

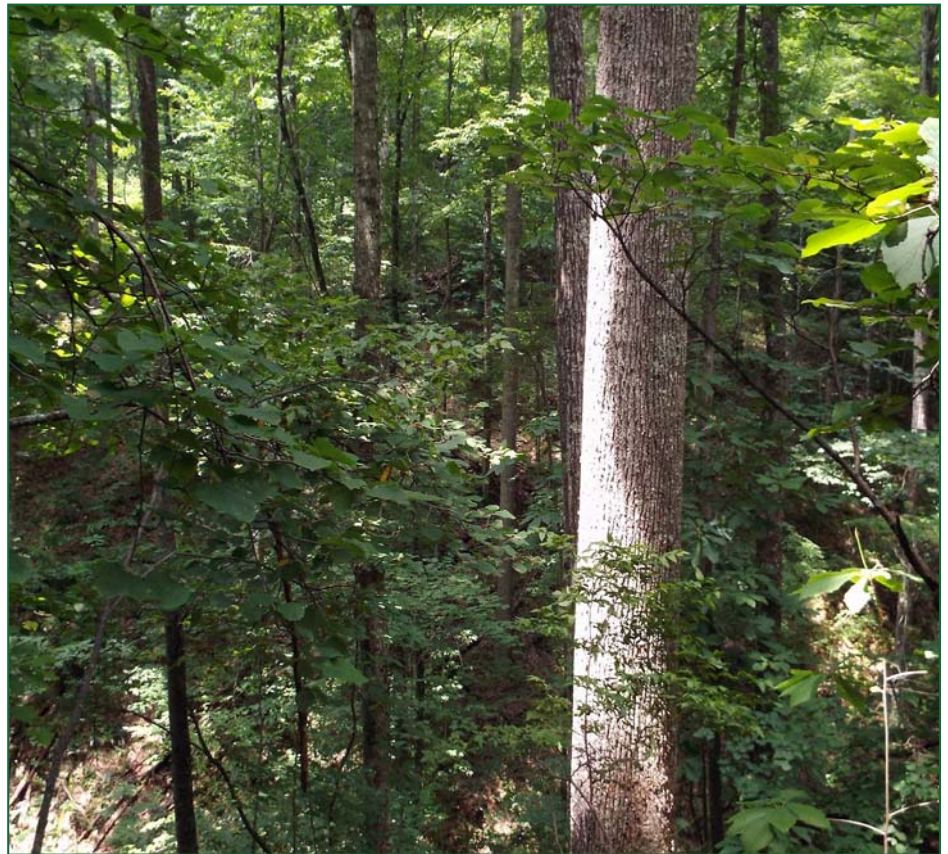


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STRAIGHT FORK FOREST

**A highly-stocked oak and poplar timber resource
with direct proximity to the Jefferson National Forest
and numerous future cabin site options.**



**1,612 GIS Acres
Fort Blackmore, Scott County, Virginia**

New Price: ~~\$2,100,000~~ \$1,800,000

Offered by Fountains Land, Inc. in cooperation with F&W Forestry Services, Inc.

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OVERVIEW

The 1,612-acre Straight Fork Forest is located in the scenic, mountainous panhandle of southwestern Virginia, near the Tennessee and Kentucky border. This hardwood-dominated timberland consists of the 1,434-acre High Knob Tract and the 178-acre Moping Hollow Tract - two nearby, non-contiguous parcels which both offer a significant sawtimber and pulpwood resource that is harvest-ready and heavily stocked. Straight Fork Forest's timber resource has been carefully managed over the years and, as a result, is well-positioned for strong timber performance through potential harvest income, robust biological growth and the shifting of smaller stems into higher value sawtimber products during the next ownership cycle. The property offers several attractive sites for future cabin development along with potential conservation value associated with its proximity to nearby National Forest lands.



The property's location within the bounds of Jefferson National Forest enhances the recreation and conservation opportunities.

LOCATION

The surrounding Scott County landscape is part of southwestern Virginia's Ridge-and-Valley region, a scenic tapestry of elongated hardwood mountain ranges tucked between Virginia's nearby Blue Ridge and eastern Kentucky's Cumberland Mountains. Much of Scott County remains undeveloped and is characterized by its scenic farm valleys, small communities and patchwork hardwood woodlots along the hilltops. Straight Fork is one of the larger forest ownerships within this region and, therefore, represents an opportunity to create a classic family ownership legacy for the next tenure, or to carefully craft a rural subdivision project for future cabin sites.

The region is part of the broader Kingsport-Bristol Tennessee-Virginia metro area (population 309,000), which lies only 20 miles to the south. Most local residents make the daily commute southward to Kingsport and Bristol for work, shopping and amenities. Straight Fork Forest lies within the proclamation boundary of Jefferson National Forest, a 738,000-acre expanse of public lands that includes 17 wilderness areas and is well-known for its mountain biking, hiking and hunting opportunities. The property's close proximity to National Forest lands expands recreational options well beyond its borders, while also opening the door to a possible conservation easement sale in the future.

Knoxville, Tennessee, is within 110 miles of the property. Charlotte, North Carolina, is 180 miles southeast and Atlanta, Georgia, is a 5-hour drive to the south.

ACCESS

High Knob Road (VA 619) - This four-season state route is the major north-south corridor in this part of Scott County and divides the High Knob Tract into two compartments. There is approximately 2.5 miles of frontage along the western compartment of the property and 1.6 miles of frontage along the eastern compartment. An existing internal gravel road leads into to the heart of the land along the west side of High Knob Road, while the eastern half of the road frontage is gently sloping with numerous potential driveway entrances.



High Knob Road provides access to the western and eastern portions of the larger tract, known as High Knob Tract.

ACCESS (continued)

Access to the Moping Hollow Tract is gained by a private woods road extending from Coal Pit Branch Drive through an unlocked gate. This woods road crosses several neighboring properties before reaching the property's boundary. It has been traditionally used by the Straight Fork owner and neighbors for general ingress and egress.

PROPERTY TAXES & TITLE

Annual property and school taxes in 2015 were \$5,773. Tax maps are #11A2; 11A31 & 32; and 12A1. Tax bills indicate a total acreage of 1,683 acres, while the deed reports 1,687 acres. The property deed is recorded in the Scott County Clerk's Office in Book 521, Page 1845. Mineral rights appear to be reserved on the Moping Hollow Tract as described in the property deed with additional possible mineral rights reservations described in Book 511, Page 1309.

SITE DESCRIPTION

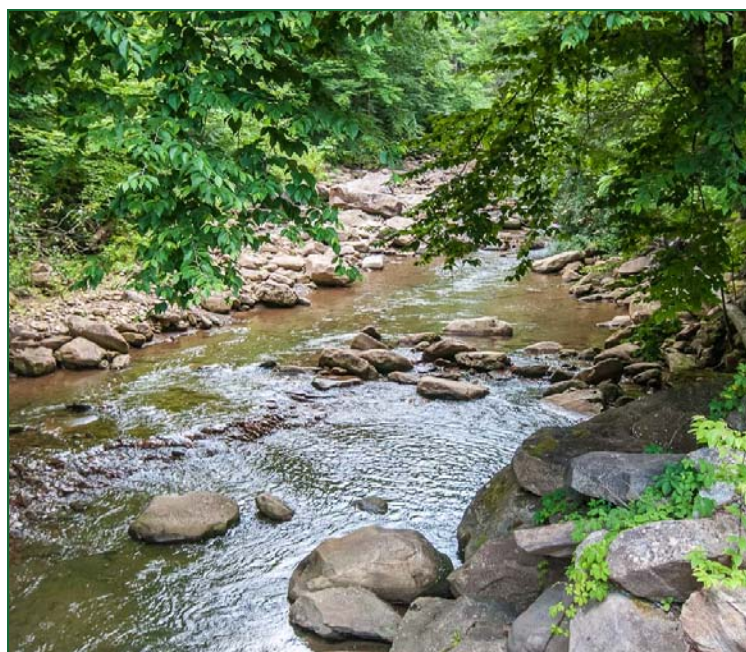
Straight Fork's site opportunities include rural cabin development, timber management, recreation and potential conservation options due to its direct proximity to the nearby National Forest lands. The property is named for Straight Fork Creek, a scenic, clear-water tributary of the nearby Big Stony Creek which eventually flows into the Clinch River near Dungannon. Terrain is typical of the Ridge-and-Valley region - rolling to mountainous with elongated hardwood ridges separated by narrow hollows flanking the lower lying stream drainages. Elevations range from 2,500' to 3,300' ASL. The property's forests are predominantly hardwood-based, with oaks, sour gum and sassafras growing on the ridge tops, and maples, beech, tulip and associated species growing along the mid-slope and hollow regions.

The nearby limestone formations support a number of cold water mountain streams including Straight Fork, White Rock Branch, Lone Camp Branch and Coal Pit Branch, the latter featuring a series of cascading waterfalls and pools as it tumbles its way toward Straight Fork.

The property has a high percentage of commercially-operable ground that is capable of supporting forestry and future cabin development. Soils are generally well-drained and consist of a mix of sandstone, limestone and siltstone. These productive soils, when combined with the land's legacy of good stewardship, pave the way for accelerated long-term growth rates for the property's growing stock.



Straight Fork Creek runs through the property on its way to the Clinch River. Upstream, a series of several waterfalls are part of the Coal Pit Branch of the Straight Fork.



TIMBER

The distinguishing features of Straight Fork's timber resource include its unusually high hardwood sawtimber and pole stocking, which is well above average for the region. This well-managed timber resource can provide a great deal of flexibility to the next ownership in terms of potential harvest revenue and can be managed to provide cash flow opportunities to offset holding costs and long-term asset appreciation.

2016 Timber Inventory:

Timber data in this report are based upon a 2016 2nd Quarter timber inventory that was conducted for the ownership by an outside consultant. 625 points were sampled using a 5 chain x 5 chain grid and a 10 factor prism. Of the 1,612 GIS acres, 1,550 acres or 96% of the property is designated as operable. Sampling statistics are $\pm 6.5\%$ standard error for sawlog products and $\pm 3\%$ for all products combined at the 95% confidence interval, figures well within industry standards.

Total sawlog volume property-wide is 6,990 MBF Doyle scale (4.51 MBF/commercial acre) with 68,863 pulpwood tons (44.4 tons/commercial acre). Combined, total commercial per acre volume is 76.0 tons, a figure in excess of most timberland investments of this nature.

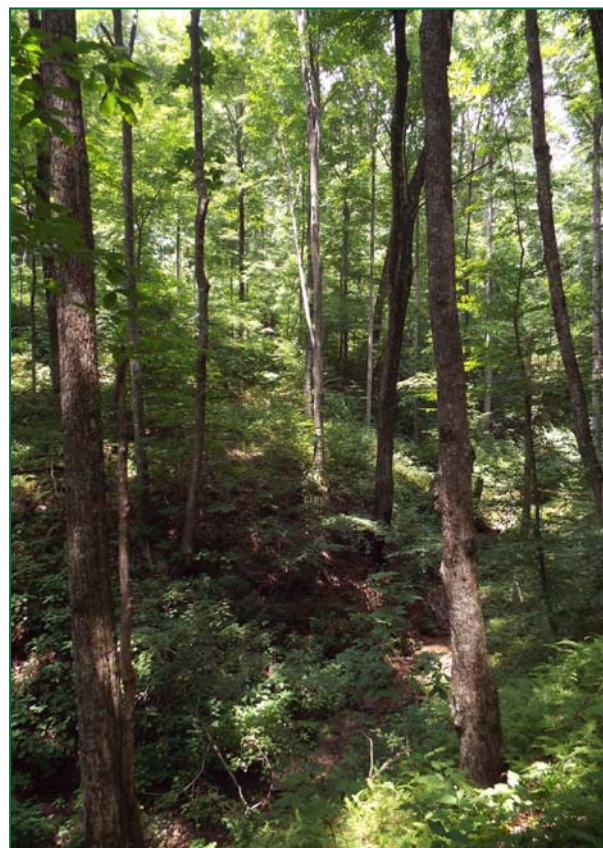
Based on this information, stumpage values were assigned by Fountains, producing a property-wide Capital Timber Value (CTV) of \$1,166,400 (\$724/total acre). See the attached Timber Valuation sheet for details. Details of the inventory reports, cruise maps and specs are available in the Fountains data room.

Species Composition:

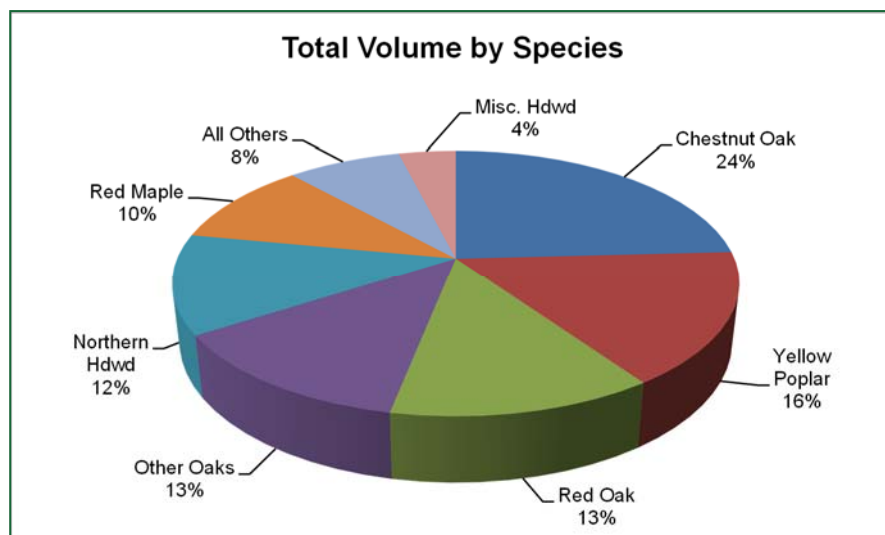
The forest's predominately well-drained upland terrain has led to a resource dominated by hardwood species. Overall, species composition is highly desirable and favors Appalachian hardwood types, consisting primarily of chestnut oak (24%), yellow poplar (16%), red oak (13%) and a host of associates.

Stocking, Stem Quality, and Forest Structure:

Forest-wide, most stands are fully stocked near A Line levels, providing the next ownership with a great deal of flexibility in shaping their own silvicultural legacy. Stem quality forest-wide can be considered excellent with the forest containing an abundant current and future veneer resource.



Careful management by the current owner has resulted in a superior saw timber and pole stocking for the region.



TIMBER (continued)

Straight Fork's timber component has been well-managed over the years and generally consists of three age classes that have been managed under even-aged silvicultural guidelines. Stands containing mostly 65-75 year old stems (12-14" stems) were established between 1940 and 1950 and can be found in the western half of High Knob Tract.

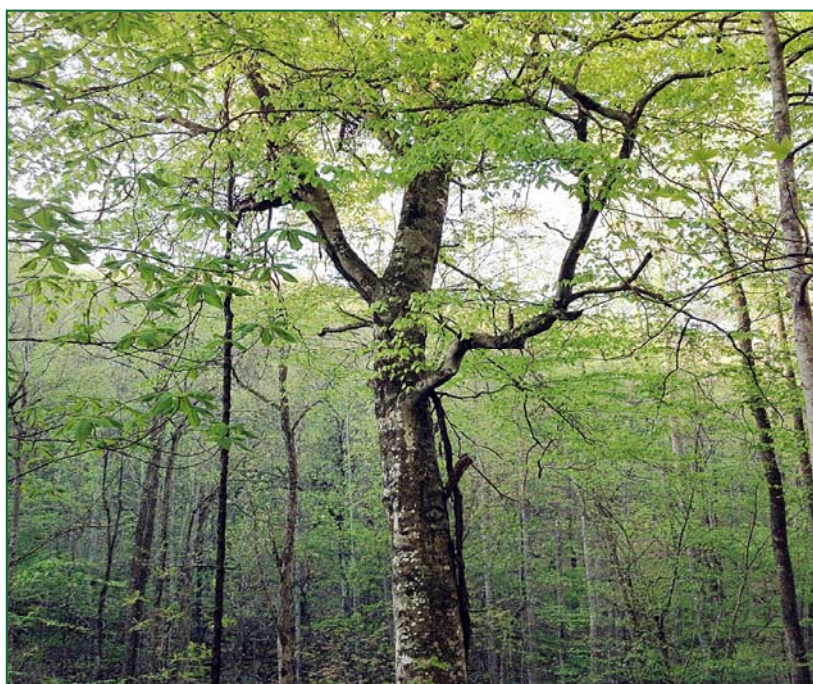
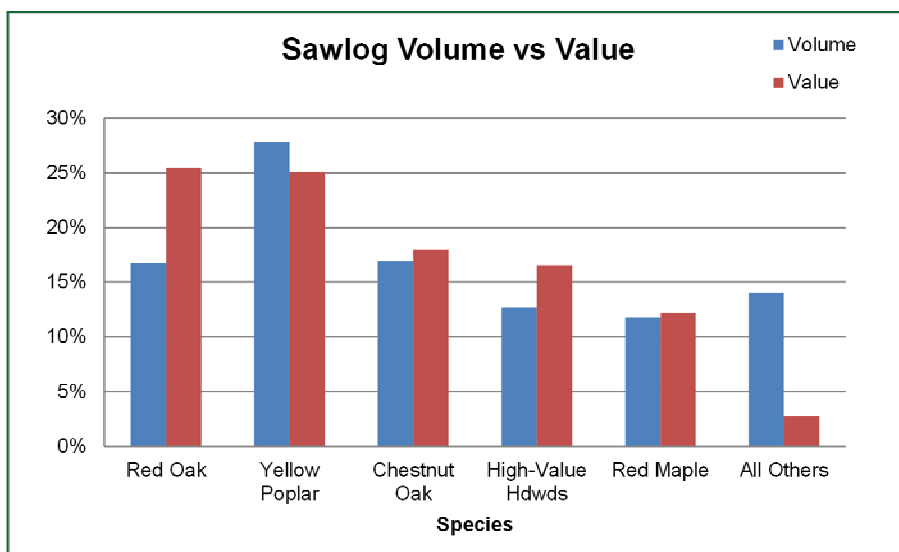
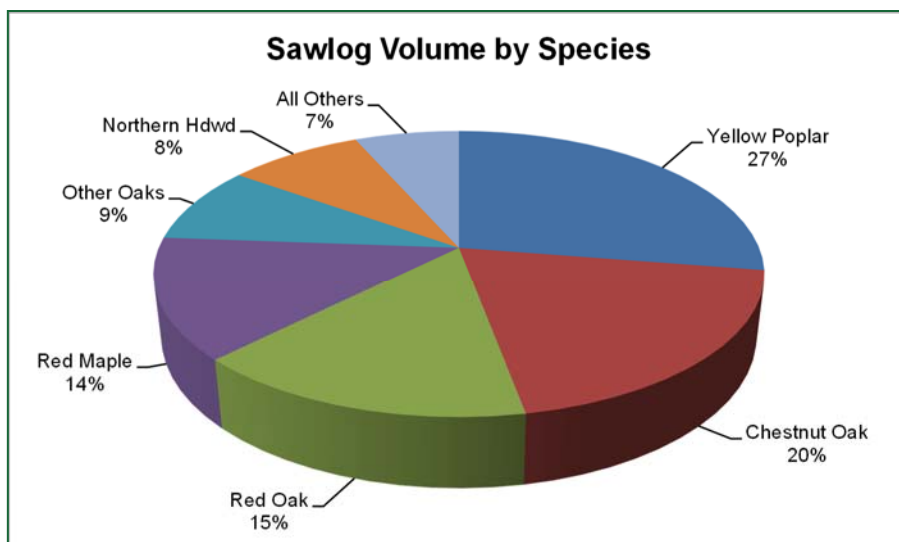
A second distinct age class includes stems which were established around 1960; these are now approaching 55 years old (10-11" diameter) and are on the cusp of graduating into the higher-value sawtimber diameter class over the coming decade.

A third distinct age class was established between 1970 and 1980 and these stems are now 35-45 years old. These stands represent high-quality hardwood pole growing stock anchoring the long-term timber investment potential for this property.

Roughly 200 acres of High Knob tract were thinned in the late 2000s, with the residual stand being optimally stocked for timber production, resulting in a quality hardwood resource that will be reaching economic maturity shortly.

See the forest type map in the data room for more information on the location and stocking for various stands.

Appalachian hardwoods dominate the resource, including ready-to-harvest sawtimber and abundant pulpwood.



TIMBER (continued)

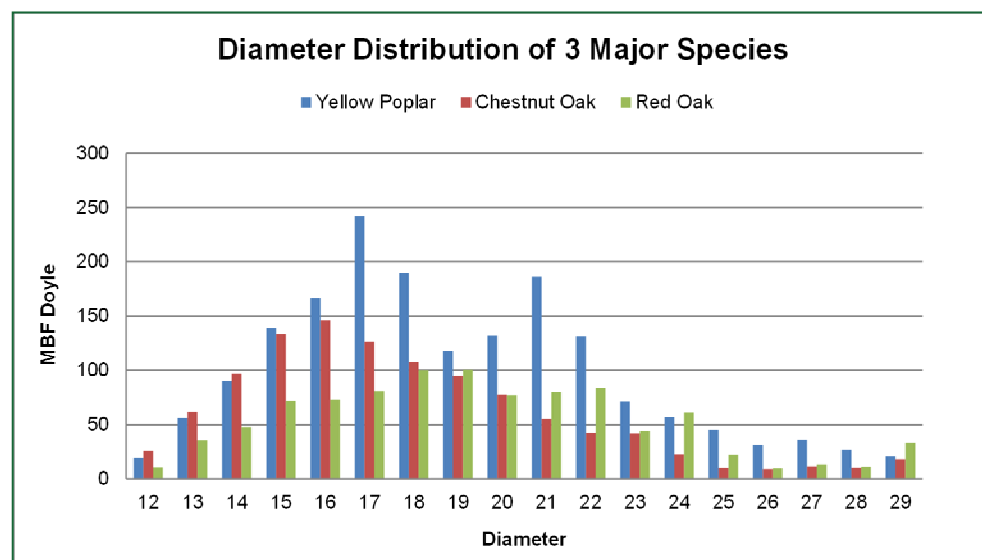
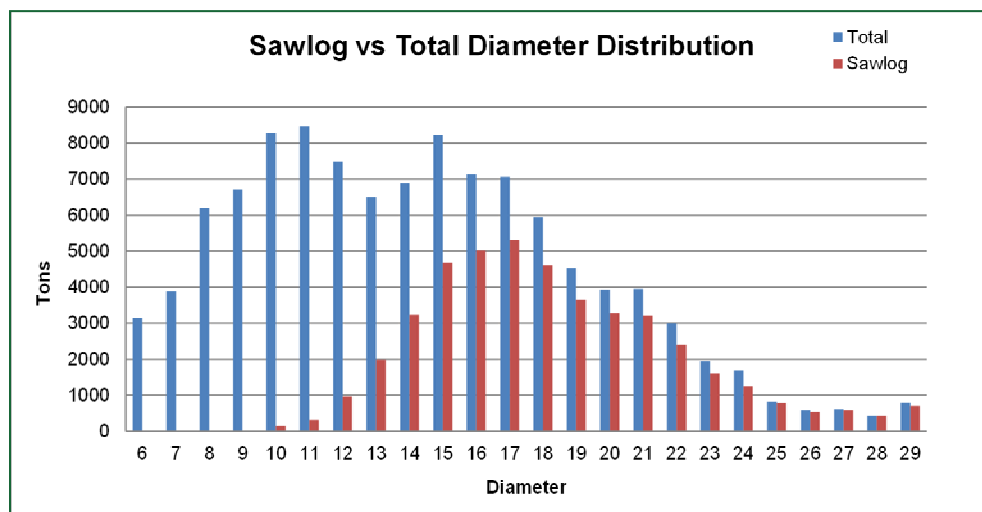
Sawlog Value:

Red oak (25%) yellow poplar (25%) and chestnut oak (18%) dominate sawlog value, collectively representing nearly 70% of total sawtimber stumpage value. The remaining value is spread across a diverse range of species including the maples, basswood, paulownia, white oak, cherry, cucumber and other associates.

Diameter Distribution:

Diameters are well-represented across the commercial spectrum with a notable mature size class, as well as abundant poles and growing stock. Average diameter based on total volume with all products combined is 15", while sawlogs alone are approaching 20".

Average sawtimber diameter for the three main species are: chestnut oak 17.8", red oak 19.4", and yellow poplar 19.0".



Fountains Land Inc. is the exclusive broker representing the seller's interest in the marketing, negotiating and sale of this property. We have 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.

Straight Fork Tract

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Scott County, VA
May 20161,612 Acres
1,550 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (Doyle)					
Red Oak	1,167	160.00	235.00	200.00	233,300
Yellow Poplar	1,952	140.00	160.00	150.00	292,700
Chestnut Oak	1,177	150.00	170.00	160.00	188,300
Red Maple	821	140.00	160.00	150.00	123,200
Paulownia	191	280.00	320.00	300.00	57,400
White Oak	241	200.00	240.00	220.00	53,100
Misc Hardwoods	654	20.00	40.00	30.00	19,600
Cucumber	149	70.00	90.00	80.00	11,900
Black Cherry	30	250.00	440.00	300.00	9,100
Sugar Maple	31	240.00	300.00	270.00	8,200
White Ash	63	100.00	150.00	125.00	7,800
Scarlet Oak	60	90.00	130.00	110.00	6,600
Basswood	48	80.00	125.00	90.00	4,300
Hickory	115	40.00	60.00	50.00	5,700
Poplar/Bay/Magnolia	120	20.00	40.00	30.00	3,600
Birch	69	20.00	40.00	30.00	2,100
Black Gum	53	20.00	40.00	30.00	1,600
Hemlock	29	20.00	40.00	30.00	900
Beech	9	20.00	40.00	30.00	300
Black Locust	13	20.00	40.00	30.00	400
Pulpwood - Tons					
Hardwoods	60,374	1.00	1.50	1.25	75,500
Hardwood Pallet	8,021	7.00	8.00	7.50	60,200
Pine	468	1.00	1.50	1.25	600

Totals					
Sawtimber Total	6,990	MBF			\$1,030,100
Sawtimber Per Acre	4.336	MBF			\$639
Sawtimber Per Comm. Acre	4.510	MBF			\$665
Cordwood Total	68,863	Tons			\$136,300
Cordwood Per Acre	42.7	Tons			\$85
Cordwood Per Comm. Acre	44.4	Tons			\$88
Total Per Acre					\$724

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$1,100,000	\$1,199,000	\$1,166,400

BASED ON 2016 Q2 INVENTORY DATA PROVIDED BY TIMBERVEST

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

The volumes and values are not a liquidation value.

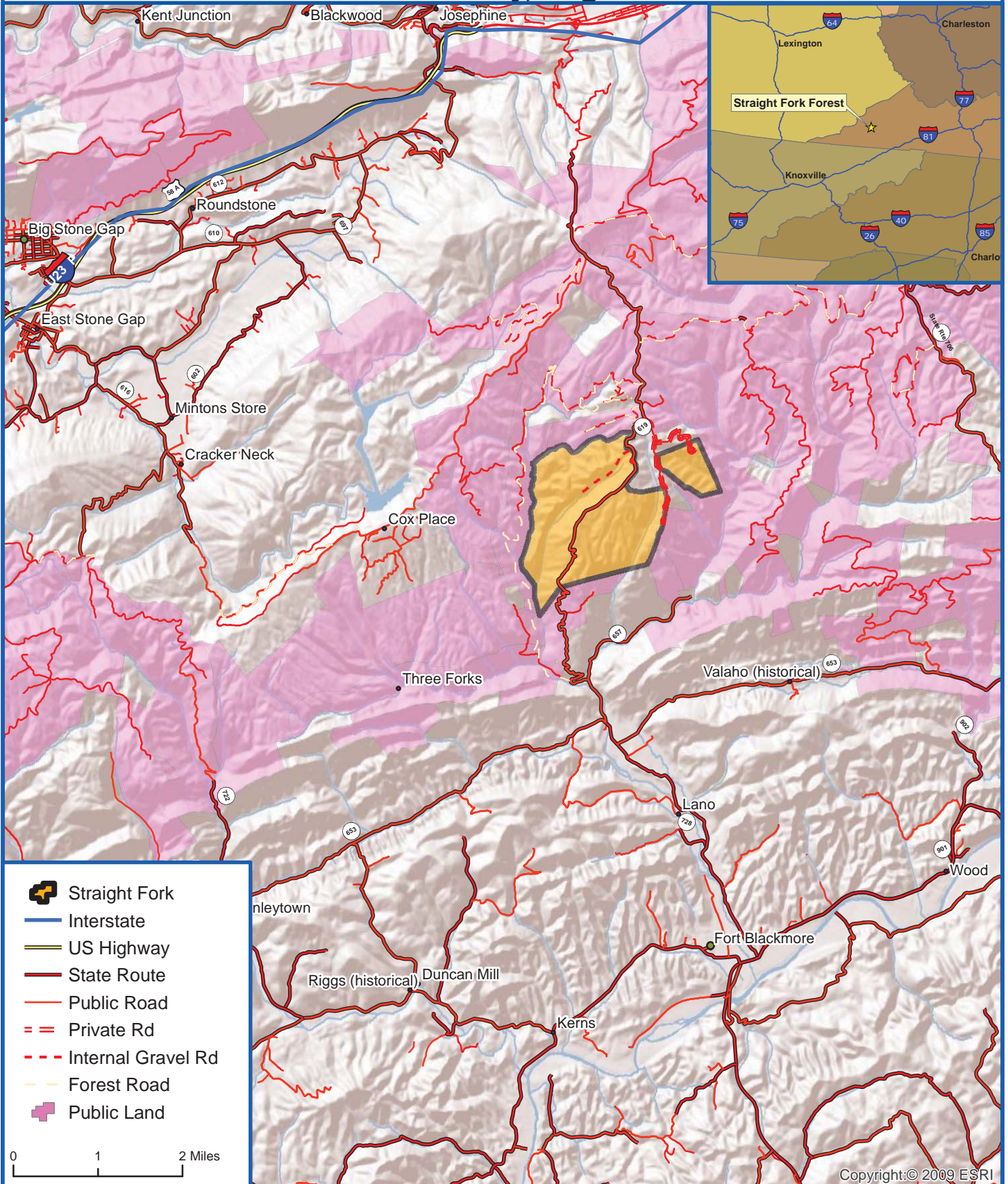
Prices provided by Timbervest are based upon recent stumpage bid values for the property

Locus Map

Straight Fork Forest

1,612 GIS Acres

Scott County, Virginia



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

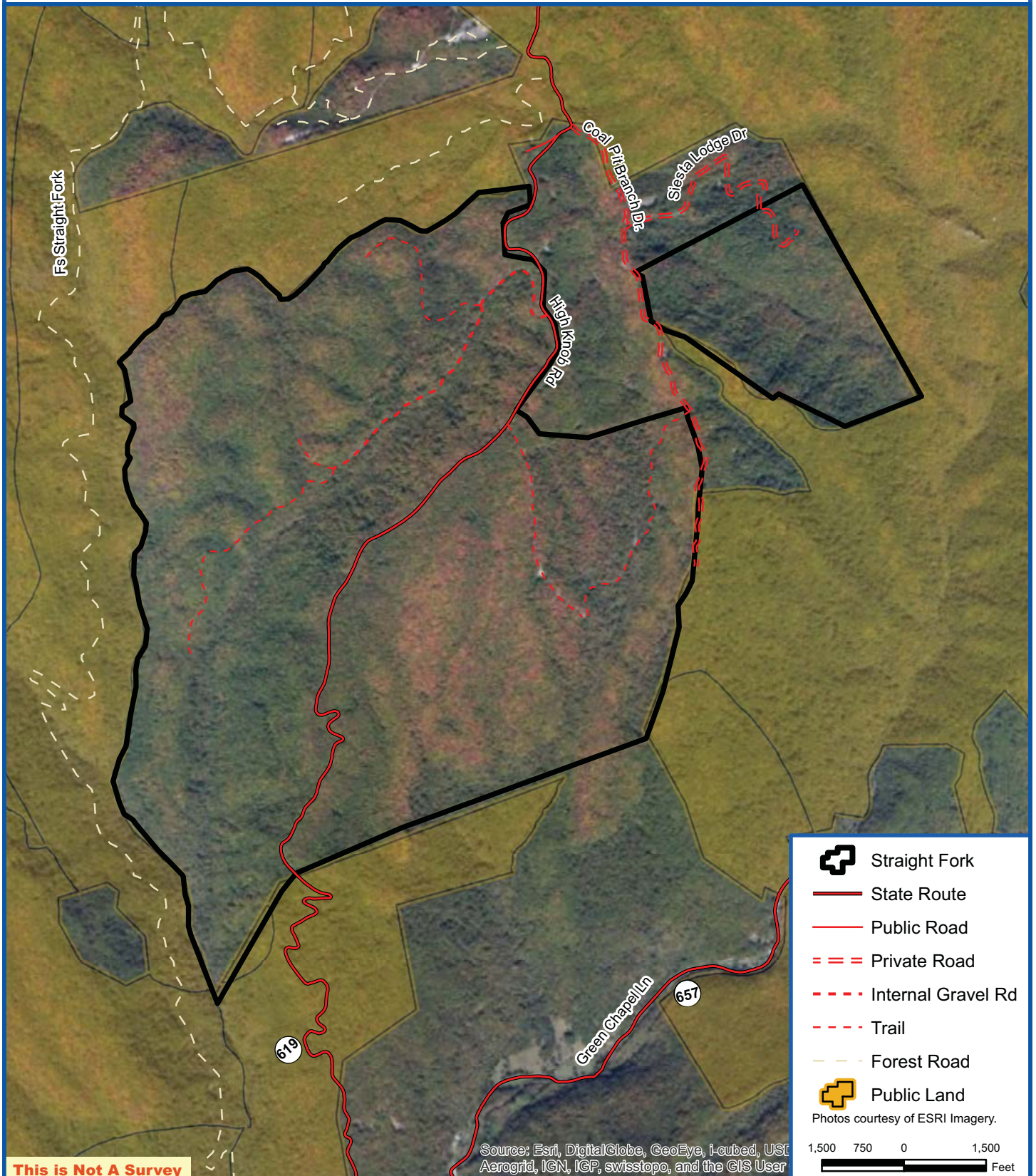


Straight Fork Forest

1612 GIS Acres

Scott County, Virginia

fountains



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