has a mandatory redemption date of September 30, 2021. The Company is not required to set aside funds to redeem the Series A Term Preferred Stock. Accordingly, the Series A Term Preferred Stock will remain outstanding until redeemed on September 30, 2021, unless redeemed earlier under the circumstances summarized below under *Optional Redemption* or *Change of Control*.

Optional Redemption

The Company may not redeem the Series A Term Preferred Stock prior to September 30, 2018, except in limited circumstances relating to our continuing qualification as a real estate investment trust. On and after September 30, 2018 and before September 30, 2021, the Company may, at its option, redeem the Series A Term Preferred Stock, in whole or in part, at any time or from time to time, by payment of \$25.00 per share, plus any accumulated and unpaid dividends up to but excluding the date of redemption.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company s affairs, holders of the Series A Term Preferred Stock will have the right to receive the Liquidation Preference, plus any accumulated and unpaid dividends up to but excluding the date of payment, but without interest before any payment is made to the holders of Common Stock or any other class or series of capital stock ranking junior to the Series A Term Preferred Stock.

Change of Control

If the Company is involved in certain types of dispositions of assets, mergers, consolidations, liquidations or dissolutions, holders of the Series A Term Preferred Stock may require the Company to redeem the Series A Term Preferred Stock at a price equal to the Liquidation Preference plus any accumulated and unpaid dividends up to but excluding the date of payment (whether or not earned or declared by the Company, but excluding interest).

Voting Rights

Holders of the Series A Term Preferred Stock will generally have no voting rights. However, if dividends on any shares of Series A Term Preferred Stock are in arrears for 18 or more consecutive months, then holders of the Series A

Term Preferred Stock (voting together as a single class) will have the right to elect two additional directors to serve on the Board until such dividend arrearage is eliminated. Further, the designations, rights, preferences, privileges or limitations with respect to the Series A Term Preferred Stock may not be changed in a manner that would be materially adverse to the rights of holders of the Series A Term Preferred Stock without the affirmative vote of at least two-thirds of the shares of Series A Term Preferred Stock then outstanding.

The foregoing description of the Articles Supplementary is qualified in its entirety by reference to the full text of the Articles Supplementary, which are filed as an exhibit to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

A copy of the press release announcing the pricing of the offering of Series A Term Preferred Stock is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| No. | Description |
|------|---|
| 1.1 | Underwriting Agreement, dated as of August 10, 2016. |
| 3.1 | Articles Supplementary 6.375% Series A Cumulative Term Preferred Stock. |
| 4.1 | Form of Certificate for 6.375% Series A Cumulative Term Preferred Stock. |
| 5.1 | Opinion of Venable LLP regarding the legality of shares. |
| 8.1 | Tax Opinion of Bass, Berry & Sims PLC. |
| 10.1 | First Amendment to the First Amended and Restated Agreement of Limited Partnership of Gladstone Land Limited Partnership, including Exhibit SA thereto. |
| 23.1 | Consent of Venable LLP (included in Exhibit 5.1). |
| 23.2 | Consent of Bass, Berry & Sims PLC (included in Exhibit 8.1). |
| 99.1 | Press Release dated August 10, 2016. |

SIGNATURES

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

Gladstone Land Corporation

(Registrant)

August 11, 2016

By: /s/ Lewis Parrish
(Lewis Parrish, Chief Financial Officer)

EXHIBIT INDEX

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