

OLD BUFFALO FOREST

*A central Vermont timber investment property,
with high-quality mature stands whose timber
is dominated by maple, ash, oak and pine sawlogs.*



**264 Grand List Acres
West Fairlee, Orange County, Vermont**

Price: \$356,000

PURCHASE OVERVIEW

After a 28-year tenure of stewardship, the Poll Family has decided to sell their West Fairlee forestland. The management objective from the onset has been the promotion of high-quality sawlogs and veneer through an asset appreciation silvicultural regime. The property is well-suited to the investor seeking a timber investment, whether long or short term.

Notable highlights include:

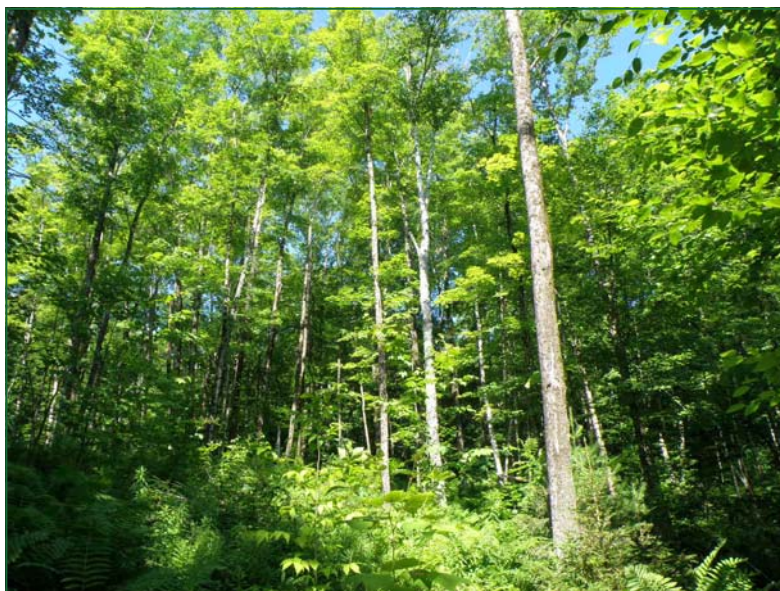
- Desirable species composition with value dominated by maple, oak, ash and pine;
- High overall stocking with an average of 29 total cords per acre;
- Diameter distribution represented largely by 65-110 year old stems, with sawlog volume of 5.7 MBF/acre;
- Exceptional stem quality in both the sawlog and growing stock classes;
- Developed access, enabling full property coverage for future forestry activity;
- Low carrying cost with taxes of \$811/year

LOCATION

The property is located in a rural mountainous region in east-central Vermont where homes are widely scattered and small family farms occupy the fertile valleys.

The location is appealing given its close proximity (5 miles) to Lake Fairlee, a small lakeside community which has shaped this rural location to include summer homes, numerous camps and the popular Middlebrook Restaurant. Closer to the property, the hamlet of West Fairlee Center hosts a church and community center, serving as the gateway to Bear Notch Road and the property, 1.5 miles beyond.

The land's convenient positioning to the I-91 corridor (11 miles to the east) enhances the capacity for efficiently transporting forest products to various markets within Vermont, New Hampshire, Maine and across the boarder into Quebec, Canada.



Long-term asset appreciation has been the primary ownership goal for decades. This thinned northern hardwood stand is located at the property's western side.



The property's Bear Notch Valley and central slopes with the Old Buffalo peak in the backdrop.



The Middlebrook Valley leads directly to the property, seen in the upper left corner of the photo.

ACCESS

Primary access to the property is provided by Bear Notch Road, a Class 4, unmaintained town road which runs through the western portion of the land. The property's southern boundary is roughly 1.5 miles from town-maintained Middlebrook Road to the south. Once on the property, there is an established landing (a roughly 1-acre clearing) 1,000' further on the west side of the access road. The road to this point from Middlebrook Road has a solid base and is suitable for all forms of forestry truck traffic.

Scruton Hill Road, also a Class 4 town road, provides access to the property's extreme eastern end, forming the eastern boundary for 0.3 miles. Due to steep grades, this road is not suitable for log trucks; however, it is quite drivable for recreational purposes. The small area of land that slopes towards this road is accessible from internal trails that lead to the landing along Bear Notch Road.

SITE DESCRIPTION

The property has been shaped by its former uses, including an intensive period of farming and homesteading going back to the late 1700s. Field evidence, such as an old cellar hole, an historic bridge abutment, stone walls, and a mill water abutment have all been noted on the forest (see maps for locations). Nearly all of the land was formally used for some form of agricultural activity. Today, most of the forest stands became established naturally after farming gradually ended in the late 1800s, reflecting historic property use patterns.

The property is set at the northern reaches of the Bear Notch Valley, which defines the majority of the land's terrain. The headwaters of Bear Notch Brook flow through this tight valley with nearly 95% of the terrain sloping towards the Bear Notch access road. The Old Buffalo mountain peak sits just to the north of the land, creating a ridge at the forest's eastern end where the remaining land slopes to Scruton Road. Elevations range from 1,420' along the ridge to 860' where the brook leaves the property.

Terrain is dominated by moderate to steep slopes, well-suited to a combination of traditional and fully-mechanized forest operational equipment. However, some of the steepest slopes will require conventional logging equipment and associated trail building machinery. With the exception of a few isolated low-lying area along the brook, soils are well-drained with average to above average productivity.



Bear Notch Road runs through the property and serves as good access for forest management purposes.



Thinned and fully stocked mixedwood stand of maple and white pine.



Mixedwood stand within the land's central valley with large diameter red oak stems.

ACREAGE, TAXES & TITLE

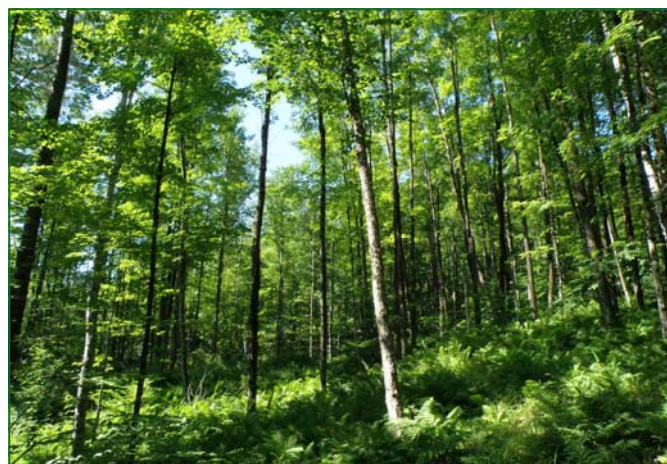
Property taxes in 2015 were \$811. The entire property **is** enrolled in the State of Vermont's Use Value Appraisal (UVA) program. The property is owned by Elizabeth Poll and Diana Wheeler, whose deed is recorded in the West Fairlee town office in Book 46, Page 328.

The acreage total of 264 used in this report and in determining timber volumes was calculated using GIS. The Town of West Fairlee Grand List also reports 264 acres.

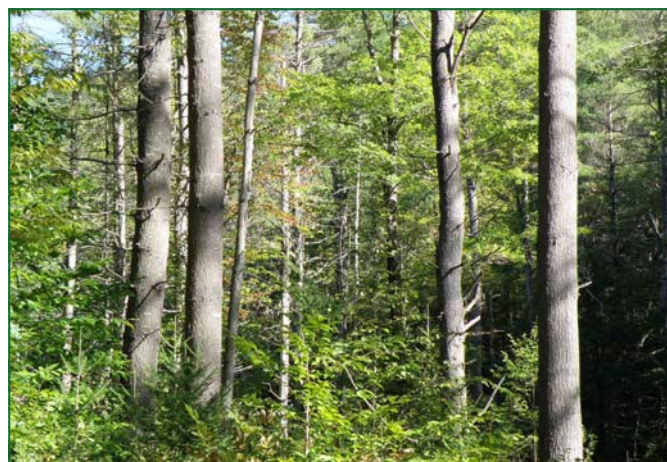
TIMBER RESOURCE

Timber data in this report are based on a comprehensive and monumented timber inventory, conducted in August of 2016 by Fountains Forestry. 50 points were sampled, covering a 450' X 450' grid using a 15 factor prism. Sampling statistics are $\pm 16.9\%$ standard error for sawlog products and $\pm 11.6\%$ for all products combined at the 95% confidence interval, figures well within industry standards. The timber data reveal a total sawlog volume of 1,462 MBF International $\frac{1}{4}$ " scale (5.7 MBF/commercial acre) with 4,642 pulpwood cords (18.1 cords/commercial acre). Combined total commercial per acre volume is 29.6 cords, a figure well in excess of the regional average. Based on this information, stumpage values were assigned by Fountains in September of 2016, producing a property-wide Capital Timber Value (CTV) of \$272,000 (\$1,029/total acre). See the Timber Valuation in this report for details.

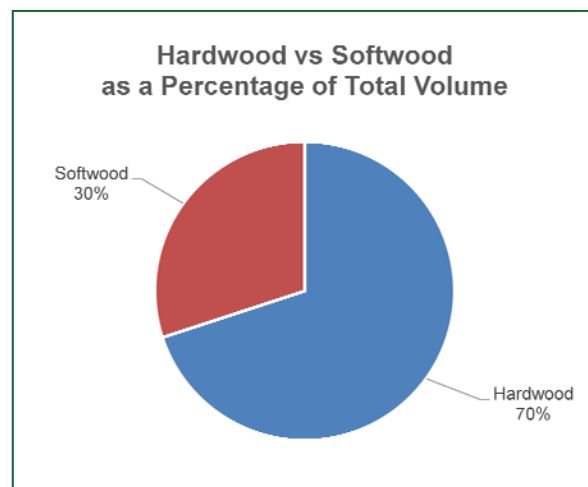
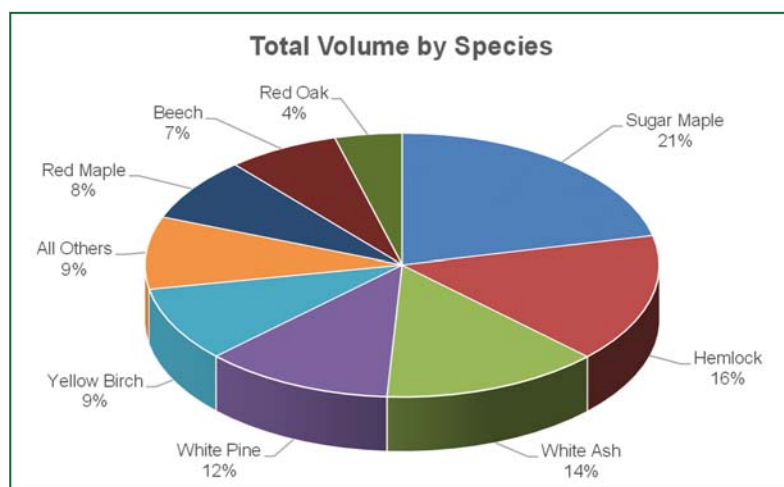
Four forest stands have been delineated from the data; these stands are depicted on the property maps.



One of the property's younger stands, thinned several years ago, where the focus was to concentrate growth on the best stems.



The existence of the property's abundant white pine resource is telling of the former agricultural uses dating back to the late 1700s.

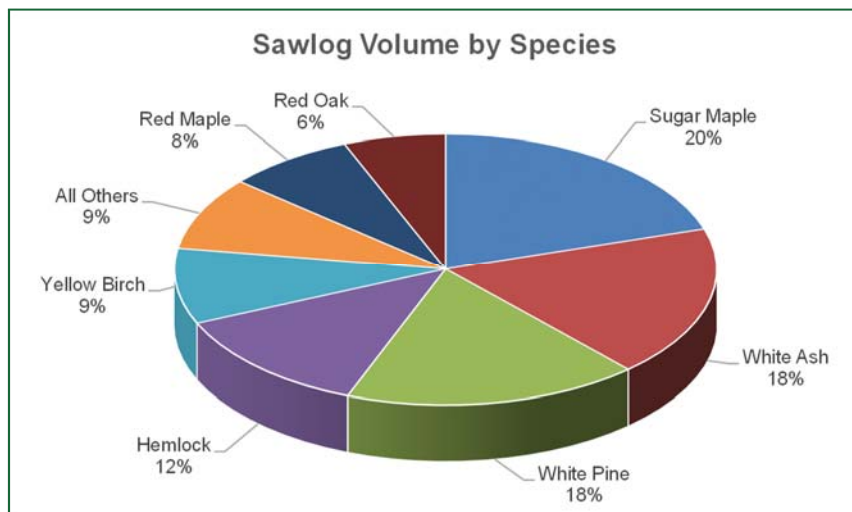


Hardwoods dominate with maple, ash, yellow birch, hemlock & white pine being the primary species

TIMBER RESOURCE (continued)

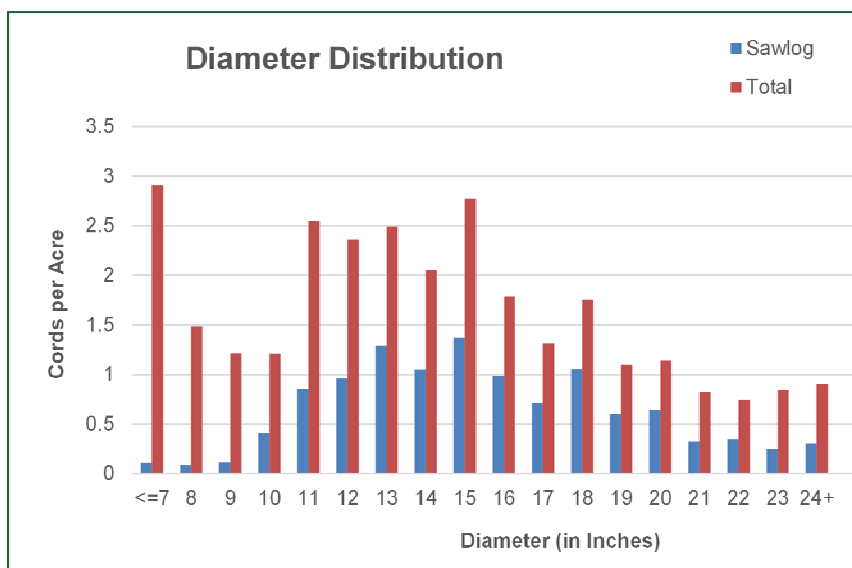
Species Composition:

A species composition of hardwoods prevails with hardwoods at 70% and softwoods at 30% of total volume. Total species composition offers a wide mix, including white pine, from the land's historic agricultural uses, and red oak due to the property's close proximity to the Connecticut River Valley where this species is more common. Sawlog volume comes primarily from sugar maple, ash, pine, hemlock and yellow birch. Notable associates include red spruce, red maple, white birch, black cherry and beech.



Diameter Distribution:

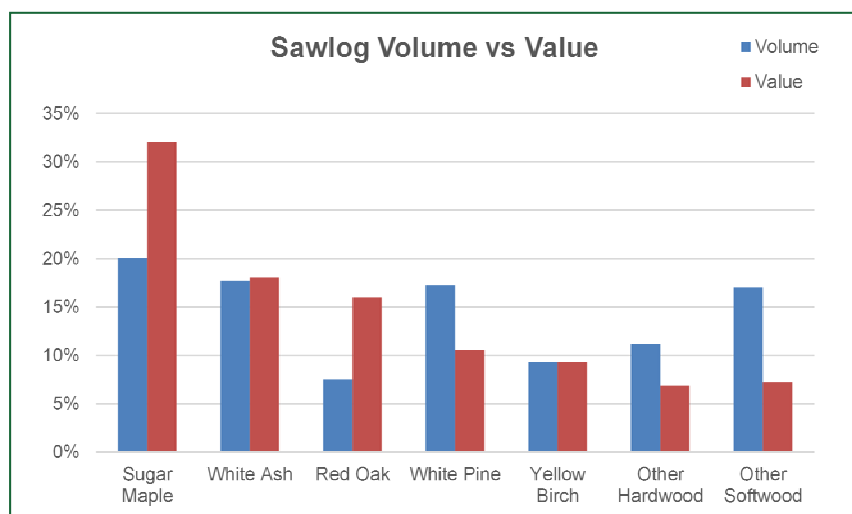
Average diameter for all products combined is 14.0", with the sawlogs slightly above 15", indicating a forest which is approaching financial maturity. Average sawlog diameters for key species include sugar maple at 14.5", white ash at 15.0", and white pine at 17.5" (mature). While the forest possesses growing stock within the 5-10" diameter classes, the majority of stocking is middle aged (65-85 years old). A sizeable mature age class is also represented from the considerable volume within the 18" and greater diameters. This latter attribute is a testament of the long-term asset appreciation silviculture conducted on the property over the past 30 years, the goal of which was to promote high-valued sawlogs and veneer.



Sawlog Value & Stocking:

Sawlog value is largely dominated by maple, ash and oak (66%), with white pine (10%) and yellow birch (9%) comprising much of the balance.

The 2016 inventory data indicate a forest-wide commercial acreage of 256, with total basal area at 104 ft²/acre and acceptable growing stock basal area at 67 ft²/acre, indicating high stocking of both total volume and acceptable quality stems. The occurrence of high-quality stems are common on this property



Old Buffalo Forest

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

West Fairlee, Vermont
September 2016

264 GIS Acres
256 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
Sugar Maple	189	250.00	350.00	315.00	59,700
White Ash	222	100.00	225.00	175.00	38,900
White Pine	170	90.00	160.00	130.00	22,100
Red Oak	73	175.00	300.00	265.00	19,500
Red Oak Veneer	23	500.00	1,000.00	700.00	15,800
Yellow Birch	83	125.00	250.00	175.00	14,500
Red Maple	76	75.00	150.00	120.00	9,100
Hemlock	179	30.00	60.00	45.00	8,100
Spruce/Fir	70	80.00	140.00	115.00	8,100
Pallet / Grade 3	146	30.00	60.00	45.00	6,600
Sugar Maple Pallet	98	50.00	100.00	65.00	6,400
Sugar Maple Veneer	6	800.00	1,500.00	1,000.00	5,900
Yellow Birch Veneer	6	600.00	1,000.00	700.00	4,300
White Birch	31	50.00	150.00	110.00	3,400
White Pine Pallet	82	15.00	40.00	20.00	1,600
Black Cherry	3	150.00	250.00	175.00	500
Beech	6	20.00	60.00	40.00	200
Pulpwood - Cords					
Hardwoods	3,391	7.00	16.00	12.00	40,700
Hemlock	824	4.00	8.00	6.00	4,900
White Pine	427	2.00	8.00	4.00	1,700

Totals					
Sawtimber Total	1,462 MBF				\$224,700
Sawtimber Per Acre	5.528 MBF				\$850
Sawtimber Per Comm Acre	5.710 MBF				\$878
Cordwood Total	4,642 Cords				\$47,300
Cordwood Per Acre	17.6 Cords				\$179
Cordwood Per Comm Acre	18.1 Cords				\$185
Total Per Acre					\$1,029

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$228,500	\$309,800	\$272,000

BASED ON A AUGUST 2016 INVENTORY CRUISE BY FOUNTAINS FORESTRY

Statistical Results: ±16.9% for all sawlog products combined and ±11.6% 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.

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.



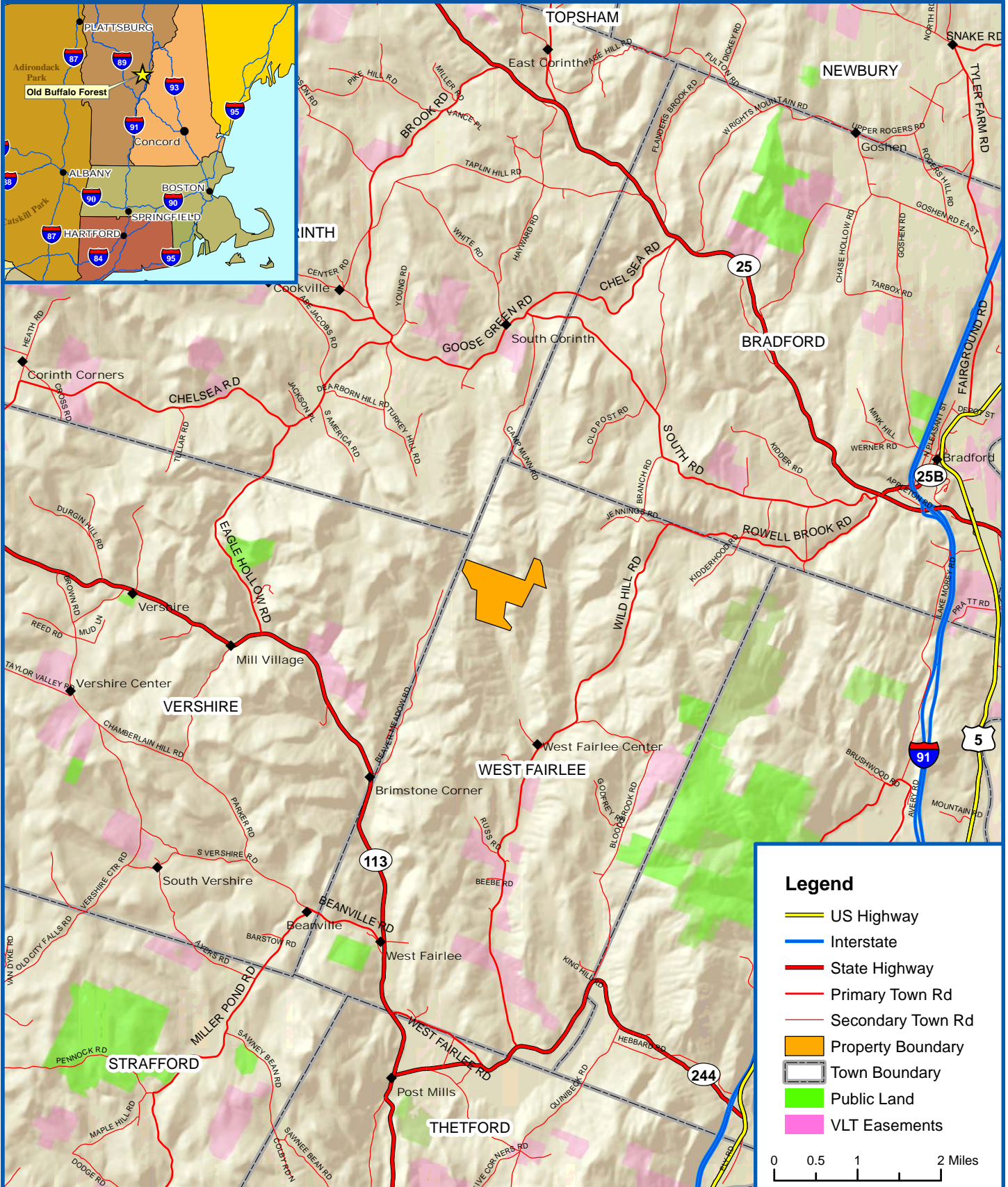
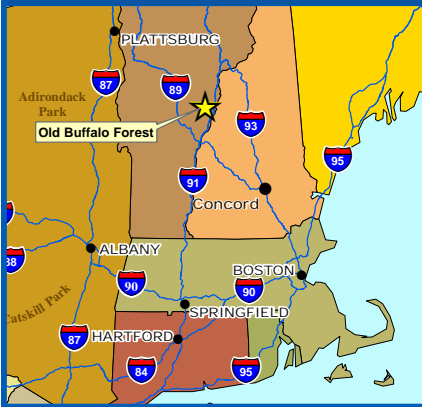
Locus Map

Old Buffalo Forest

264 +/- GIS Acres

West Fairlee, Orange County, VT

fountains

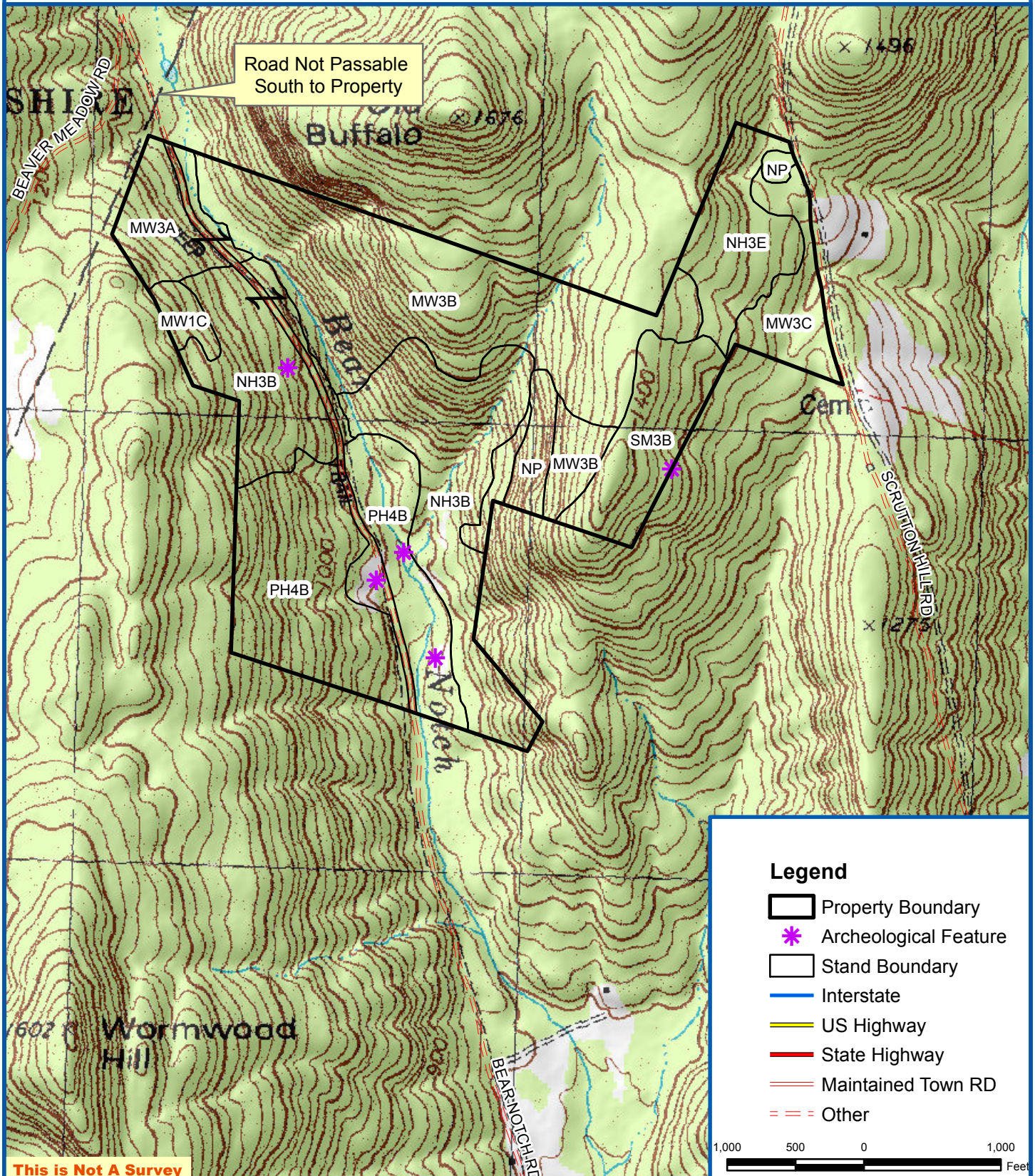


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fountains



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.

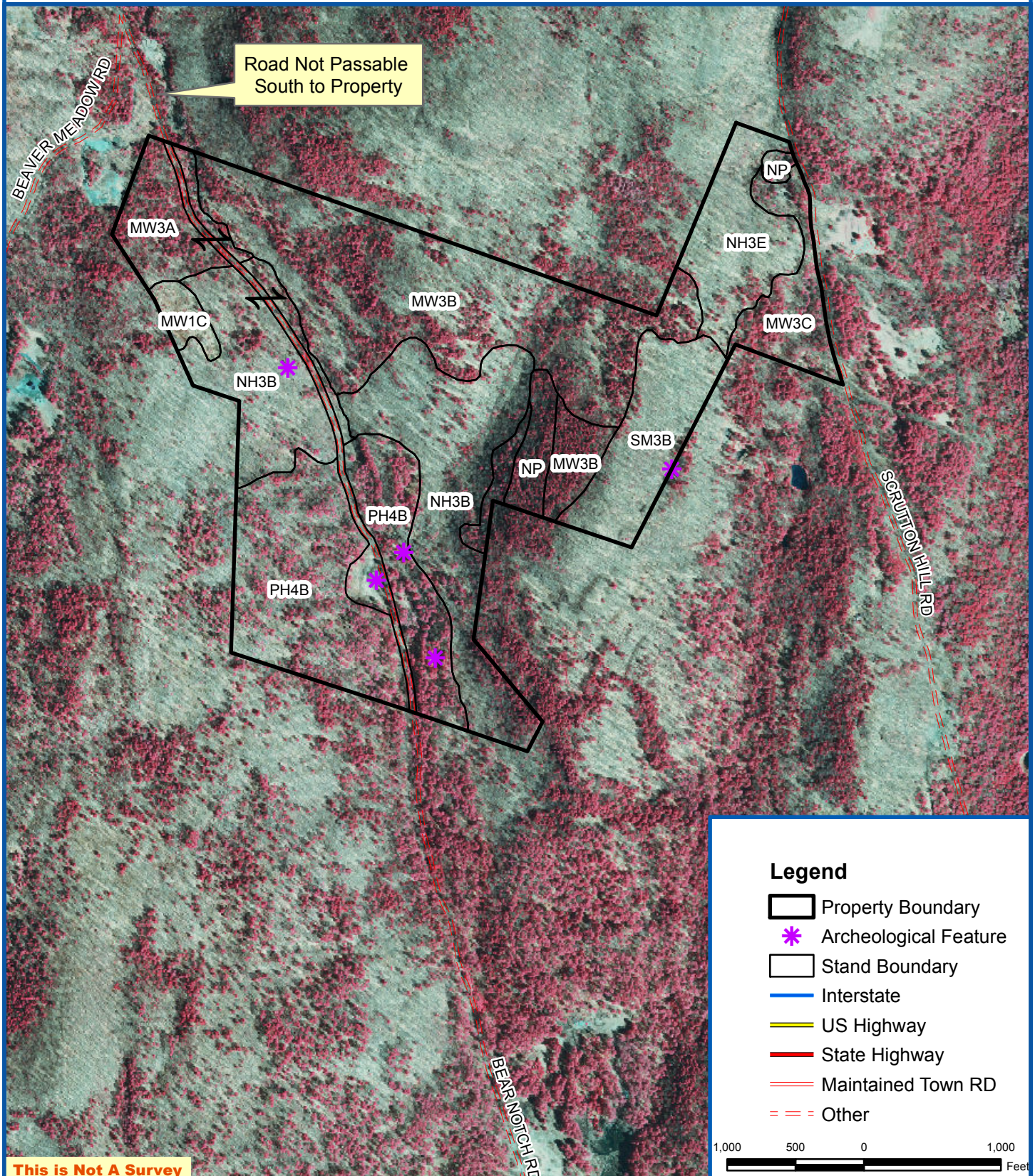


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Vermont Real Estate Commission Mandatory Consumer Disclosure



[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