

	For the Year Ended December 31,		\$ Change	% Change
	2014	2013		
<b>OPERATING REVENUES:</b>				
Fixed rent . . . . .	\$ 546,638	\$ 700,499	\$ (153,861)	(21.96)%
<i>Same-property portfolio</i> . . . . .	423,203	681,981	(258,778)	(37.95)%
Participating rent . . . . .	3,476,103	2,071,158	1,404,945	67.83%
<i>Same-property portfolio</i> . . . . .	2,824,759	2,071,158	753,601	36.39%
Recovery of expenses . . . . .	201,469	197,309	4,160	2.11%
<i>Same-property portfolio</i> . . . . .	198,570	197,309	1,261	0.64%
Other income . . . . .	10	—	10	—
Total operating revenues . . . . .	4,224,220	2,968,966	1,255,254	42.28%
<i>Same-property portfolio</i> . . . . .	3,446,532	2,950,448	496,084	16.81%
<b>OPERATING EXPENSES:</b>				
Depreciation . . . . .	1,217,095	1,053,829	163,266	15.49%
<i>Same-property portfolio</i> . . . . .	965,530	1,033,779	(68,249)	(6.60)%
Property operating expenses . . . . .	457,886	429,373	28,513	6.64%
<i>Same-property portfolio</i> . . . . .	355,114	416,943	(61,829)	(14.83)%
Acquisition-related expenses . . . . .	220	187,872	(187,652)	(99.88)%
Professional fees . . . . .	14,182	3,039	11,143	366.67%
Total operating expenses . . . . .	1,689,383	1,674,113	15,270	0.91%
<b>OPERATING INCOME . . . . .</b>	<b>\$2,534,837</b>	<b>\$1,294,853</b>	<b>\$1,239,984</b>	<b>95.76%</b>

*Total Operating Revenues*

Total operating revenues for our permanent crop segment increased \$1,255,254, or 42.28%, from \$2,968,966 for the year ended December 31, 2013 to \$4,224,220 for the year ended December 31, 2014, which increase was primarily due to an increase in participating rent offset by a decline in fixed rents, as more fully described below. Total operating revenues for our same-property permanent crop portfolio increased \$496,084, or 16.81%, from \$2,950,448 for the year ended December 31, 2013 to \$3,446,532 for the year ended December 31, 2014, also due to the increase in participating rent offsetting lower fixed rents.

Fixed rent for our permanent crop segment decreased \$153,861, or 21.96%, from \$700,499 for the year ended December 31, 2013 to \$546,638 for the year ended December 31, 2014. Our Quail Run Vineyard property produced \$339,029 less fixed rent in 2014 as the terms of the lease were negotiated from a fixed lease prior to 2014 to a combination of a fixed lease and participation lease with a base rent component, and certain acreage was taken out of production to be redeveloped. This reduction in fixed rent was partially offset by \$123,435 we received from the Blue Heron Farms property we acquired during the fourth quarter of 2013. Fixed rent for our same-property permanent crop portfolio decreased \$258,778, or 37.95%, from \$681,981 for the year ended December 31, 2013 to \$423,203 for the year ended December 31, 2014, most of which related to Quail Run Vineyard for the reasons stated above, offset by a base rent payable by the tenant of Golden Eagle Ranch whose new lease requires a small base rent.

Participating rent for our permanent crop segment increased \$1,404,945, or 67.83%, from \$2,071,158 for the year ended December 31, 2013 to \$3,476,103 for the year ended December 31, 2014. This increase was primarily due to (i) Golden Eagle Ranch relating to increased crop prices and (ii) participating rent from Quail Run Vineyard resulting from a new lease and a contribution of \$651,344 from Blue Heron Farm, neither of which generated participating revenues in 2013. Participating rent for our same-property permanent crop portfolio increased \$753,601 or 36.39%, from