

In addition, although it is expected that most of our leases will provide for at least a minimum fixed rental payment, we have structured many leases to provide for some or all of the rent to be "percentage rent," determined as a percentage of the revenue from crops grown on land owned by us. There currently is no commercially reasonable insurance available that provides coverage for 100% of the lost revenue resulting from damage to crops grown on land owned by us. Our revenues could be materially adversely affected if damage to crops on land that are subject to leases with percentage rent provisions results in the revenue from such crops grown on such land to being diminished or lost.

*Potential liability for environmental matters could adversely affect our financial condition.*

We are subject to the risk of liabilities under federal, state and local environmental laws applicable to agricultural farms, including those related to wetlands, groundwater and water runoff. Some of these laws could subject us to:

- responsibility and liability for the cost of removal or remediation of hazardous substances released on our farms, which may include herbicides and pesticides, generally without regard to our knowledge of or responsibility for the presence of the contaminants;
- liability for the costs of investigation, removal or remediation of hazardous substances or chemical releases at disposal facilities for persons who arrange for the disposal or treatment of these substances; and
- potential liability for claims by third parties for damages resulting from environmental contaminants.

Our costs of investigation, remediation or removal of hazardous substances may be substantial. In addition, the presence of hazardous substances on one of our farms, or the failure to properly remediate a contaminated property, could adversely affect our ability to sell or lease the property or to borrow using the property as collateral. We may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. Additionally, we could become subject to new, stricter environmental regulations, which could diminish the utility of our farms and have a material adverse impact on our results of operations.

*The presence of endangered or threatened species on or near our acquired farms could restrict the activities of our tenants, which could in turn have a material adverse effect on the value of our farms and our results of operations.*

Federal, state and local laws and regulations intended to protect threatened or endangered species could restrict certain activities on our farms. The size of any area subject to restriction would vary depending on the protected species at issue, the time of year and other factors, and there can be no assurance that such federal, state and local laws will not become more restrictive over time. If portions of our farms are deemed to be part of or bordering habitats for such endangered or threatened species that could be disturbed by the agricultural activities of our tenants, it could impair the ability of the land to be used for farming, which in turn could have a material adverse impact on the value of our assets and our results of operations.

*We may be required to permit the owners of the mineral rights on our farms to enter and occupy parts of the farms for the purposes of drilling and operating oil or gas wells, which could materially adversely impact the rental value of our farms.*

Although we own the surface rights to our farms and expect to own the surface rights to farms that we acquire, other persons may own the rights to any minerals, such as oil and natural gas that may be located under the surfaces of these farms. Currently there is no mineral development on any of our farms, but we can provide no assurances that third parties will not assert claims for mineral rights on