

**ATTACHMENT I-1: ONE (1) ACRE PINION PINE NUT TREE SUSTAINABLE
AGRO-FOREST (SAF) MODEL:: 10 YEAR FINANCIAL ANALYSIS
EXPENDITURE AND REVENUE PROJECTIONS**

**A. ONE (1) ACRE PINION PINE NUT TREE SAF MODEL:
SUMMARY 10 YEAR EXPENDITURE & REVENUE PROJECTIONS**

| YR | INSTALLATION EXPENDITURES | | OPERATIONAL EXPENDITURES | GARDEN GROSS REVENUE | ORCHARD/ FOREST GROSS REVENUE | TOTAL GROSS REVENUE | NET REVENUE |
|-------------------|---------------------------|------------------|--------------------------|----------------------|-------------------------------|---------------------|--------------------|
| | CASH | IN-KIND | | | | | |
| 1 | \$70,950 | \$342,400 | 20,000 | - 0- | - 0- | - 0- | - \$90,950 ** |
| 2 | | | 76,580 | \$26,500 | - 0- | \$26,500 | - 50,080** |
| 3 | | | 76,580 | 75,000 | - 0- | 75,000 | - 1,580** |
| 4 | | | 76,580 | 82,500 | \$52,000 | 134,500 | 57,920 |
| 5 | | | 76,580 | 82,500 | 52,000 | 134,500 | 57,920 |
| 6 | | | 76,580 | 82,500 | 104,000 | 186,500 | 109,920 |
| 7 | | | 76,580 | 82,500 | 104,00 | 186,500 | 109,920 |
| 8 | | | 76,580 | 82,500 | 157,500 | 240,000 | 163,420 |
| 9 | | | 76,580 | 82,500 | 157,500 | 240,000 | 163,420 |
| 10 | | | 76,580 | 82,500 | 210,000 | 292,500 | 215,420 |
| | | | 300,000 (1) | | 1,000,000 (2) | | 700,000 (3) |
| SUB-TOTAL: | \$70,950 | \$342,400 | \$1,029,220 | \$675,500 | \$1,837,000 | \$1,516,000 | \$1,435,330 |

NOTE: * PROJECTIONS IGNORE INFLATION, PRICE INCREASE FACTORS.

**** NET REVENUES ARE NOT SUBSTANTIAL ENOUGH TO SUSTAIN THE PROJECT THE FIRST THREE YEARS; I.E., "NET REVENUES" WILL NOT BE LARGER THAN "OPERATIONAL CASH COSTS" UNTIL THE FOURTH (4) YEAR. THUS PROJECT FINANCIAL PLANNING MUST ADDRESS AN ANNUAL \$50,000 AVERAGE CASH FLOW SUPPLEMENT THE FIRST 3 YEARS.**

(1) 200 PAULOWNIA TREES HARVESTED AT END OF 10TH YEAR, WHERE COST INCLUDES TIMBER AND LUMBER PROCESSING, ADDED VALUE SECONDARY BUSINESS DEVELOPMENT AND MARKETING.

(2) PAULOWNIA TIMBER AND LUMBER IS FIRE RETARDANT (750 DEGREE FAHRENHEIT IGNITION TEMPERATURE COMPARED TO PINE WOOD'S 250 DEGREE FAHRENHEIT IGNITION TEMPERATURE); AND WILL BE "IN HOUSE" PROCESSED, SOLD AND USED TO MAKE AMONGST OTHER ITEMS, CONTAINERS, FURNITURE, VENEER, ARTS AND CRAFTS, MUSICAL INSTRUMENTS, BUILDING ROOFING AND SIDING, LOG HOMES, AND SAW DUST USED FOR MUSHROOM PRODUCTION.

(3) PAULOWNIA TREES VALUED AT \$3,000 /TREE WHOLESALE (5 TREE RINGS PER INCH OR MORE), WHERE ONE TREE PRODUCES 3 CUBIC METERS (\$1,000/M FOB JAPAN AS STANDARD); AND ADDED VALUE GENERATES ANOTHER \$2,000/ TREE.

DEFINITIONS : 1.) A "SUSTAINABLE AGRO-FOREST" IS AN INTEGRATED GARDEN, ORCHARD AND FOREST, BASED ON NATURALLY REPLICABLE AND INTENSIVE CULTIVATION PRINCIPLES; THAT CAN PRODUCE A VARIETY OF GARDEN FRUITS, VEGETABLES, HERBS, GRAINS AND SEEDS, ORCHARD FRUIT AND NUTS; AND FLORAL ORNAMENTAL AND TIMBER PRODUCTS SIMULTANEOUSLY IN SIGNIFICANT COMMERCIAL NON-PROFIT/TAX EXEMPT IRS 501 C3 "85% & 15% NET REVENUE DISTRIBUTION" RULE; AND SUSTAINABLE MICRO-ECONOMIC QUANTITIES AND QUALITY.

2.) BECAUSE "'BORDERLINE' TEMPERATE ZONE "AREA IS HEREIN DEFINED AS HAVING A GROWING SEASON OF BETWEEN 150 TO 210 FROST FREE DAYS; THE FOLLOWING FEATURES ARE REQUIRED:

*** THE WARM WEATHER PAULOWNIA "SUPERTREES" ARE AUGMENTED WITH THE COLD WEATHER POPLAR SUPER TREE .MULTI-STEM (FIREWOOD) HYBRID ; AND**

*** GROWING SEASON" EXTENDORS INCLUDING "SOLAR MINI-GREENHOUSES". HEAVY MULCHING AND CLOCHES ARE USED WITH THE DEEP PLANTING BEDS FOR YEAR ROUND VEGETABLE PRODUCTION.**