

HARDWOOD MOUNTAIN FOREST

A trophy central Vermont forest property, featuring an exceptional northern hardwood resource, developed access, close proximity to the State Capital of Montpelier, and a scenic landscape which includes three prominent mountains.



**2,180.5 GIS acres
Marshfield, Washington County, Vermont**

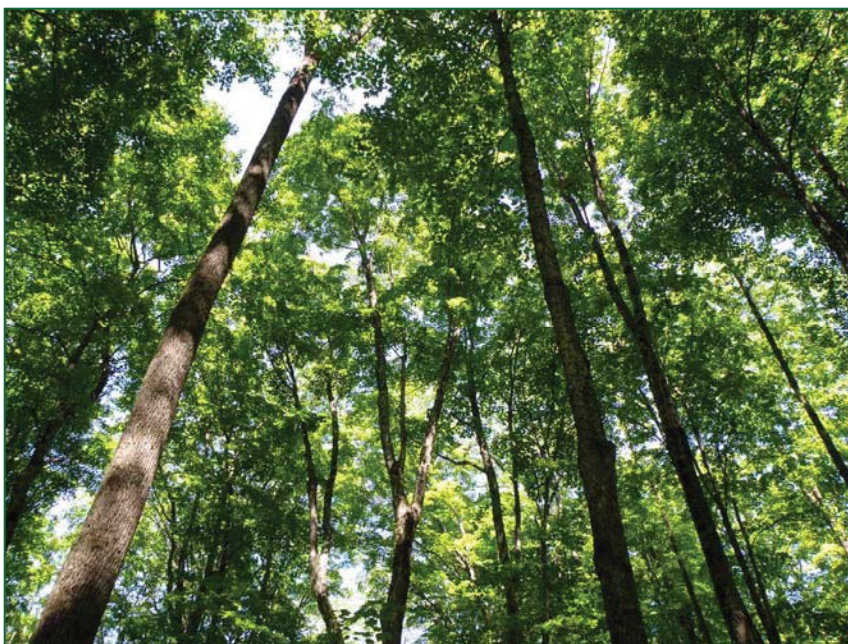
Price: \$3,620,000

INVESTMENT OVERVIEW

Seldom does such a distinctive, large forest tract become available in central Vermont, holding an exemplary stewardship history spanning decades and ideally positioning the property for long-term capital timber appreciation.

Investment highlights include:

- Excellent species composition, dominated by sugar maple;
- High stocking with an average of 30.5 cords per acre;
- Wide diameter distribution with high volume of sawlogs and a growing stock comprised of favorable northern hardwoods;
- Well-positioned for robust asset appreciation while offering cash flow from silvicultural operations;
- Established access providing full-property forestry coverage;
- Asking price that reflects a realistic “dirt” value, insuring timber fundamentals largely drive future returns.



The well-stocked hardwood stands are dominated by maples, opening the possibility for sugaring operations.

SITE OVERVIEW

While the forest offers a sound timber investment opportunity, it also benefits from multiple features that add value and widen the potential uses of the property.

Multiple-use benefits include:

- Adjacent to thousands of acres of state land, providing broader recreational opportunities and a conservation amenity;
- Proximity to the state capital of Montpelier and the vibrant community found there;
- Pre-approved 6-lot subdivision offering future retail sales cash flow;
- Highly scenic land including views of the granite cliffs of Marshfield Mountain and the secluded Bailey, Marshfield and Kettle Ponds, as well as the slopes of four mountains.

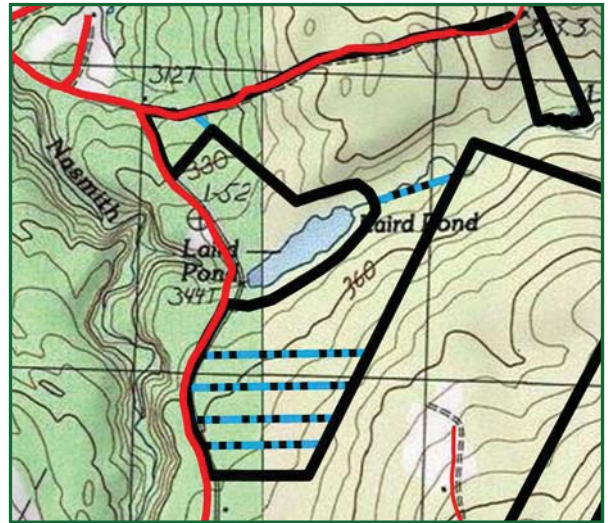


The property is adjacent to the 26,000-acre Groton State Forest. The popular Kettle Pond within the state lands is pictured here with Harwood Mountain on the left.

LOCATION

The property is located in the rural town of Marshfield in the Winooski River Valley within north-central Vermont. This area is a working landscape of family farms, managed forests, public lands and small villages. Adjacent to the property, the 26,000-acre Groton State Forest offers diverse recreational opportunities throughout the four seasons. The capital city, Montpelier, with an enticing array of amenities, is 11 miles to the west. In addition to being the hub of state government, the small city includes two colleges and a culinary school, a vibrant arts community with a professional theater, and a diverse array of locally-owned restaurants and shops. Closer to the property, Marshfield Village offers a country store, bakery and several other small businesses.

US Route 2 runs east-west through the village, connecting Marshfield to I-89 in Montpelier and I-91 in Saint Johnsbury (24 miles to the east). I-89 connects Montpelier to Burlington, the largest city in Vermont (50-minute drive from the property), and beyond to Montreal (3.5 hours from the property). Boston is a 3.25 hour drive to the southeast. Knapp Airport is next to Montpelier and supports jet traffic.



This meadow (left) off Laird Pond Road is part of an approved subdivision (shown in detail in the map to the right) and provides variety to the largely forested landscape.

The property extends southward from Marshfield Pond, which hosts a small community of summer cottages. Most of the land pictured just beyond the pond is within the property bounds, including Devils Hill to the right and the lower slopes of Kettle Mountain to the left .



ACCESS

The land benefits from good town road and right-of-way (RoW) access, and includes a developed internal road system, landings and trails. Overall, the access can be considered excellent, providing comprehensive road access to all sections of the forest, and substantially reducing future capital road expenditures.

Railroad Bed East – Total road frontage on this Class 4 dirt road is 2,455'. Although the road is not maintained by the town, the roadway is in very good condition and serves the Marshfield Pond lake community just beyond the forest. Power and telephone run along the road frontage. Potential house sites are possible on the property along this frontage overlooking Bailey and Marshfield Ponds and the Marshfield Ledges immediately beyond.



Frontage (on the left) along Railroad Bed East Road with Marshfield Pond across the road.

Internal Road - The internal road is a well-built, 3-season roadway extending 6,200' to serve the entire northern portion of the property. Beyond this point, an additional 4,700' of winter road extends to Lye Brook, providing good winter road access to the land between Kettle and Hardwood Mountains and Debby Hill.



The internal road serves all of the northern portion of the property and connects with a winter road to Lye Brook.

Laird Pond Road – There is approximately 2,815' of road frontage on this Class 3, town-maintained road with power and telephone. This frontage has been formally subdivided into six, previously-approved house lots per the Laird Pond Subdivision (identified on the maps associated with this report). These 107 acres of the property, in a neighborhood made up of well-maintained homes, offer strong potential for homestead development.

Guyette RoW and Harwood Mt Road – Each of these access points is understood to provide access to southern property points and are suitable for forest management and camp development. Hardwood Mountain Road is Class 3 for 0.19 miles and then becomes a Class 4 road for the next 1.24 miles, leading up to the property. There is approximately 1,200' of frontage along Hardwood Mountain Road. Guyette Road goes to within 400' of the property line and an access point has been developed here.

Jerusalem Road – Road frontage along Jerusalem Road is approximately 6,940' of Class 3 and 4 sections with power along the extreme western section for approximately 1,200'. Most of this access is not maintained by the town, though the road is in good condition and is passable by car to the southwest portions of the property. This access is important for future forestry operations; however, it offers other modest housing/camp options as well.

SITE DESCRIPTION

Hardwood Mountain Forest lies within a vast valley between four prominent and locally visible mountains: Devil's Hill to the north, Kettle Mountain and Debby Hill at the land's central area, and Hardwood Mountain in the southeast. The terrain varies from gently sloping valley bottoms (where 36 acres of poorly-drained wetland soils are located), to moderately well-drained mid-slopes, to steep and rocky upper slopes and hilltops.

Nearly all slopes are commercially operable except 25 acres of excessively steep terrain. Broadly, the terrain is well-suited to a combination of traditional and fully-mechanized forest operational equipment. All aspects are well-represented on the property, though the majority of the forest faces west. A mix of softwoods and hardwoods is found at lower elevations and in the valley bottoms. Hardwoods dominate the mid-slopes and hilltops.

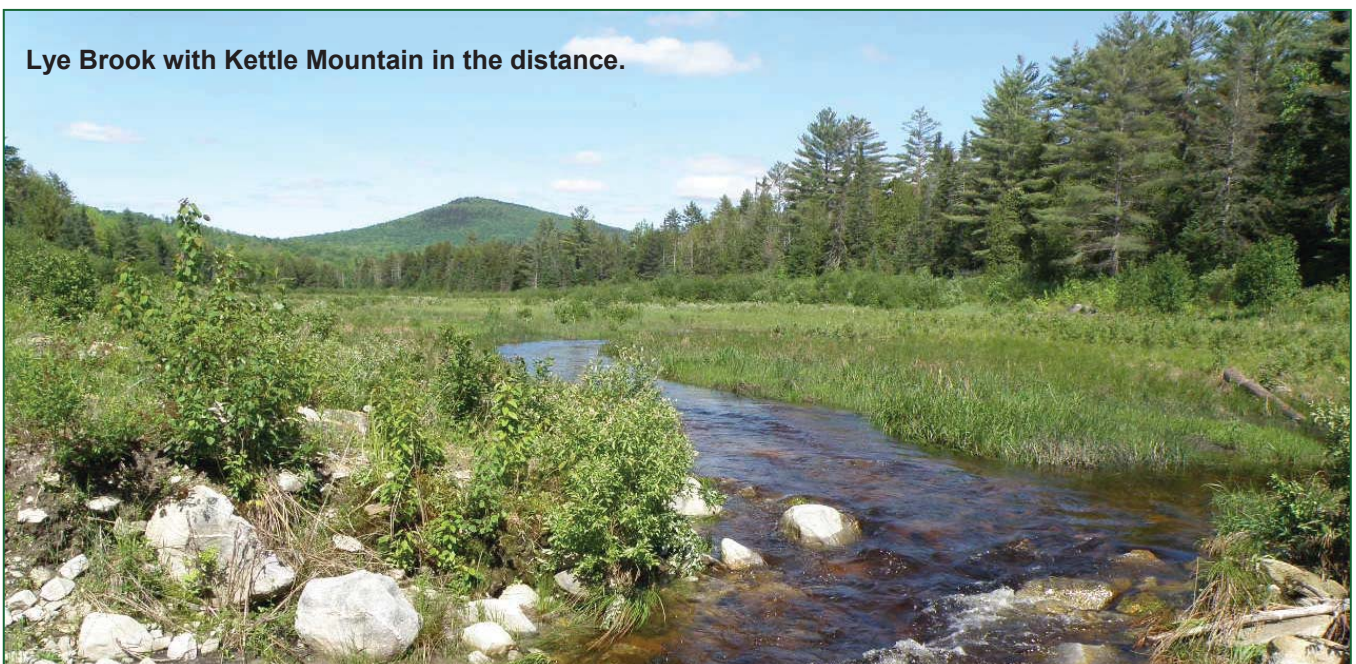
Elevation ranges from 1,120' where Lye Brook exits the property to 2,240' at the top of Hardwood Mountain. The year-round Lye Brook runs through and drains the southern section of the property into the Laird Pond wetland, whose headwaters begin on the adjacent Groton State Forest. A 10.7-acre field exists along Laird Pond Road.

The shoreline of the secluded Kettle Pond (within the State Forest) sits within a stone's throw of the property boundary, offering easy access to this scenic, public pond where only paddlers and hikers interact with the pond's annual loon population.



Above: The Lye Brook wetlands with Little Debby and Kettle Mountains behind.

Below: The cliffs of Marshfield Mountain



Lye Brook with Kettle Mountain in the distance.

TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory, conducted in March of 2014 by Fountains Forestry. 214 points were sampled, covering a 655' X 655' grid using a 20 factor prism. Sampling statistics are $\pm 10.8\%$ standard error for sawlog products and $\pm 7.1\%$ for all products combined at the 95% confidence interval, figures well within industry standards. These data reveal a total sawlog volume of 12,465 MBF International $\frac{1}{4}$ " scale (5.98 MBF/commercial acre) with 38,760 pulpwood cords (18.6 cords/commercial acre). Combined total commercial per acre volume is 30.5 cords, a figure well in excess of the regional average. Harvest volumes in 2014 of 29 MBF and 347 cords we removed from the inventory volume data, and growth for 2014/15 was applied based on regional FIA data. Stumpage values were assigned to the revised volumes by Fountains, producing a property-wide Capital Timber Value (CTV) of \$2,979,800 (\$1,367/total acre). See the Timber Valuation in this report for details.

Species Composition:

A species composition dominated by hardwoods prevails, with hardwoods at 81% and softwoods at 19% of total volume. Species composition for all products combined offers a favorable mix and is led by the maples (48%), followed by yellow birch (13%), white ash and spruce/fir (each 9%), with cherry, white birch, aspen and beech filling out the hardwoods (11%) and hemlock and pine comprising the balance of softwoods (10%). Sawlog volume consists largely of species with historically strong demand, dominated by sugar maple.

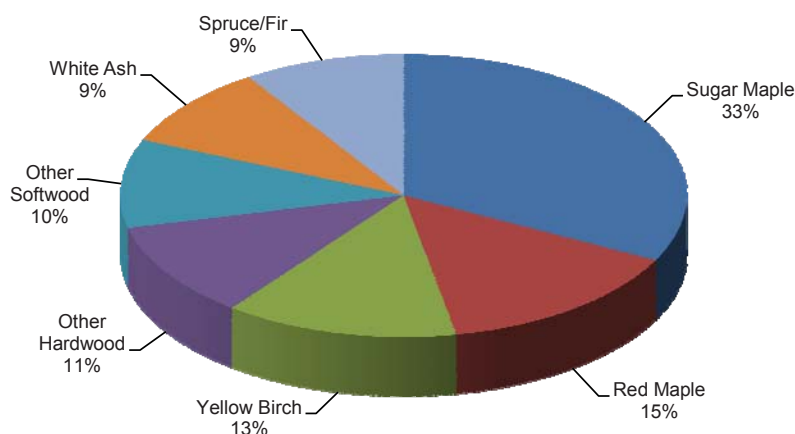
Stocking and Stem Quality:

Overall, forest stocking is high with an average Basal Area (BA) of 93.6ft² with excellent stem quality. The data indicates Acceptable Growing Stock (AGS) holding a BA of 60ft², representing full utilization of growing space by current and future crop trees.

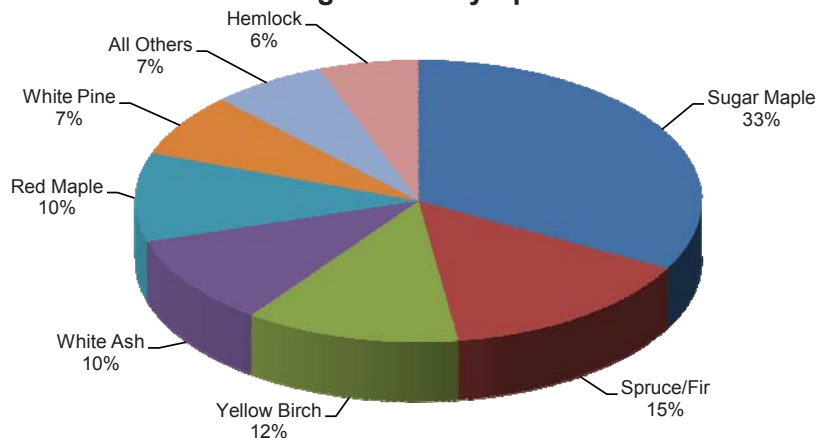


Well-stocked hardwoods, typical of the high quality stands found on the slopes of Hardwood Mountain.

Total Volume by Species



Sawlog Volume by Species



TIMBER RESOURCE (continued)

Stand Types:

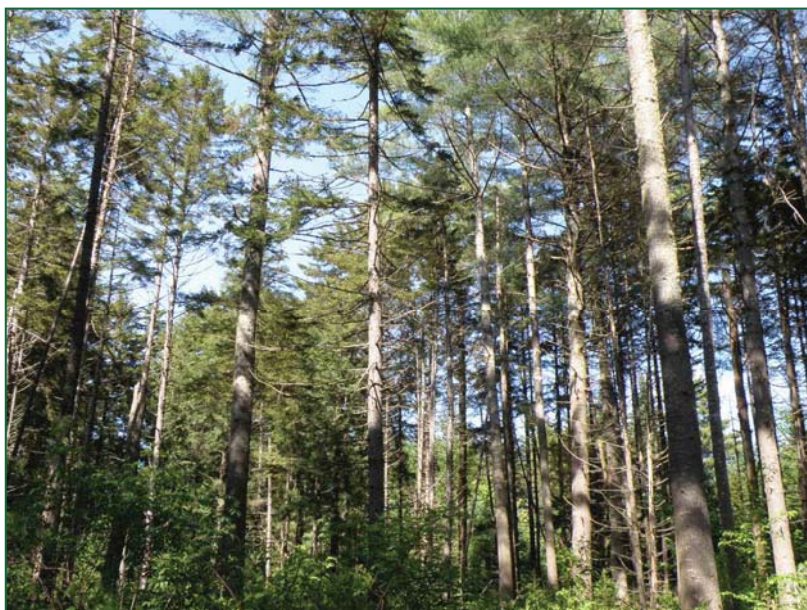
The UVA management plan on file with the state (and based on the 2014 inventory data) identifies 5 stand types: a Northern Hardwood type covering 511.5 acres on 7 stands (24.4% of commercial acreage), a Sugar Maple type - 954.5 acres on 9 stands (45.6%), a Mixedwood type - 513.4 acres on 8 stands (24.5%), a Hemlock type on one stand (1.3%), and a Softwood type on one stand (4.2%). The 85.6-acre balance consists of non-forest or non-productive areas (roads, landings, wetlands, fields, steep areas). A forest stand type map is included at the end of this report.

Scheduled Treatments:

The 2014 UVA management plan identifies 11 stands covering 788 acres left to be treated over the upcoming 10-year management cycle, removing 1,091 MBF (1.4 MBF/acre) and 5,170 cords (6.6 cords/acre). This harvest activity will produce a net revenue of roughly \$195k, a sufficient level of income to cash flow the forest and generate modest levels of income while the forest continues towards maturity and a strong asset appreciation phase.

Top: The 130-acre shelterwood operation in Stand 3 (completed 2014).

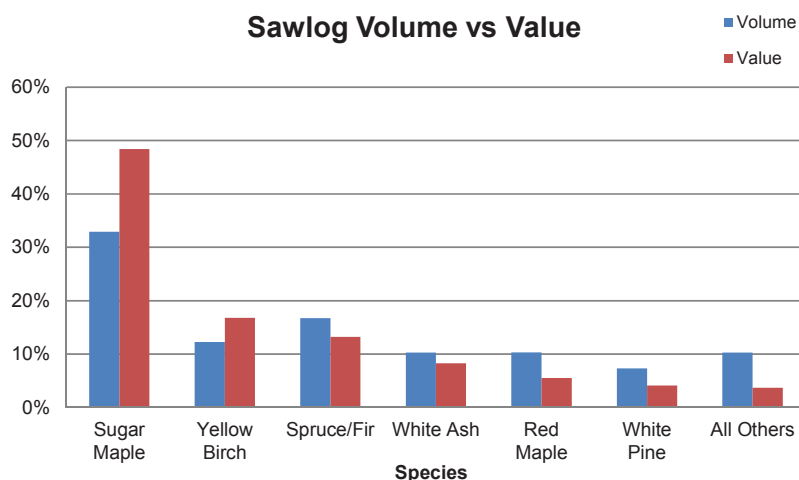
Bottom: White pine stand along Laird Pond Road (thinned 2006)



Sawlog Value:

Sawlog value is largely dominated by sugar maple (49%), followed by yellow birch (18%) and spruce/fir (12%), with the balance held by miscellaneous hardwoods, pine and hemlock.

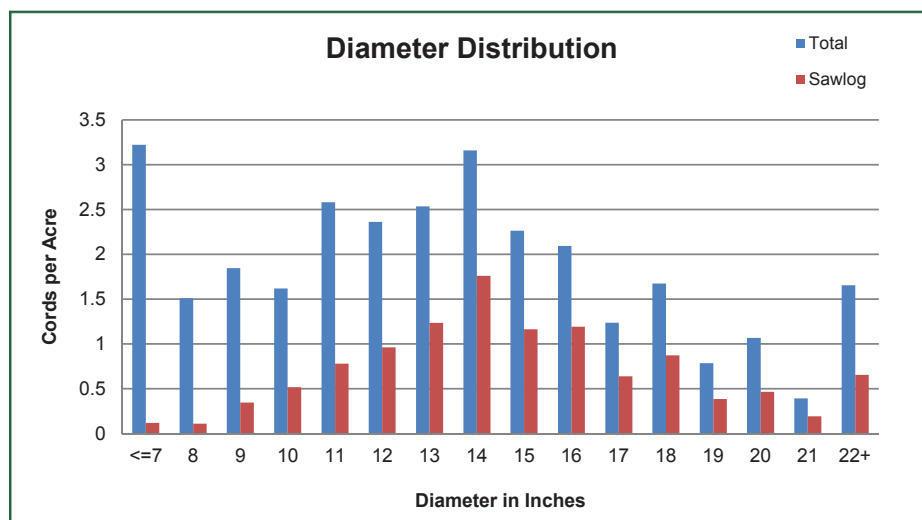
Sawlog Volume vs Value



TIMBER RESOURCE (continued)

Diameter Distribution:

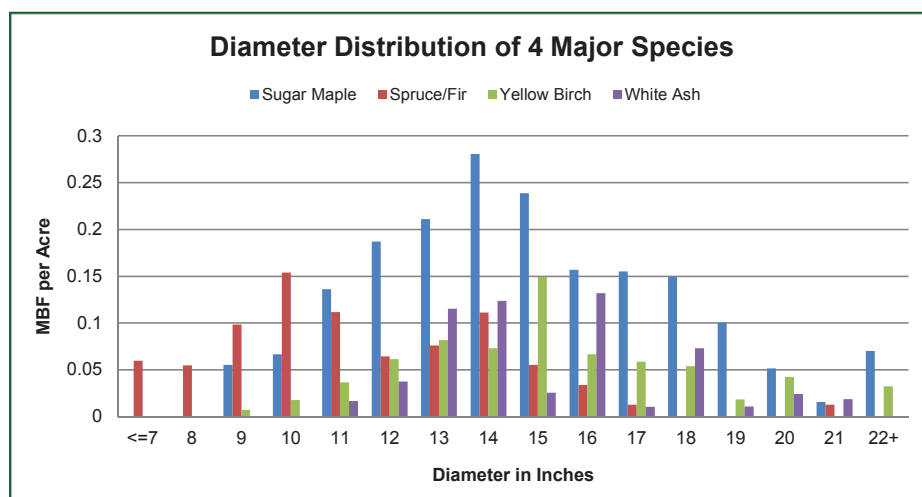
Average diameter for all products combined is 13.0", while the average sawlog diameter is 14.5", well above average given the hardwood-dominated forest types. One striking attribute of the forest is the abundant pole-sized growing stock (8-11" diameters), which resulted from harvesting in the late 1970s to mid 1990s. This growing stock consists of desirable species with 79% of its volume comprised of the maples, birches, and ash.



Average diameters for the four major species are: sugar maple 14.5", spruce/fir 11", yellow birch 15" and white ash 15".

Sugarbush Potential:

The property offers a potential sugarbush opportunity, with the timber data indicating roughly 70,400 sugar and red maple taps property-wide (utilizing all stems 10" and greater). Sap for the southern 66% of the acreage (46,200 taps) will likely flow towards the Laird Pond Road frontage. The remaining sap (24,200 taps) would flow towards Railroad Bed Road. Note, however, that the above level of taps should be lowered (by as much as 40%) to more accurately reflect an economically feasible sugarbush, based on density and other factors.



For additional information about timber and other aspects of this property, please visit the data room, accessible via the Fountains web site (password: marshfield). Click on the Data Room link on the right.

ACREAGE, TAXES & TITLE

Property taxes in 2016 are \$6,078. The property is enrolled in the State of Vermont's Use Value Appraisal (UVA) program. The property is owned by Evergreen Timber LLC whose deeds are recorded in the Town of Marshfield in Book 56, Page 527. The property is depicted on Marshfield Tax Map 12 as lots 2-11. Total Grand List acres is 2,353.8 while the GIS acreage is 2,180.5; the latter is believed to be more accurate and the basis for the timber data and for setting property asking price.

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.

Hardwood Mountain Forest

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Marshfield, Vermont
January 2016

2,180.5 GIS Acres
2,084.1 GIS Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
Sugar Maple	2,036	350.00	450.00	425.00	865,100
Spruce/Fir	2,079	100.00	160.00	140.00	291,000
Yellow Birch	815	225.00	420.00	325.00	264,900
Sugar Maple Pallet	2,028	100.00	150.00	100.00	202,800
White Ash	1,093	125.00	250.00	225.00	245,800
Yellow Birch Veneer	108	750.00	1,150.00	900.00	96,800
Red Maple	684	125.00	200.00	175.00	119,600
White Pine	651	100.00	150.00	130.00	84,600
Sugar Maple Veneer	42	1,000.00	2,000.00	1,300.00	54,400
Hardwood Pallet	1,021	25.00	60.00	50.00	51,000
Yellow Birch Pallet	608	60.00	130.00	75.00	45,600
Hemlock	713	35.00	60.00	45.00	32,100
Black Cherry	66	250.00	400.00	275.00	18,000
White Birch	105	100.00	200.00	175.00	18,400
Aspen	140	25.00	70.00	50.00	7,000
White Pine Pallet	263	50.00	120.00	25.00	6,600
Beech	18	25.00	60.00	50.00	900
Pulpwood - Cords					
Hardwood	33,762	8.00	20.00	16.00	540,200
Spruce/Fir	2,298	5.00	12.00	7.00	16,100
Hemlock	1,631	5.00	12.00	7.00	11,400
Other Softwood	1,069	5.00	12.00	7.00	7,500

Totals					
Sawtimber Total	12,465	MBF			\$2,404,600
Sawtimber Per Acre	5.717	MBF			\$1,103
Sawtimber Per Comm. Acre	5.981	MBF			\$1,154
Cordwood Total	38,760	Cords			\$575,200
Cordwood Per Acre	17.8	Cords			\$264
Cordwood Per Comm. Acre	18.6	Cords			\$276
Total Per Acre					\$1,367

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$2,559,000	\$3,294,000	\$2,979,800

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

Based on a early 2014 inventory by Fountains. % Error: Sawlog Volume 10.8%, Total Volume 7.1%, at 95% Confidence Level
2014 harvest removed from inventory, growth applied for 2014 & 2015 growing seasons at rates calculated from regional FIA data.

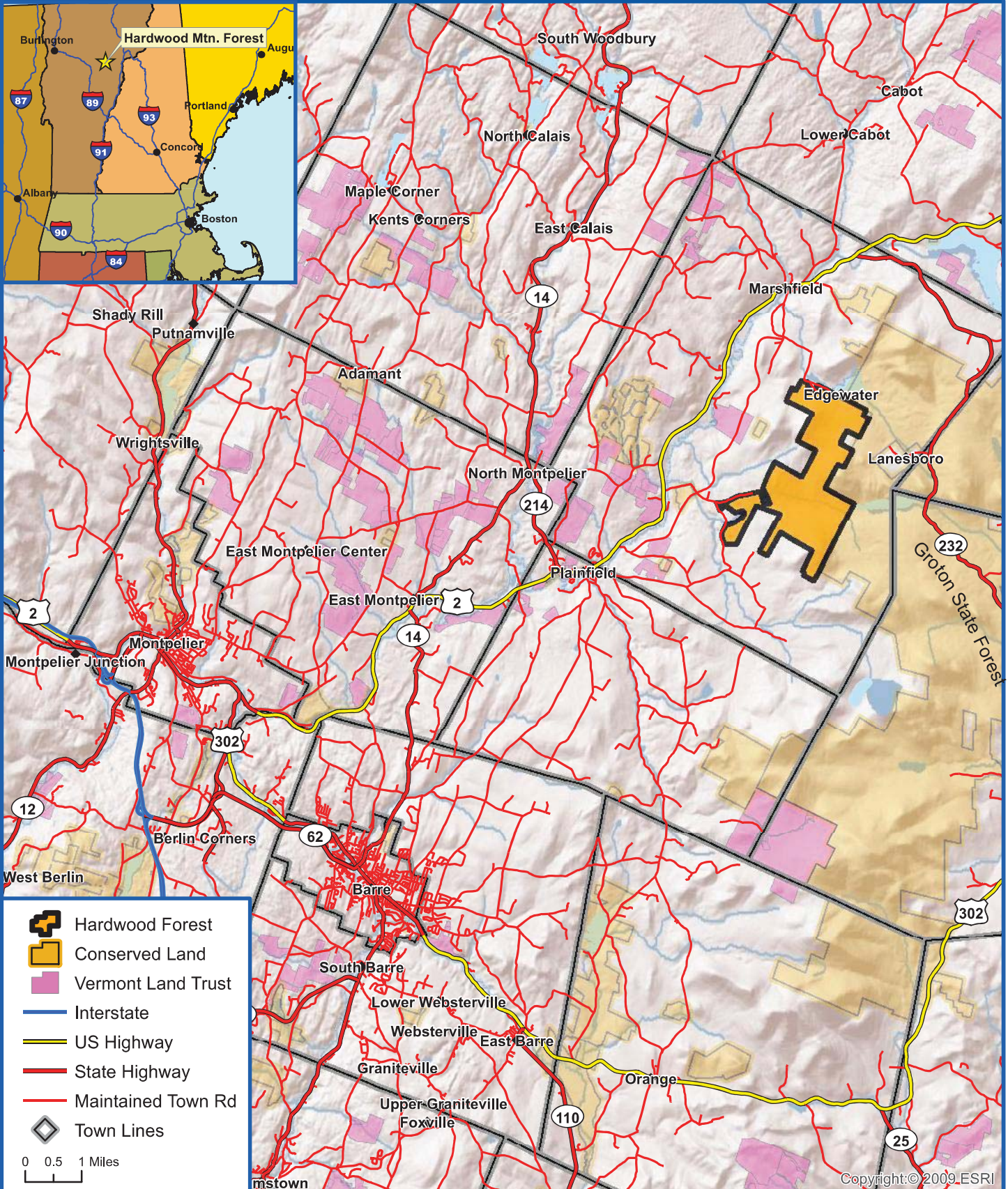
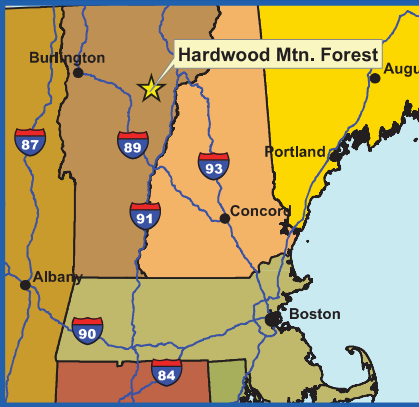
The volumes and values are not a liquidation value.

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

Locus Map

Hardwood Mountain Forest

2180.5 GIS Acres
Marshfield, Vermont

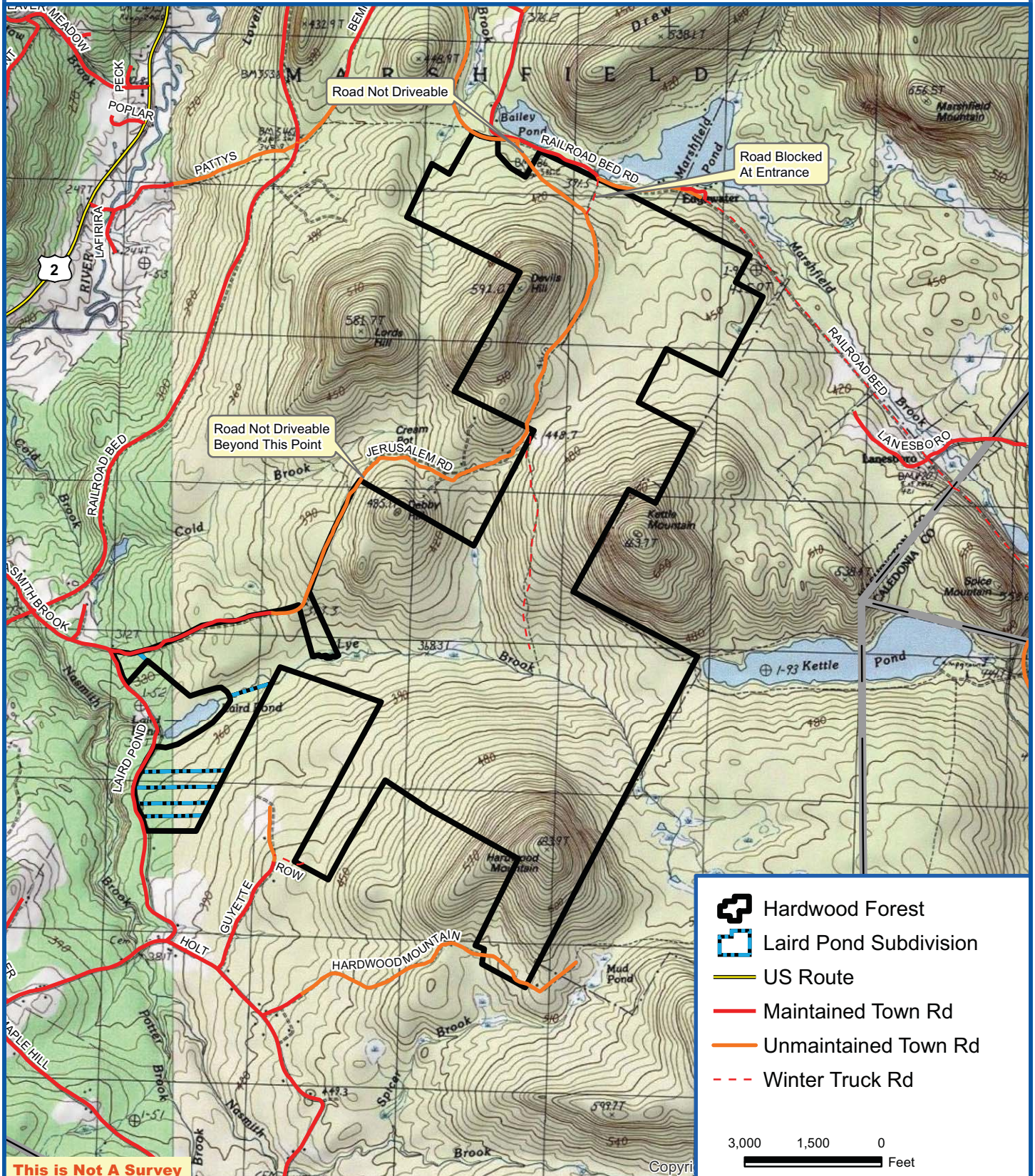


Hardwood Mountain Forest

2180.5 GIS Acres

Marshfield, Vermont

fountains



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VVGI, Vermont Land Trust 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.

fountains

Marshfield, Vermont



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VVGI, Vermont Land Trust 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.



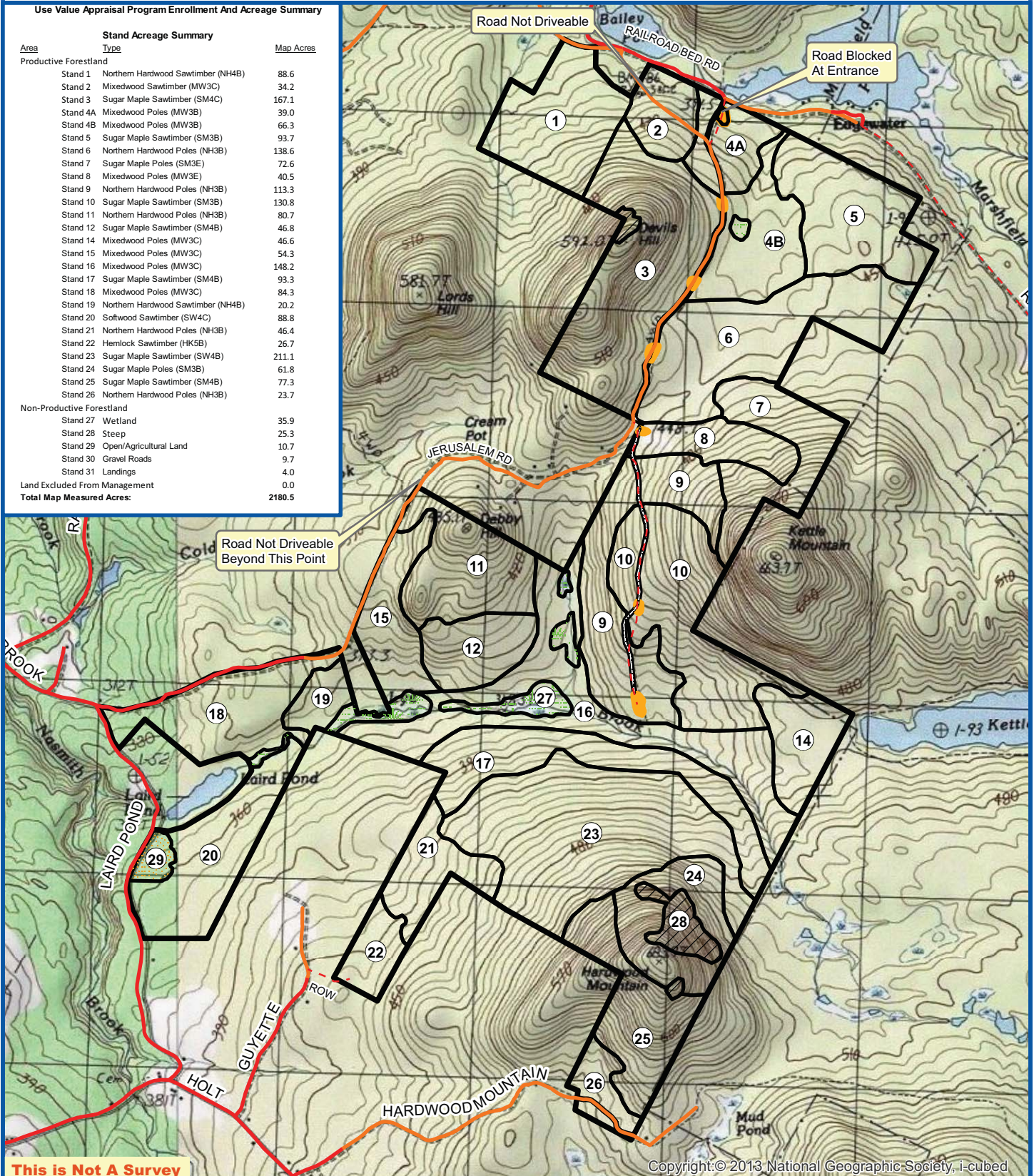
Hardwood Mountain Forest

Stand Map

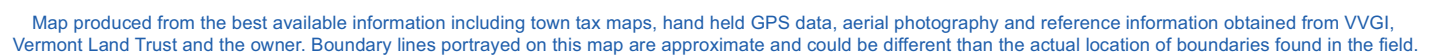
fountains

Use Value Appraisal Program Enrollment And Acreage Summary

Stand Acreage Summary		
Area	Type	Map Acres
Productive Forestland		
Stand 1	Northern Hardwood Sawtimber (NH4B)	88.6
Stand 2	Mixedwood Sawtimber (MW3C)	34.2
Stand 3	Sugar Maple Sawtimber (SM4C)	167.1
Stand 4A	Mixedwood Poles (MW3B)	39.0
Stand 4B	Mixedwood Poles (MW3B)	66.3
Stand 5	Sugar Maple Sawtimber (SM3B)	93.7
Stand 6	Northern Hardwood Poles (NH3B)	138.6
Stand 7	Sugar Maple Poles (SM3E)	72.6
Stand 8	Mixedwood Poles (MW3E)	40.5
Stand 9	Northern Hardwood Poles (NH3B)	113.3
Stand 10	Sugar Maple Sawtimber (SM3B)	130.8
Stand 11	Northern Hardwood Poles (NH3B)	80.7
Stand 12	Sugar Maple Sawtimber (SM4B)	46.8
Stand 14	Mixedwood Poles (MW3C)	46.6
Stand 15	Mixedwood Poles (MW3C)	54.3
Stand 16	Mixedwood Poles (MW3C)	148.2
Stand 17	Sugar Maple Sawtimber (SM4B)	93.3
Stand 18	Mixedwood Poles (MW3C)	84.3
Stand 19	Northern Hardwood Sawtimber (NH4B)	20.2
Stand 20	Softwood Sawtimber (SW4C)	88.8
Stand 21	Northern Hardwood Poles (NH3B)	46.4
Stand 22	Hemlock Sawtimber (HK5B)	26.7
Stand 23	Sugar Maple Sawtimber (SW4B)	211.1
Stand 24	Sugar Maple Poles (SM3B)	61.8
Stand 25	Sugar Maple Sawtimber (SM4B)	77.3
Stand 26	Northern Hardwood Poles (NH3B)	23.7
Non-Productive Forestland		
Stand 27	Wetland	35.9
Stand 28	Steep	25.3
Stand 29	Open/Agricultural Land	10.7
Stand 30	Gravel Roads	9.7
Stand 31	Landings	4.0
Land Excluded From Management		
		0.0
Total Map Measured Acres:		2180.5



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VVGI, Vermont Land Trust 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.





Vermont Real Estate Commission Mandatory Consumer Disclosure



(This is not a Contract)

This mandatory disclosure shall be given to the consumer at the first reasonable opportunity, and must be given to the consumer before discussion of confidential information; entering into a service agreement; or showing a property.

Right Now You Are A Customer

As a customer, the real estate agent with whom you are working is not obligated to keep confidential the information that you might share with him or her. As a customer, you should not reveal any confidential information that could harm your bargaining position.

Vermont law requires all agents to perform basic duties when dealing with a buyer or seller. You can expect the agent with whom you deal to provide the following services whether you are a Customer or a Client:

- To disclose all material facts pertaining to the property known to the agent.
- To treat both the buyer and seller honestly and not knowingly give false or misleading information.
- To account for all money and property received from or on behalf of the buyer or seller.
- To comply with all state and federal laws related to the practice of real estate.

I/We Acknowledge Receipt of This Disclosure

Printed Name of Consumer

Signature of Consumer Date

[] Declined to sign

Printed Name of Consumer

Signature of Consumer Date

[] Declined to sign

Approved by the Commission: 05272010

You May Become A Client

Whether you are selling or buying, clients receive more services than customers. You become a client by entering into a written contract with a real estate brokerage firm. All agents in the firm work for you.

In addition to the services noted in the left hand column, as a client you can expect the following services:

- Confidentiality, including bargaining information
- Promotion of your best interest within the limits of the law
- Advice and counsel
- Assistance in negotiations

Important Information

1. You are not required to hire a brokerage firm for the purchase or sale of Vermont real estate. You may represent yourself.
2. Before you hire a brokerage firm, ask for an explanation of the firm's conflict of interest policies.

This form has been presented to you by:

FOUNTAINSLAND
Printed Name of Real Estate Brokerage Firm

MICHAEL A TRAGNER
Printed Name of Agent Signing Below

[Signature]
Agent of the Firm Signature Date