

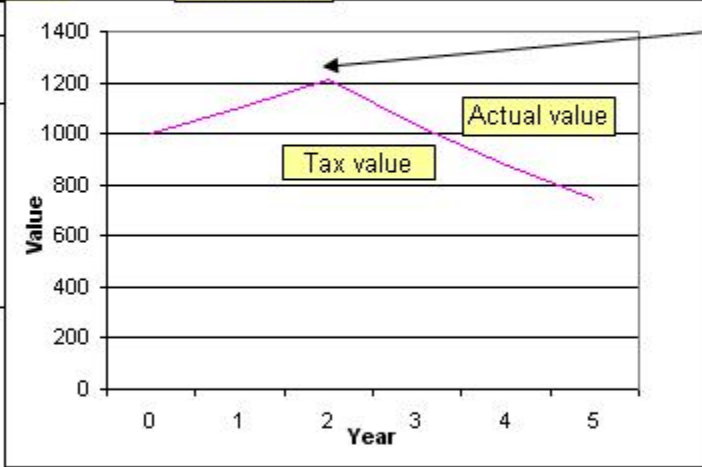
Year	Investment	Net Receipts	Change in Value	Value	Income	Cash Flow	Tax Value	Tax Deprecn
0	1000			1000		-1000	1000	
1	0	0	100	1100	100	0	1100	100
2	0	0	110	1210	110	0	1210	110
3	0	303	-182	1029	121	303	1029	-182
4	0	257	-154	874	103	257	874	-154
5	-743	219	-131	743	87	962	743	-131

Tax value matches actual value year by year

Pre-tax Income less net receipts Start year value x 10% 10.00% Pre-tax return

Value increases as the delay shortens before accessing first net receipts in Year 3 - then declines at 15%

Benchmark		
Year	Tax	Cash Flow
0	0	-1000
1	47	-47
2	52	-52
3	57	246
4	48	209
5	41	921



Post-tax 245 5.30%

**Benchmark:** Tax at 47% on net receipts plus annual change in value reduces 10% pre-tax return by 47% to 5.3%

Tax is paid on accrued capital gains in Years 1 & 2

**JIM'S APPLE TREES WITH BENCHMARK TAX TREATMENT**