

JAY NORTH FOREST

***Protected by a conservation easement,
this maple forest offers an exceptional sugarbush opportunity
with over 26,000 potential taps (51 taps/acre average)
with desirable downhill sap-flow and established access.***



**625 GIS acres
Jay, Orleans County, Vermont**

Price: \$690,000

INVESTMENT OVERVIEW

Jay North Forest represents an exceptional timber and/or sugarbush opportunity with attractive species composition, productive soils, good access and a diameter distribution supporting high levels of product shifting over the next 10-20 years. The ownership, Atlas Timberlands Partnership, is a collaboration between two well-known conservation groups, The Nature Conservancy and the Vermont Land Trust. Together they have held the property (along with other lands) as a model for managing a diverse array of stewardship goals, including the practice of sustainable silvicultural operations. Their goal in divesting is to raise funds to further their forestland conservation work on new projects.

Investment highlights include:

- Exceptional sugarbush opportunity with over 26,000 taps from stems 10" and greater on south, north and west-facing slopes with near ideal sap-flow conditions;
- An additional 26,000 potential taps within the 5-9" diameter class, representing a sizable addition of future potential taps;
- Species mix dominated by sugar maple and yellow birch;
- Close proximity to forest product markets;
- Good, developed access.

LOCATION

The forest lies in the northern Vermont township of Jay, home to the Jay Peak Ski Resort situated 10 miles to the south. The ski hamlets of Montgomery and Montgomery Center are situated 16 and 18 miles to the southwest. Richford is the largest nearby town which is located 9 miles to the west along Route 105. The region along Route 105 is highly scenic, showcasing the tall peaks of the northern Green Mountain Range, and is rich with recreation opportunities, including the Long Trail, which passes just east of the land, and a side trail running along the high peaks of the property's northern end.

The property has long frontage along Route 105, one of the area's main transportation corridors, which runs east-west, providing exceptional access to forest product markets north of the border in Quebec, Canada, as well as regional US markets.

Vermont's largest city, Burlington, is 1.2 hours to the southwest. Montreal is under a 2-hour drive to the northwest and Boston is 4 hours southeast. The Canadian boarder is located roughly 3,000' from the land's northern boundary.



The timber resource is characterized by high stocking, a sugar maple species composition, and exceptional sugarbush potential; pictured above is the northern two-thirds of the property.



Pictured above, the forest is in a scenic location at the northern end of the Green Mountain Range.

ACCESS

The primary access is from Route 105, which forms the southern property line. A year round truck road was constructed off Route 105 that heads north and downhill for a length of 3,000' into the property. This internal road provides good access to nearly all of the land with multiple landings along the way.

Internal skid trails within the north eastern and south western sections of the property are old but well established. In areas where silvicultural operations have occurred within the last 12 years, the internal trail system has been improved.

A VAST snowmobile trail runs the length of the southern half of the land (running east to west).

The nearest electric power appears to be north of West Jay Road which is situated roughly 3,500' from the property's western boundary (along the Route 105 frontage). From this location on the property, power may need to be strung an additional distance to sap collection site(s).

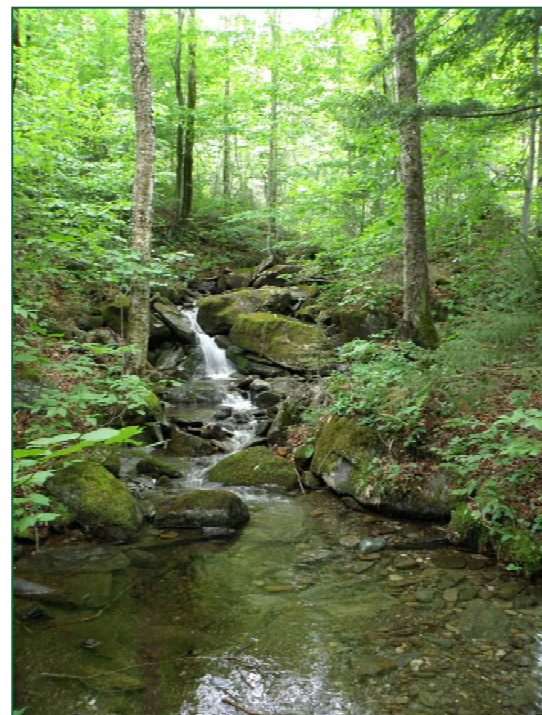


The property's southern border fronts Route 105 (pictured above) with its landscape shown to the left of the road.

SITE DESCRIPTION

The property has multiple aspects, with a southern aspect at the land's northern half and the remaining acreage split between a northern and western aspect. The majority of terrain slopes to the access road, with the exception of the extreme southern leg of the property (representing roughly 10% of the land). Terrain can be considered average when compared to most Vermont woodland with some areas of steep slopes along the land's northern end and along some of its brooks. However, most of the terrain can be considered moderate to, at times, gentle. Elevation ranges from 1,063' where the southernmost stream exits the property to 2,401' at the ridgeline along the northern boundary (the location of a Long Trail spur trail). Generally soils are well drained and consist of three general types: Peru Series, Woodstock Series, and Stowe Series. These soils are similar and all formed in glacial till found on the Green Mountains and the foothills of the Champlain Valley. These soils are well suited for the species composition of the forest.

The land includes the headwaters of Lucas Brook, made up of two main streams; one bisecting the land (creating a northern and southern unit) which runs east to west, and the other running through the extreme southwestern corner of the property. Slopes along these brooks can be steep.



Some of the steepest terrain is found along the land's two main brooks, which together form the headwaters of Lucas Brook.

Terrain slopes south, north and west, consisting largely of commercially operable terrain, facilitating both potential sugarbush establishment and forest management operations.

TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory, conducted in May-June of 2016 by the ownership's forest consultant, M.D. Forestland Consulting, LLC. 101 points were sampled (1 plot per 5.1 commercial acres), covering a 470' X 470' grid using a 15-factor prism. Sampling statistics are $\pm 14.3\%$ standard error for sawlog products and $\pm 8.9\%$ for all products combined at the 95% confidence interval, figures within industry standards. These data reveal a total sawlog volume of 2,021 MBF International $\frac{1}{4}$ " scale (3.9 MBF/commercial acre) with 8,934 pulpwood cords (17.3 cords/commercial acre). Combined total commercial per acre volume is 25.2 cords, a figure above the regional average. No growth was applied for 2016 (a conservative approach), with stumpage values assigned to the volumes by Fountains in October of 2016, producing a property-wide Capital Timber Value (CTV) of \$535,200 (\$1,037/commercial acre). See the Timber Valuation in this report for details.

Species Composition:

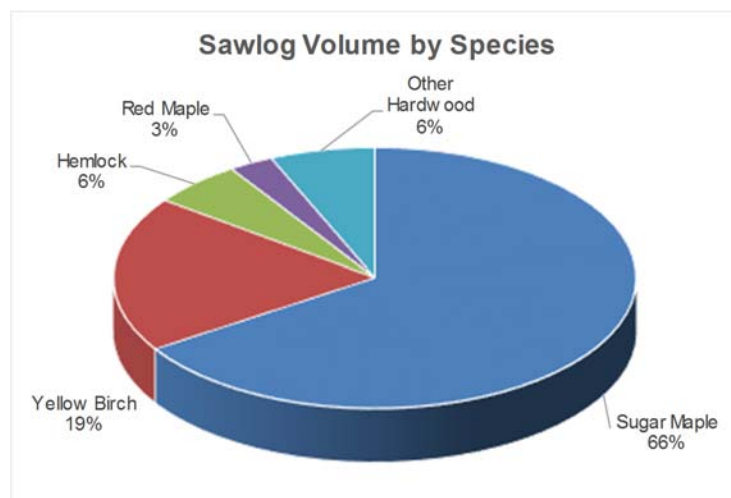
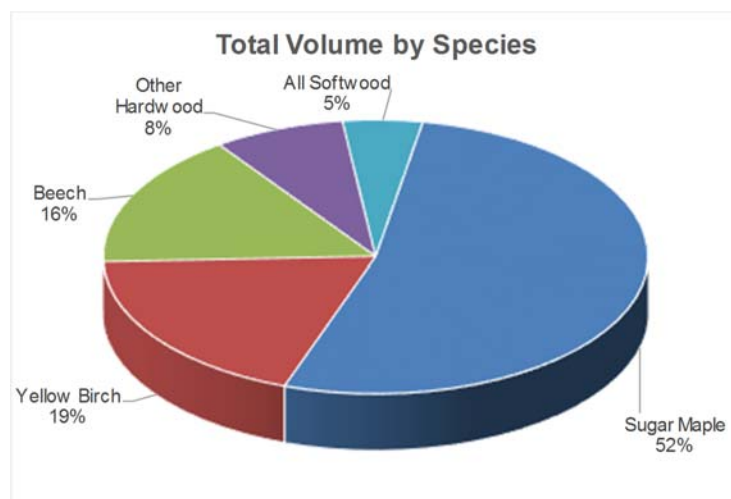
A species composition dominated by hardwoods prevails, with hardwoods at 95% and softwoods at 5% of total volume. Species composition for all products combined offers a favorable mix and is led by sugar maple (52%), followed by yellow birch (19%), with other common hardwoods and red spruce/hemlock comprising the balance. The sawlog volume breakdown consists largely of sugar maple (66%), yellow birch (19%), and hemlock (6%). While this species composition is positive from a long-term timber investment perspective, it's nearly ideal for establishing a sugarbush.

Stocking and Stem Quality:

Forest stocking ranges from variable on the 30+/- acres treated along the access road within the last 5 years, near full stocking on the 100+/- acres thinned 10-12 years ago north of the main stream and power line, to mostly overstocked on the balance of the acreage. The average Basal Area (BA) is 98 ft² on 184 stems/acre, numbers supporting fully-stocked conditions given the hardwood species composition. Stem quality can be considered average across the diameter distribution spectrum.



Recently thinned stand which covers roughly 30+/- acres. Treatments were a combination of thinning and small/large group selection.



TIMBER RESOURCE (continued)

Sawlog Value/ Thinning History:

Sawlog value is largely dominated by sugar maple (72%) and yellow birch (20%), with the balance comprised of common associates.

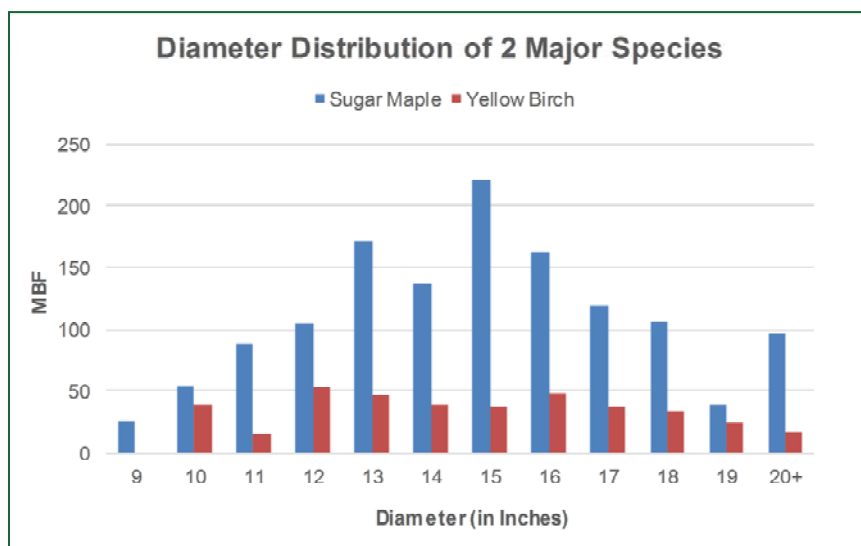
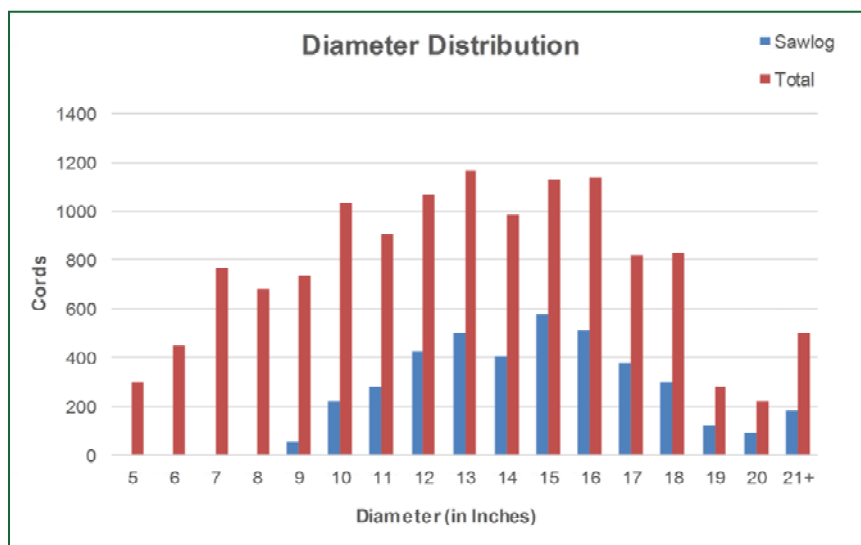
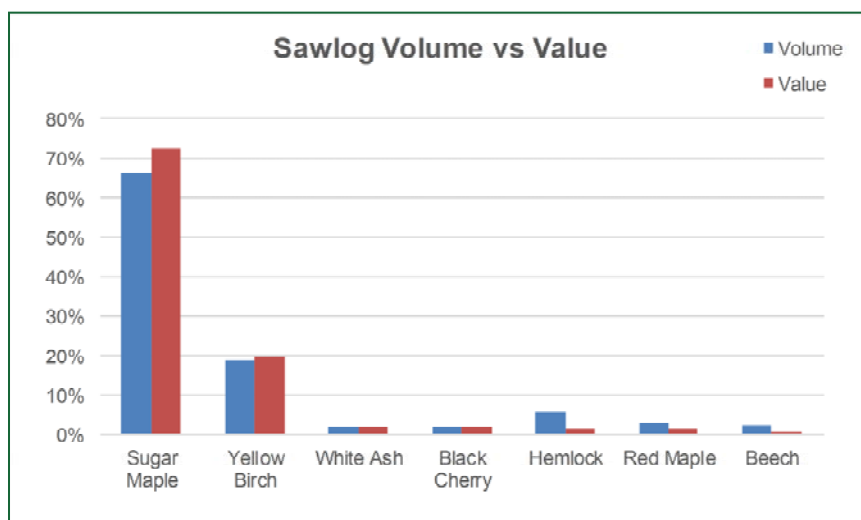
Since the tenure of the current conservation group owner partnership began in 1997, silvicultural activity has been conducted in the form of thinnings and small/large group selection covering roughly 130 acres. Silvicultural activity was conducted by the previous ownership in the late 1980s to early 1990s. During that former tenure, a clear cut (amongst other silvicultural prescriptions) was conducted on 50 acres roughly 30± years ago. This stand (see “pole stand” designation on maps) is now fully stocked with high-quality, small-sized pole stems of predominately maple, birch and cherry. While still too young to tap or thin, the stand sits on the cusp of considerable product shifting within the next 10 years.

Diameter Distribution:

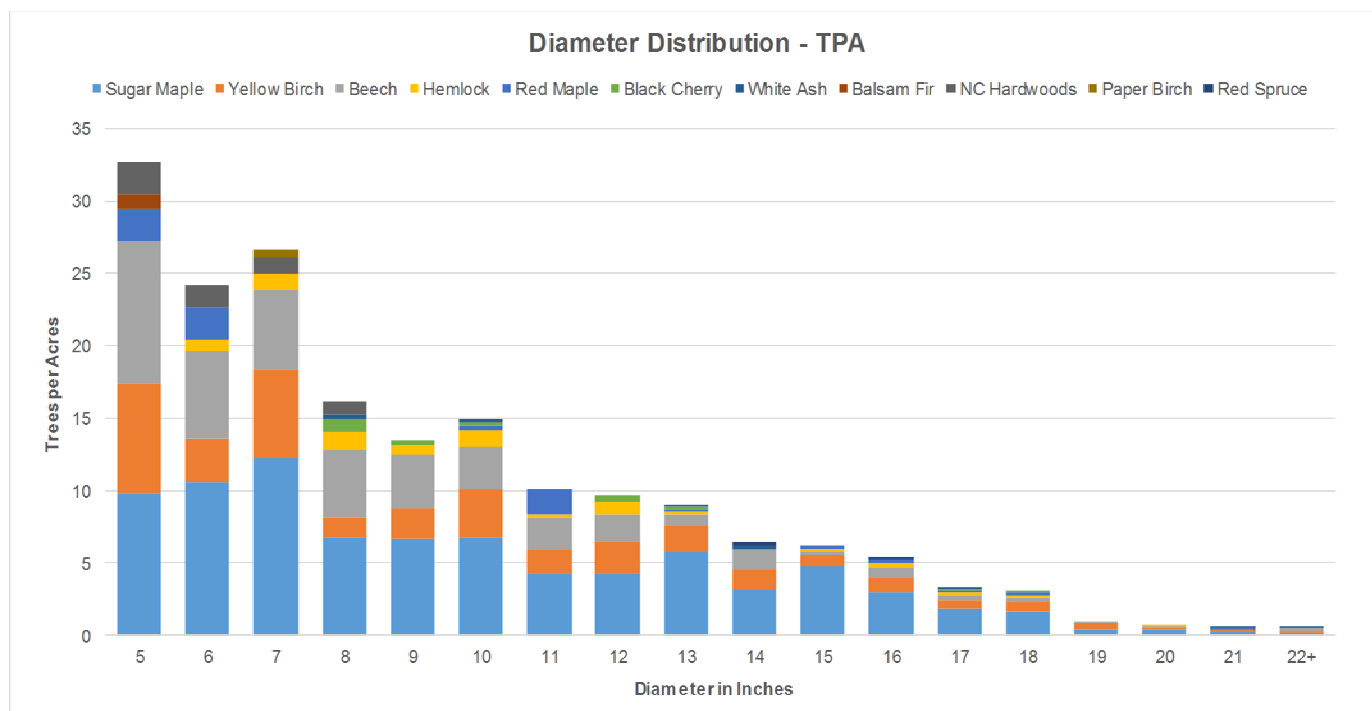
Average diameter for all products combined is 13”, while the average sawlog diameter is nearly 14.5”, well above average given the domination of hardwood forest types.

The presence of an advanced sapling to small pole-sized growing stock (5-10” diameters) can be an important component of asset appreciation and a source of the future forest stocking. The growing stock on the forest holds 30% of total volume (70% of total stems/acre). This growing stock consists primarily of desirable species with 60% of its TPA (56% by volume) comprised of sugar maple and yellow birch. The graph on the following page portrays this data.

Average diameter for sugar maple, the major species, is 15” (yellow birch is 14.5”). These average diameters indicate an age structure which carries much of its volume in middle to late-aged stems.



TIMBER RESOURCE (continued)



SUGARBUSH OPPORTUNITY

The property offers an outstanding potential sugarbush opportunity, given the high level of maple stocking, slope factor, access and possible shorter routes to electric power (depending on adjacent landowner negotiations). The ownership's consultant conducted a maple tap analysis using the timber data. Two tap compartments have been delineated by watershed, covering all acreage except the EPZ No-Touch zone. This analysis indicates a total maple potential tap count of 26,442 taps with roughly 92% of the taps from sugar maple with the balance from red maple. Trees 10" and greater were considered, providing an average of 51 taps/acre covering 523.2 acres. In many areas the average taps/acre is likely close to 75/acre. A tap analysis map is provided in the maps section of this report. Also, the timber data indicates that an additional 26,000 taps will become available in the coming years from the maple resource within the 5-9" diameter class.

Electric power is roughly 3,500' from the property's western boundary along Route 100. The majority of the terrain lends itself well to a natural downhill flow.

Full property details are available at the Fountains web site data room (password: ***jaynorth***). Click on the Properties for Sale link on the far right side of the site, then on the Data Room link.

Potential Tap Count by Watershed

Sub Watershed	Acres	Total Taps	Average Taps/Acre
North	388.8	20013	51
South	134.4	6429	48
Total	523.2	26,442	51



Good stocking and high maple concentrations offer ideal conditions for sugarbush establishment.

CONSERVATION EASEMENT

The conservation easement on the property will be held by the Vermont Land Trust (VLT), a Vermont-based organization and one of the most respected conservation organizations in the nation. A working forest “partnership” with VLT offers the new owner predictability and cooperation, given the long history and solid reputation this land trust has established regarding the easement lands under its jurisdiction.

A principal objective of the easement’s acreage (excluding the EPZ No Touch area) is to maintain, grow and harvest forest resources and products on a sustainable basis. The terms of the easement prevent subdivision and future development of any kind; however, forestry and sugarbush operations, and construction of associated support infrastructure, are permitted.

Easement highlights include:

- Most sustainable and traditional forestry and sugarbush activities are permitted to support the long-term stewardship of the protected property;
- The entire property is open to non-vehicular public recreation and hunting;
- Silvicultural activities are limited to sustainable levels, with target diameters set for each species.
- Surface Water Protection Zones (SWPZs), covering 74 acres, and an EPZ Secondary Zone covering 13 acres, permit limited harvesting and full sugaring operations with special consideration to maintaining water quality and certain species within the EPZ Secondary Zone;
- One camp structure of 800 ft² is permitted.

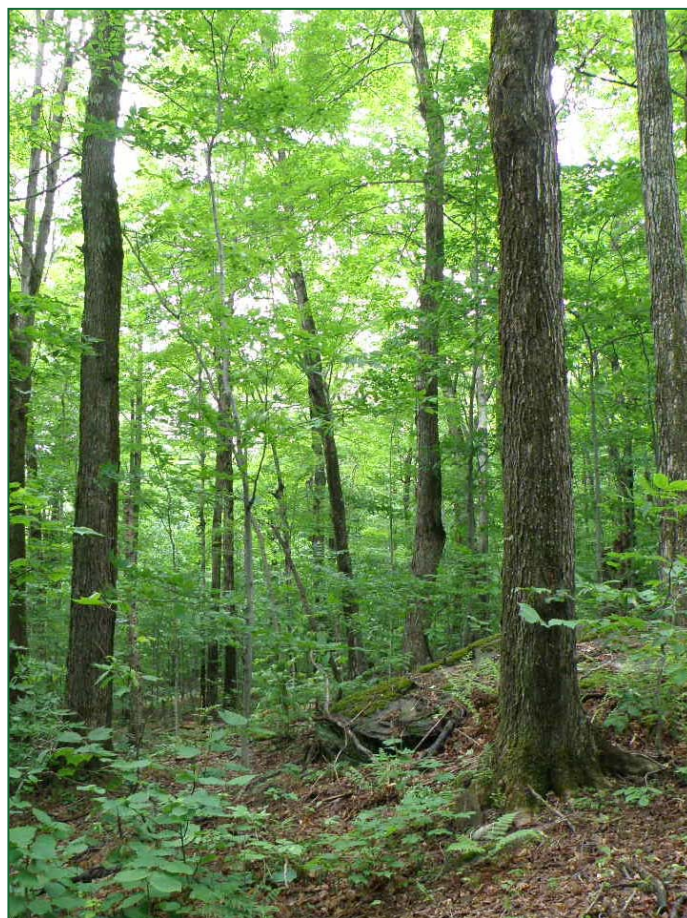
The maps provided in this report designate the SWPZ, EPZ Secondary and EPZ No Touch areas. Copies of the easement and baseline documentation are available upon request or accessible in the Fountains Data Room.

ACREAGE, TAXES & TITLE

Property taxes are yet to be determine, given a recent subdivision of the property (with the lands being sold north of Route 105). The property **is** enrolled in the State of Vermont’s Use Value Appraisal (UVA) program. The property is owned jointly by Vermont Land Trust and The Nature Conservancy. Boundaries appear to be well monumented in the field.

Acreage Chart

Item	Acres
GIS Acres	625
EPZ No Touch	101.80
Non Commercial (Other)	8
Commercial Timber Acres	515.69
SWPZ	74
EPZ-Secondary Zone	13



The forest offers a wide diameter distribution and high stocking, offering the opportunity for sustainable production and harvest of forest products, while providing for high levels of annual sap output.

Fountains Land Inc. is the exclusive broker representing the seller's interest in the marketing, negotiating and sale of this property. Fountains has an ethical and legal obligation to show honesty and fairness to the buyer. The buyer may retain brokers to represent their interests. All measurements are given as a guide, and no liability can be accepted for any errors arising therefrom. No responsibility is taken for any other error, omission, or misstatement in these particulars, nor do they constitute an offer or a contract. We do not make or give, whether in these particulars, during negotiations or otherwise, any representation or warranty in relation to the property.

Jay North

Timber Valuation

Prepared By

FOUNTAIN FORESTRY INCORPORATED

Jay, Orleans County, Vermont
November 2016625 Acres
516 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<i>Sawtimber - MBF (International 1/4")</i>					
Sugar Maple	678	275.00	450.00	380.00	257,800
Yellow Birch	236	200.00	325.00	275.00	64,900
Sugar Maple Pallet	653	50.00	100.00	65.00	42,400
Yellow Birch Veneer	15	600.00	900.00	750.00	11,100
White Ash	37	175.00	275.00	250.00	9,200
Black Cherry	35	175.00	300.00	240.00	8,500
Sugar Maple Veneer	7	800.00	1,200.00	1,000.00	7,400
Yellow Birch Pallet	134	40.00	75.00	50.00	6,700
Hemlock	113	30.00	65.00	50.00	5,600
Pallet / Grade 3	91	30.00	60.00	50.00	4,500
Red Maple	22	125.00	250.00	200.00	4,400
<i>Pulpwood - Cords</i>					
Hardwoods	8,553	10.00	16.00	13.00	111,200
Hemlock	323	2.00	6.00	4.00	1,300
Spruce/Fir	58	2.00	6.00	4.00	200

Totals					
Sawtimber Total	2,021	MBF			\$422,500
Sawtimber Per Acre	3.234	MBF			\$676
Sawtimber Per Comm. Acre	3.919	MBF			\$819
Cordwood Total	8,934	Cords			\$112,700
Cordwood Per Acre	14.3	Cords			\$180
Cordwood Per Comm. Acre	17.3	Cords			\$219
Total Per Acre					\$856

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$465,000	\$596,000	\$535,200

BASED ON A JUNE 2016 INVENTORY CRUISE BY M. D. FORESTLAND CONSULTING, LLC

101 inventory points were taken on a 470' x 470' grid using a 15-factor prism

Sampling error from the cruise: 14.3% for sawlog products and 8.9% for all products combined at the 95% Confidence Level

The volumes and values reflect estimated total capital value of merchantable timber.

The volumes and values are not a liquidation value.

Prices are averages for the area and are adjusted to reflect, access, quality and operability of the site.



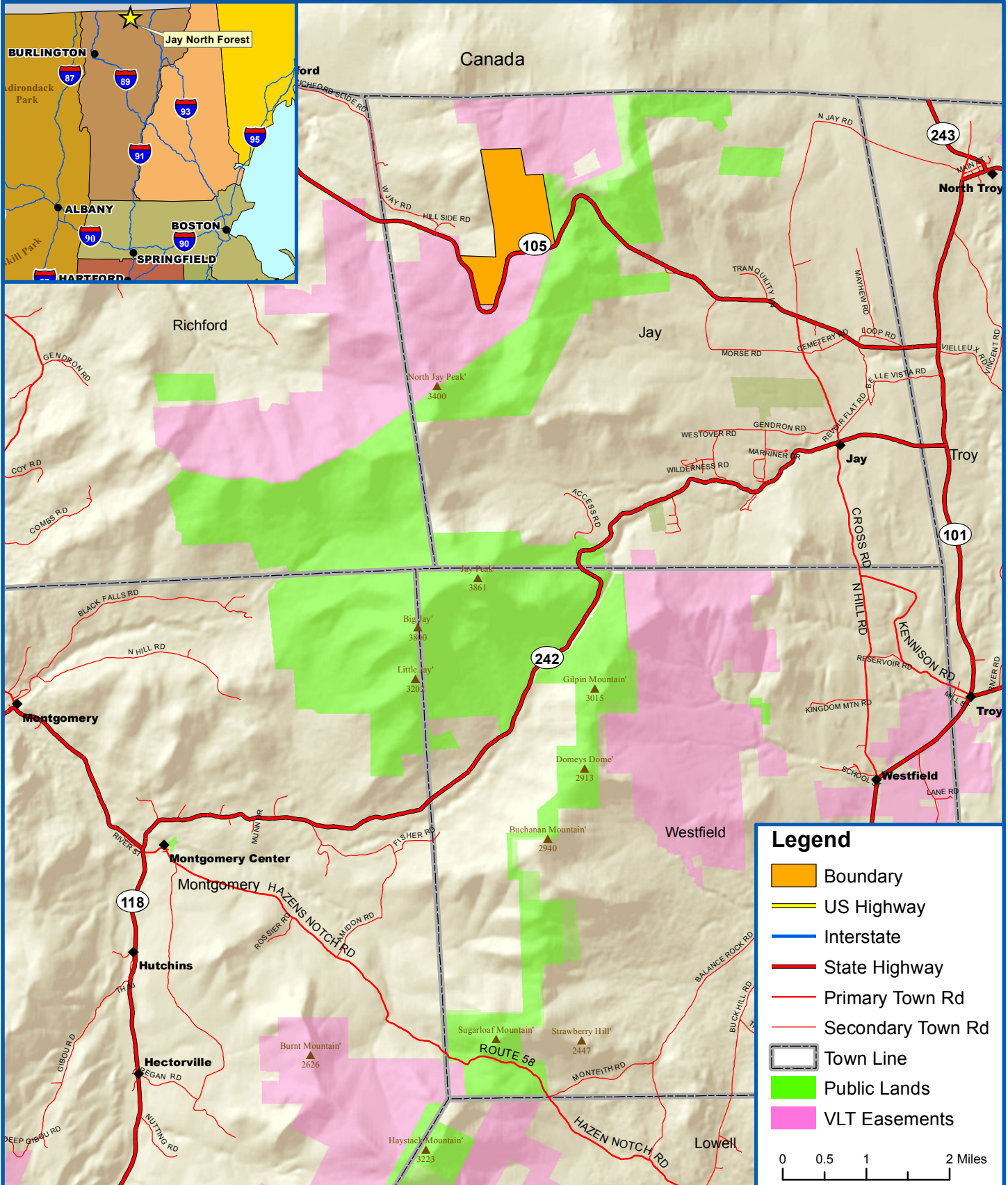
Locus Map

Jay North Forest

625 GIS Acres

Jay, Orleans County, VT

fountains



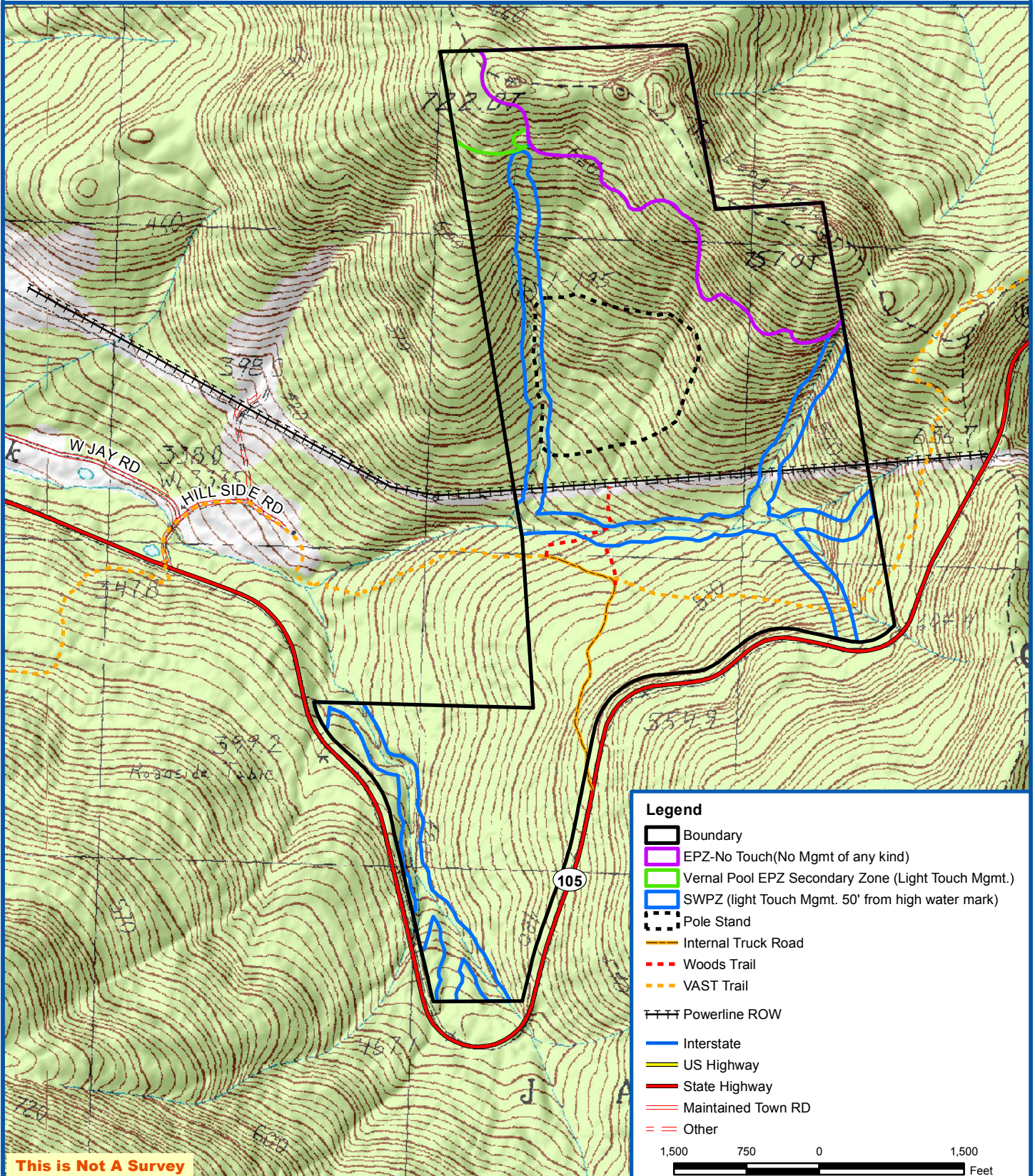


Jay North Forest

625 GIS Acres

Jay, Orleans County, VT

fountains



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VCGI, and the owner. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

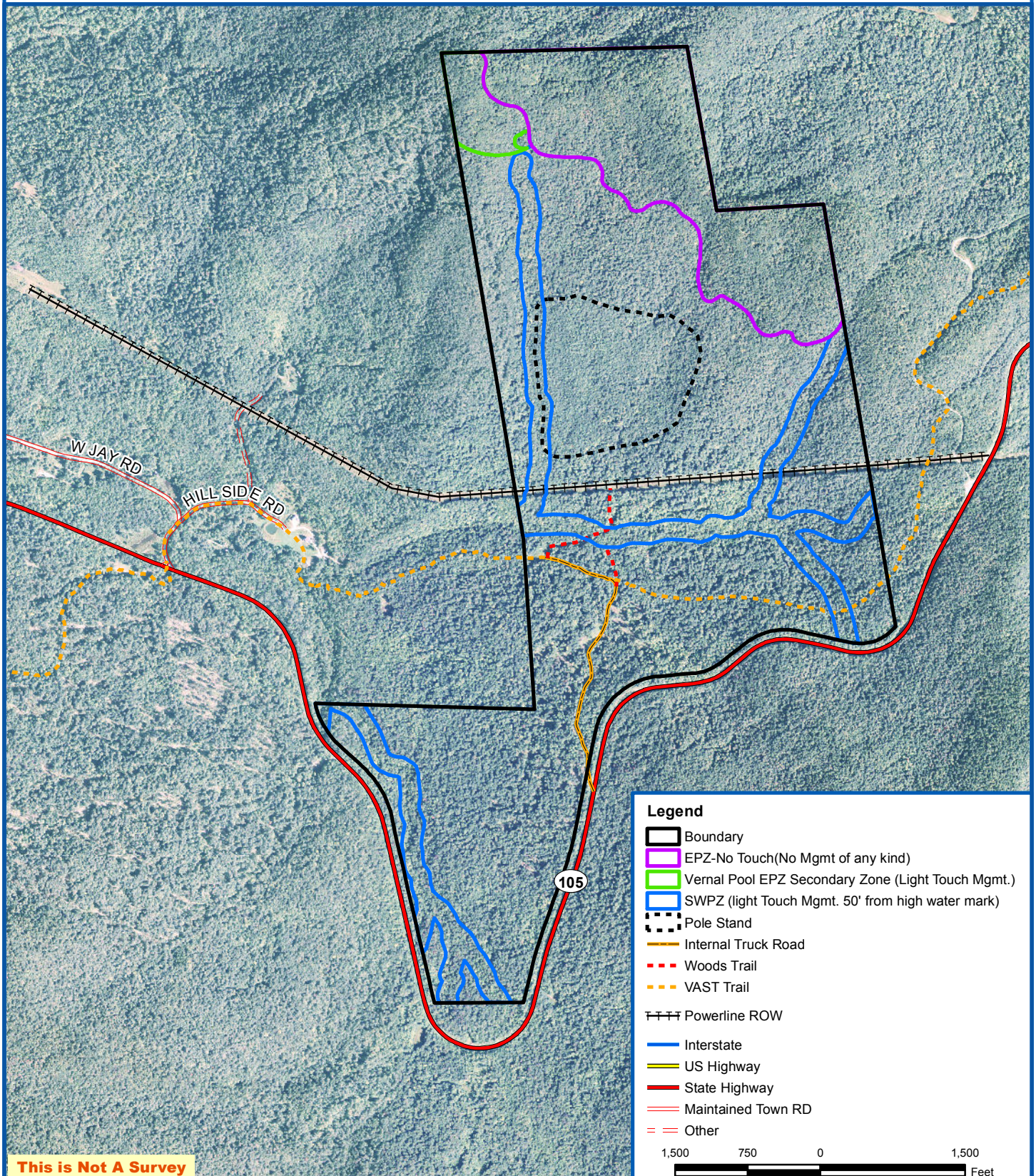


Jay North Forest

625 GIS Acres

Jay, Orleans County, VT

fountains



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VCGI, and the owner. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

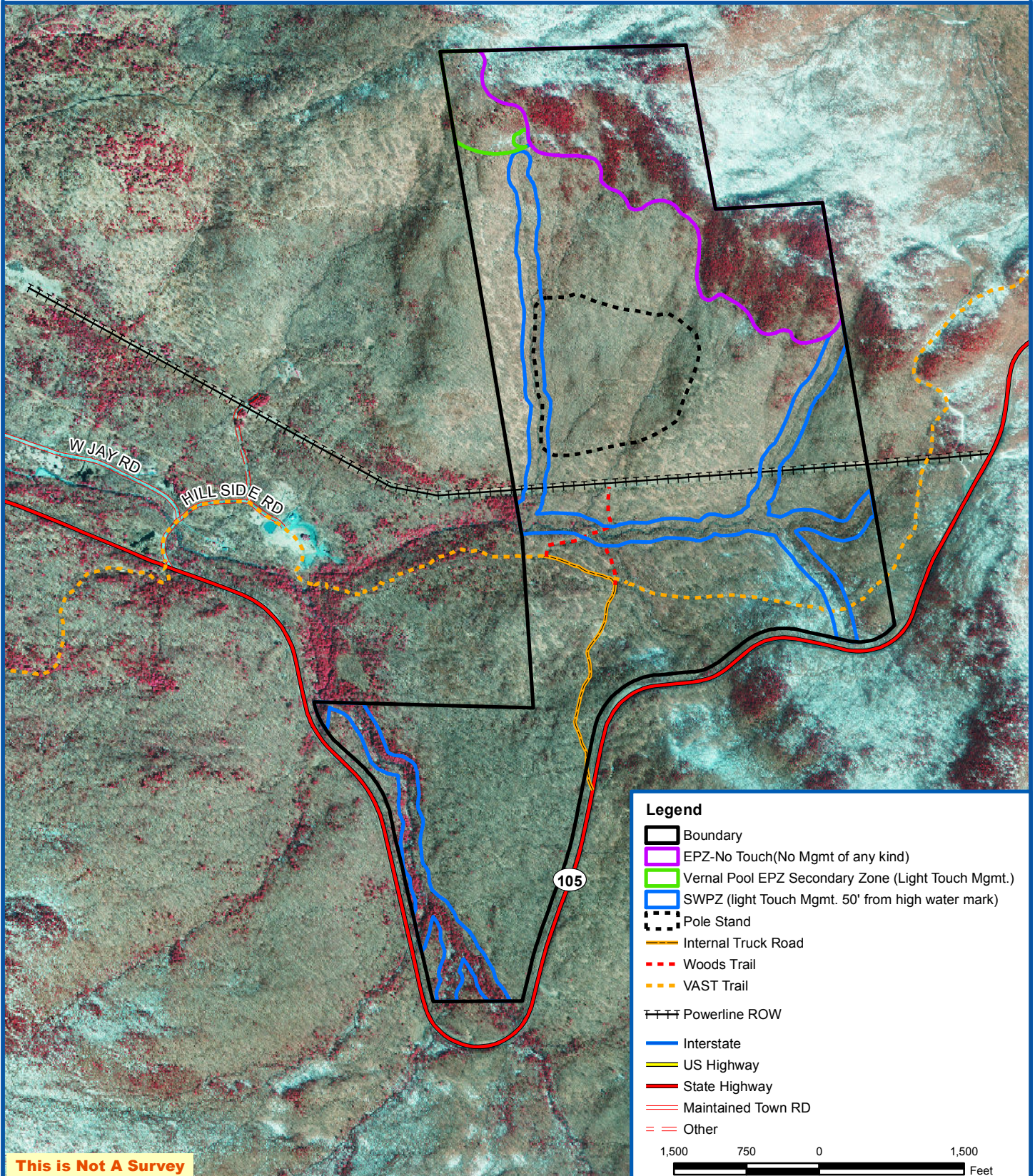


Jay North Forest

625 GIS Acres

Jay, Orleans County, VT

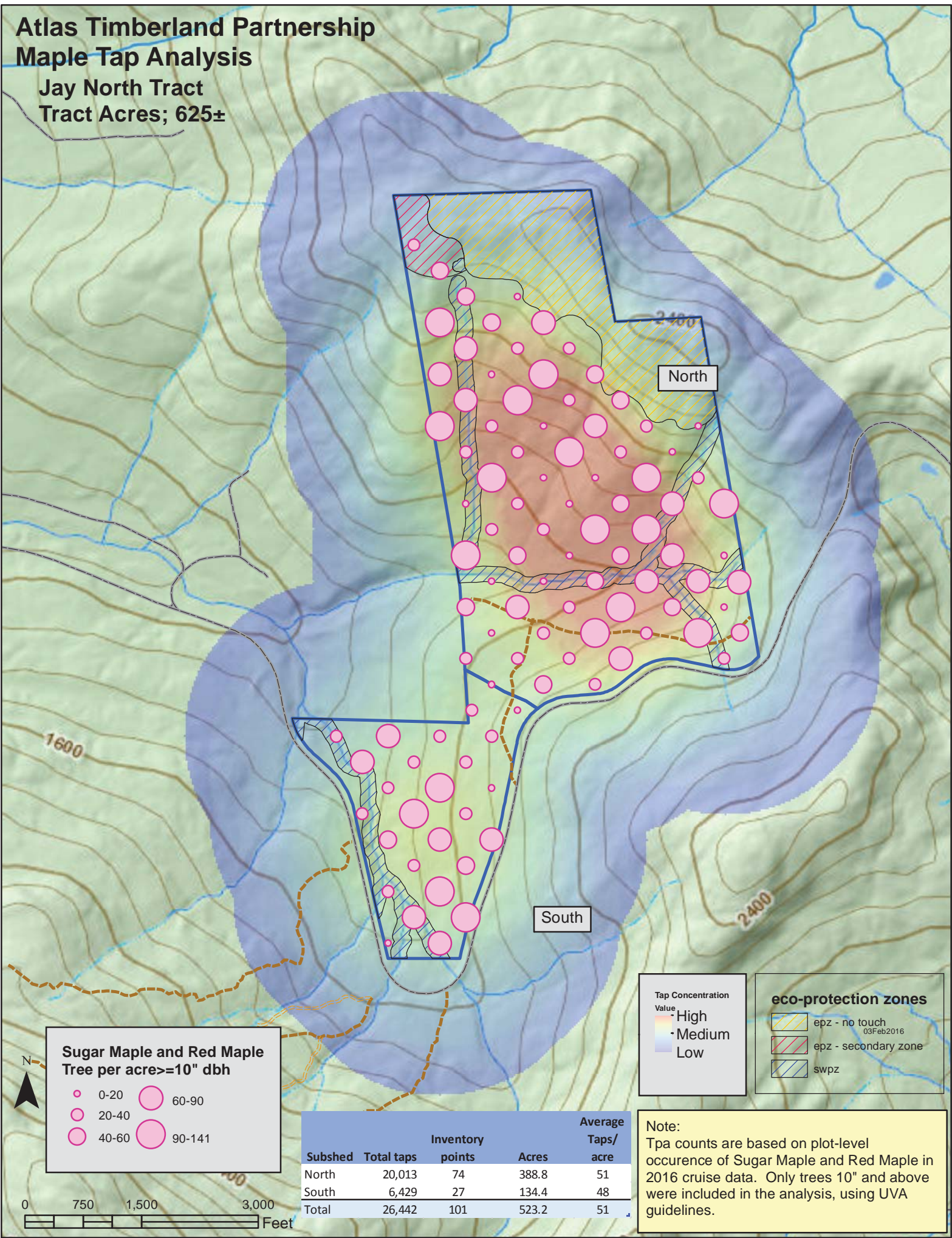
fountains



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VCGI, and the owner. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

Atlas Timberland Partnership
Maple Tap Analysis

Jay North Tract
Tract Acres; 625±





Vermont Real Estate Commission Mandatory Consumer Disclosure



[This document is not a contract.]

This disclosure must be given to a consumer at the first reasonable opportunity and before discussing confidential information; entering into a brokerage service agreement; or showing a property.

RIGHT NOW YOU ARE NOT A CLIENT

The real estate agent you have contacted is not obligated to keep information you share confidential. ***You should not reveal any confidential information that could harm your bargaining position.***

Vermont law requires all real estate agents to perform basic duties when dealing with a buyer or seller who is not a client. All real estate agents shall:

- Disclose all material facts known to the agent about a property;
- Treat both the buyer and seller honestly and not knowingly give false or misleading information;
- Account for all money and property received from or on behalf of a buyer or seller; and
- Comply with all state and federal laws related to the practice of real estate.

You May Become a Client

You may become a client by entering into a written brokerage service agreement with a real estate brokerage firm. Clients receive the full services of an agent, including:

- Confidentiality, including of bargaining information;
- Promotion of the client's best interests within the limits of the law;
- Advice and counsel; and
- Assistance in negotiations.

You are not required to hire a brokerage firm for the purchase or sale of Vermont real estate. You may represent yourself.

If you engage a brokerage firm, you are responsible for compensating the firm according to the terms of your brokerage service agreement.

Before you hire a brokerage firm, ask for an explanation of the firm's compensation and conflict of interest policies.

Brokerage Firms May Offer

NON-DESIGNATED AGENCY or DESIGNATED AGENCY

- **Non-designated agency** brokerage firms owe a duty of loyalty to a client, which is shared by all agents of the firm. No member of the firm may represent a buyer or seller whose interests conflict with yours.
- **Designated agency** brokerage firms appoint a particular agent(s) who owe a duty of loyalty to a client. Your designated agent(s) must keep your confidences and act always according to your interests and lawful instructions; however, other agents of the firm may represent a buyer or seller whose interests conflict with yours.

THE BROKERAGE FIRM NAMED BELOW PRACTICES

NON-DESIGNATED AGENCY

I / We Acknowledge Receipt of This Disclosure

This form has been presented to you by:

Printed Name of Consumer

Fountains Land
Printed Name of Real Estate Brokerage Firm

Signature of Consumer

Date

Michael Tragner
Printed Name of Agent Signing Below

[] Declined to sign

Printed Name of Consumer

[Signature]
Signature of Agent of the Brokerage Firm Date

Signature of Consumer

Date

[] Declined to sign