

**American Farmland Company**  
**Notes to Consolidated Financial Statements (Continued)**

**7. RELATED PARTY TRANSACTIONS (Continued)**

AFA is entitled to a performance fee equal to 15% of the Funds From Operations (as defined) allocated to the capital account of the Company in the Operating Partnership each fiscal year. AFA is also entitled to 10% of the Funds From Operations allocated to each Founder's capital account in the Operating Partnership each fiscal year. The performance fee on Funds From Operations amounted to \$531,905 and \$405,851 for the years ended December 31, 2014 and 2013, respectively, all of which was payable on December 31, 2014 and 2013.

AFA is entitled to an additional performance fee equal to two-thirds of 15% of the net capital appreciation allocated to the capital account of the Company in the Operating Partnership each fiscal year. AFA is entitled to one-third of 15% of the net realized capital appreciation allocated to the capital account of the Company in the Operating Partnership each fiscal year. AFA is also entitled to two-thirds of 10% and one-third of 10% of net capital appreciation and net realized capital appreciation, respectively, allocated to each Founder's capital account in the Operating Partnership each fiscal year. The performance fee on net capital appreciation (realized and unrealized) amounted to \$699,493 and \$443,500 for the years ended December 31, 2014 and 2013, respectively, all of which is payable on December 31, 2014 and 2013.

These performance fees are reflected in management and performance fees related party on the statements of operations.

The Operating Partnership paid an affiliate of the Managing Member of AFA \$30,000 and \$21,000 for the years ended December 31, 2014 and 2013, respectively, as a fee for providing administrative and accounting services to the Company and the Operating Partnership.

**8. EARNINGS PER SHARE OF COMMON STOCK**

The following tables set forth the computation of basic and diluted earnings per share for the years ended December 31, 2014 and 2013, respectively:

	For the Years Ended December 31,	
	2014	2013
Net income attributable to the Company . . . . .	\$ 710,717	\$ 553,451
Denominator for basic & diluted weighted average shares . . . . .	10,404,087	10,039,722
Basic & diluted earnings per common share . . . . .	\$ 0.07	\$ 0.06

The Company has no potentially dilutive securities outstanding.