

HARDWOOD MOUNTAIN FOREST

One of central Vermont's largest privately held tracts, the property features an exceptional northern hardwood resource, developed access, close proximity to the State Capital of Montpelier, and a scenic landscape which includes three prominent mountains.



Marshfield, Washington County, Vermont

Entire Property — 2,180.5 GIS acres; Price: \$3,660,000

Also offered as:

Devil's Hill Tract — 731.4 GIS acres; Price: \$1,200,000

Hardwood Mt. South Tract — 1,449.1 GIS acres; Price: \$2,590,000

PURCHASE OVERVIEW

Seldom does such a large forest tract become available in central Vermont, holding an exemplary stewardship history spanning decades. The property is ideally suited for long-term capital timber appreciation, with possible large-scale sugarbush opportunity.

While the property is being offered in its entirety, the ownership is open to selling the northern Devil's Hill and southern Hardwood Mountain South Tracts separately, pending subdivision approval.

Notable highlights include:

- Excellent species composition, dominated by sugar maple;
- High overall stocking with an average of 30 cords per acre;
- Wide diameter distribution with high volume of sawlogs and a growing stock comprised of favorable northern hardwoods;
- Conservation amenity from adjacent state lands;
- Well-positioned for robust asset appreciation while offering cash flow from silvicultural operations;
- Developed access enabling full property coverage for future forestry activity.



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



Harwood Mountain is seen here from the west along Route 2, with the Winooski River in the foreground.

LOCATION

The property is in the rural town of Marshfield in the Winooski River Valley to the east of the Green Mountain range in 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 20 miles to the west. Marshfield Village offers a country store, bakery and several other small businesses.

US Route 2 runs east-west through the village, connecting Marshfield to Interstate 89 in Montpelier (20 miles to the west) and Interstate 91 in Saint Johnsbury (20 miles to the east). I-89 connects Montpelier to Burlington, the largest city in Vermont (an additional 45-minute drive), and beyond to Montreal (3 hours from Montpelier). I-91 connects Saint Johnsbury with all points north, east and south, including Boston (3.5 hours southeast), and the Canadian border (1 hour north).

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 interior of Devil's Hill Tract. 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 Devil's Hill Tract 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 and Harwood Mt RoW's – Each of these RoW's are understood to provide access to southern property points and are suitable for forest management and camp development. Hardwood Mountain Road is a Class 3 road 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'. The 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.

ACREAGE, TAXES & TITLE

Property taxes in 2014 were \$5,442. 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 setting property asking price.

SITE DESCRIPTION

Hardwood Mountain Forest lies within a vast valley between four prominent and locally visible mountains: Devil's Hill, Kettle Mountain and Debby Hill in the north, and Debby Hill and Hardwood Mountain in the south. 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, this 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 are 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 the Laird Pond Road.

Visible from many areas on the northern side of the property are the scenic Bailey and Marshfield Ponds, as well as the dramatic Marshfield Ledges, a popular rock-climbing location and important Peregrine falcon nesting grounds.

TIMBER RESOURCE

Timber data in this report is 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. This data reveals a total sawlog volume of 12,144 MBF International $\frac{1}{4}$ " scale (5.83 MBF/commercial acre) with 38,162 pulpwood cords (18.3 cords/commercial acre). Combined total commercial per acre volume is 30 cords, a figure well in excess of the regional average. Harvest volumes in 2014 of 29 MBF and 347 cords were removed from the inventory volume data, and growth for 2014 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 \$2,753,600 (\$1,263/total acre). See the Timber Valuation in this report for details.



The southern tract with the Lye Brook wetlands in the foreground and Little Debby Mountain to the left and Kettle Mountain to the right.



Looking south across Marshfield Pond to the northern acreage. Devil's Hill is on the right, and Kettle Mountain is on the left.



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

TIMBER RESOURCE (continued)

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.

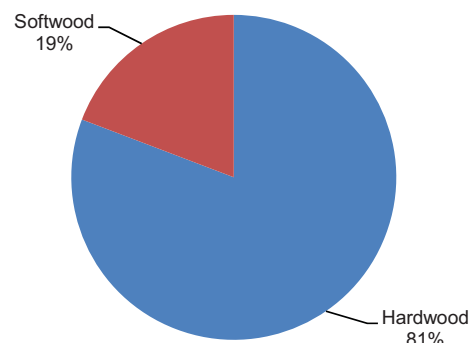
Stand Types:

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.

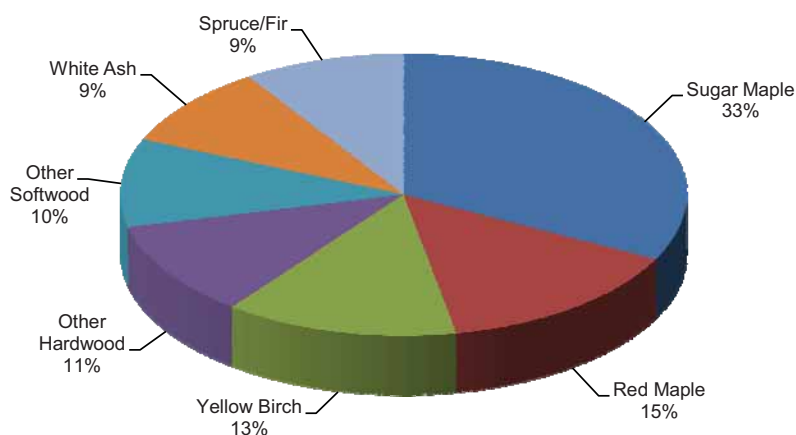
Scheduled Treatments:

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.

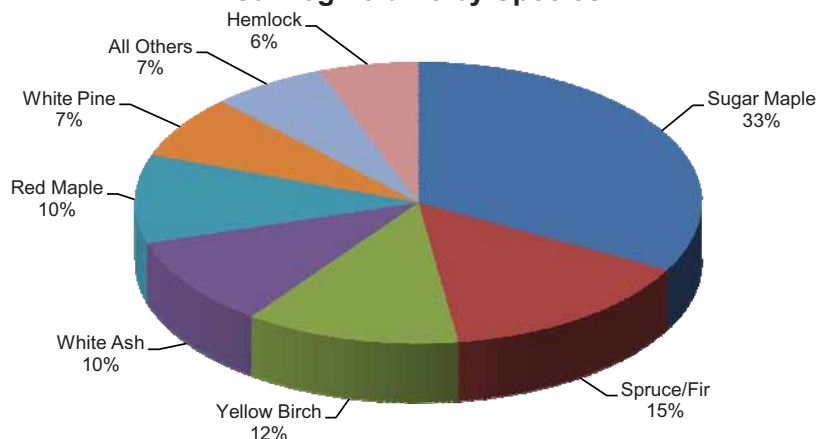
**Hardwood vs Softwood
as a Percentage of Total Volume**



Total Volume by Species



Sawlog Volume by Species



TIMBER RESOURCE (continued)

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.

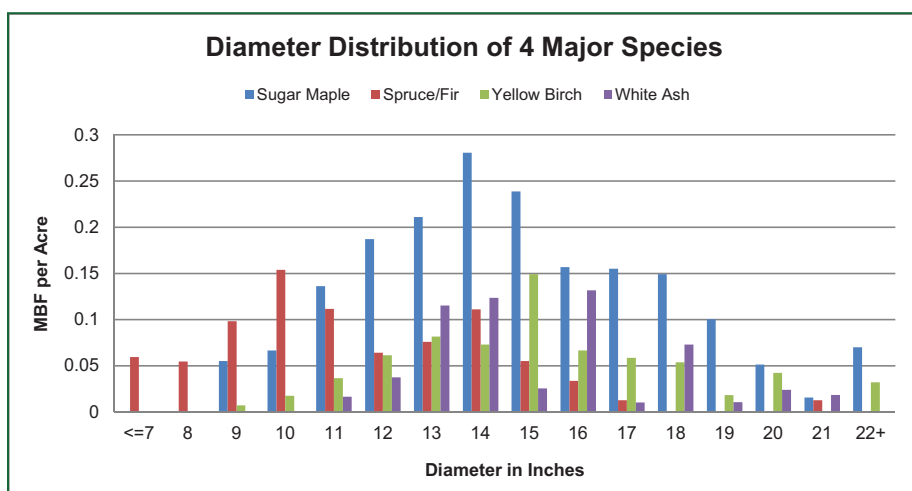
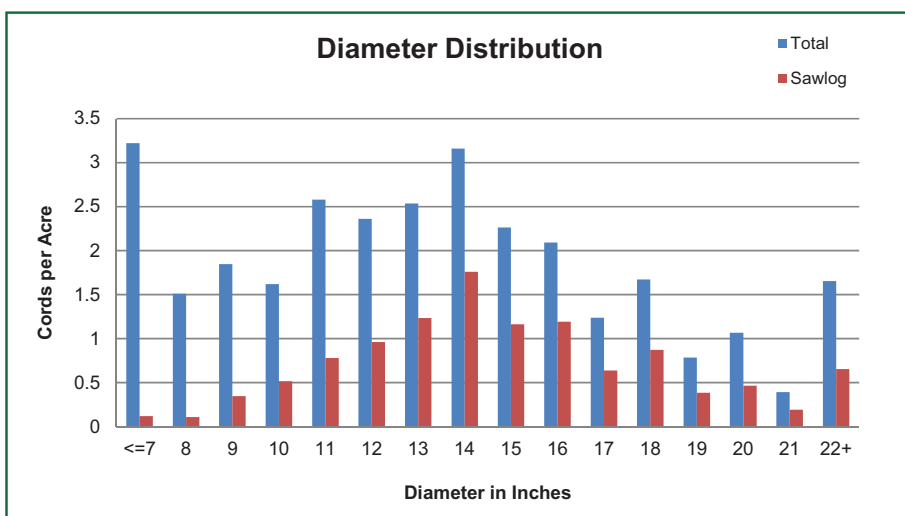
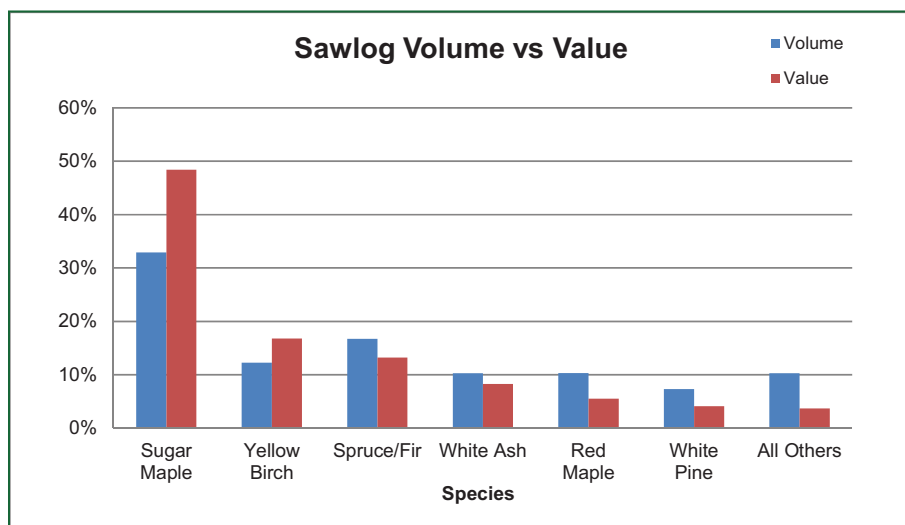
Diameter Distribution:

Average diameter for all products combined is 13.0", with the sawlogs 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) from the Devil's Hill Tract 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.



Hardwood Mountain Forest

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Marshfield, Vermont
March 2015

2,180.5 GIS Acres
2,084.1 GIS Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<i>Sawtimber - MBF (International 1/4")</i>					
Sugar Maple	1,981	350.00	450.00	400.00	792,400
Spruce/Fir	2,034	100.00	160.00	140.00	284,800
Yellow Birch	794	225.00	420.00	280.00	222,500
Sugar Maple Pallet	1,976	100.00	150.00	100.00	197,600
White Ash	1,065	100.00	220.00	160.00	170,400
Yellow Birch Veneer	105	750.00	1,150.00	900.00	94,300
Red Maple	657	100.00	180.00	140.00	92,000
White Pine	632	100.00	150.00	130.00	82,100
Sugar Maple Veneer	41	1,000.00	2,000.00	1,300.00	52,900
Hardwood Pallet	995	25.00	60.00	45.00	44,800
Yellow Birch Pallet	592	60.00	130.00	75.00	44,400
Hemlock	694	35.00	60.00	45.00	31,200
Black Cherry	64	300.00	400.00	250.00	16,000
White Birch	105	100.00	200.00	140.00	14,700
Aspen	136	25.00	70.00	50.00	6,800
White Pine Pallet	255	50.00	120.00	25.00	6,400
Beech	18	25.00	60.00	45.00	800
<i>Pulpwood - Cords</i>					
	0				
Hardwood	33,228	8.00	20.00	17.00	564,900
Spruce/Fir	2,285	5.00	12.00	7.00	16,000
Hemlock	1,596	5.00	12.00	7.00	11,200
Other Softwood	1,053	5.00	12.00	7.00	7,400

Totals					
Sawtimber Total	12,144	MBF			\$2,154,100
Sawtimber Per Acre	5.569	MBF			\$988
Sawtimber Per Comm. Acre	5.827	MBF			\$1,034
Cordwood Total	38,162	Cords			\$599,500
Cordwood Per Acre	17.5	Cords			\$275
Cordwood Per Comm. Acre	18.3	Cords			\$288
Total Per Acre					\$1,263

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$2,400,000	\$3,115,000	\$2,753,600

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 growing season 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.

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.

DEVIL'S HILL TRACT

This forest is well-suited to the family buyer seeking a timber investment property with opportunity to develop a year-round or seasonal retreat overlooking Bailey and Marshfield Ponds and the highly scenic Marshfield Ledges. Outdoor recreation possibilities are at their finest in this region with the 26,000-acre Groton State Forest as a neighbor. The remote Kettle Pond is within walking distance from the property.

TIMBER RESOURCE

The recent 2014 timber inventory reveals a total sawlog volume of 3,509 MBF International 1/4" scale (4.95 MBF/commercial acre) with 12,422 pulpwood cords (17.5 cords/commercial acre). Combined total commercial per acre volume is 27 cords, a figure in excess of the regional average. Capital Timber Value (CTV) has recently been set at \$844,400 (\$1,154/total acre).

Species Composition:

A species composition dominated by hardwoods prevails with hardwoods at 85% and softwoods 15% of total volume. Species composition for all products combined offers a favorable mix and is led by the maples (47%), yellow birch (17%), spruce/fir (11%), white ash (7%), white birch and beech (each 4%), with miscellaneous common associates comprising the balance. Sawlog volume consists largely of the maples, spruce/fir, and yellow birch.

Scheduled Treatments:

The 2014 UVA management plan identifies 4 stands covering 260 acres left to be treated over the upcoming 10-year management cycle, removing 477 MBF (1.8 MBF/acre) and 1,975 cords (4.1 cords/acre). This harvest activity will produce a net revenue of roughly \$74k.

Silvicultural operations recently concluded covering 200± acres, with an overstory removal harvesting on 70± acres (covering stands 4a and 8) and a textbook shelterwood/seedtree on 130± acres (within stand 3).

Individual Tract Sale:

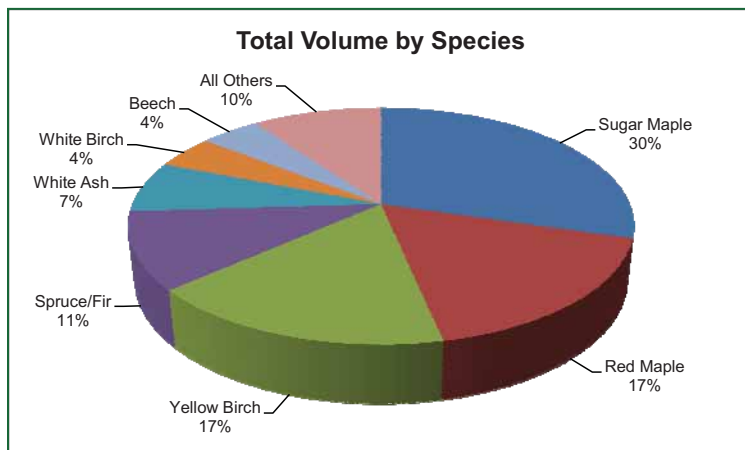
The tract is offered for sale pending subdivision per the maps in this report, with a right-of-way along the main internal access road serving Hardwood Mountain South Tract.



The Devil's Hill Tract looking north to the Marshfield Mountain cliffs and Marshfield Pond.



The shelterwood operation on 130 acres in Stand 3.



HARDWOOD MOUNTAIN SOUTH TRACT

This forest is well-suited to the investor seeking a blended timber investment property with returns from the property's superior timber resource, potential sugarbush operation (given the high level of maple stocking), retail subdivision from the Laird and Jerusalem Road frontage, and general long-term asset appreciation.

TIMBER RESOURCE

The recent 2014 timber inventory reveals a total sawlog volume of 8,651 MBF International 1/4" scale (6.28 MBF/commercial acre) with 25,748 pulpwood cords (18.7 cords/commercial acre). Combined total commercial per acre volume is 31.3 cords, a figure well in excess of the regional average. Capital Timber Value (CTV) has recently been set at \$1,911,300 (\$1,319/total acre).

Species Composition:

A species composition dominated by hardwoods prevails with hardwoods at 78% and softwoods 22% of total volume. Species composition for all products combined offers a favorable mix and is led by the maples (47%), yellow birch (12%), white ash (10%), spruce/fir (9%), hemlock (7%), white pine (6%), with miscellaneous common associates comprising the balance. Sawlog volume consists largely of northern hardwoods with pine, spruce/fir and hemlock accounting for 31% of total MBF.

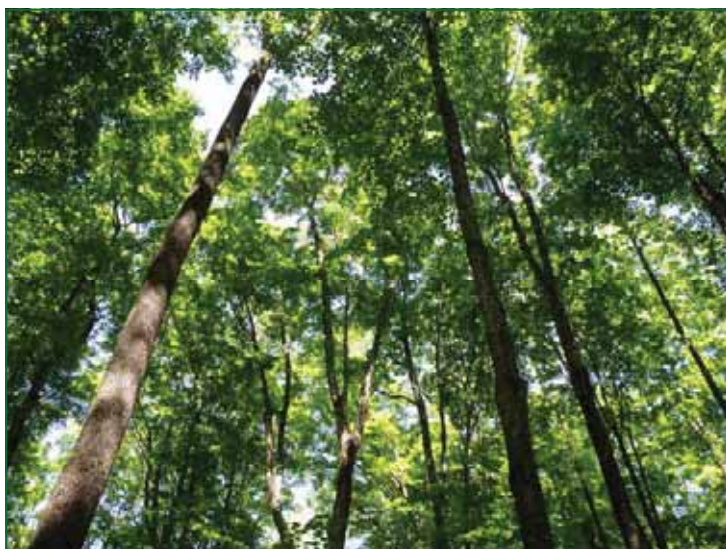
Scheduled Treatments:

The 2014 UVA management plan identifies 7 stands covering 528 acres left to be treated over the upcoming 10-year management cycle, removing 614 MBF (1.2 MBF/acre) and 3,195 cords (6.0 cords/acre). This harvest activity will produce a net revenue of roughly \$125k.

Silvicultural operations recently concluded covering 10± acres of overstory removal within stand 8.

Individual Tract Sale:

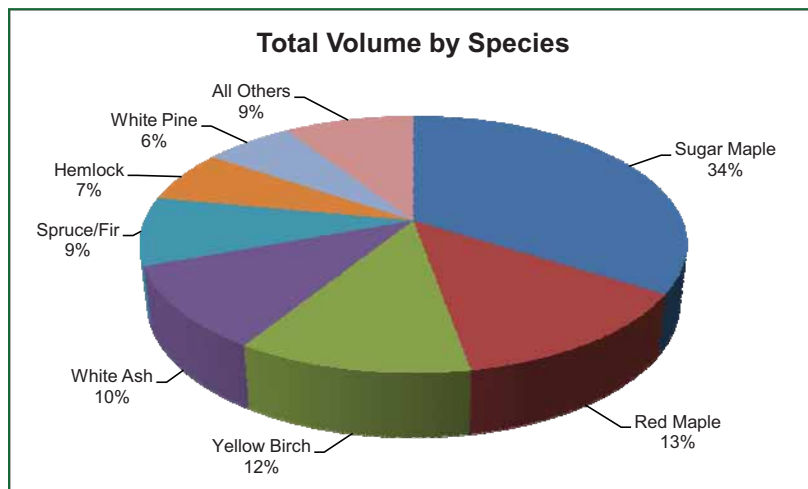
The tract is offered for sale pending subdivision per the maps in this report, with a right-of-way along the main internal access road serving the Hardwood Mountain South Tract.



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



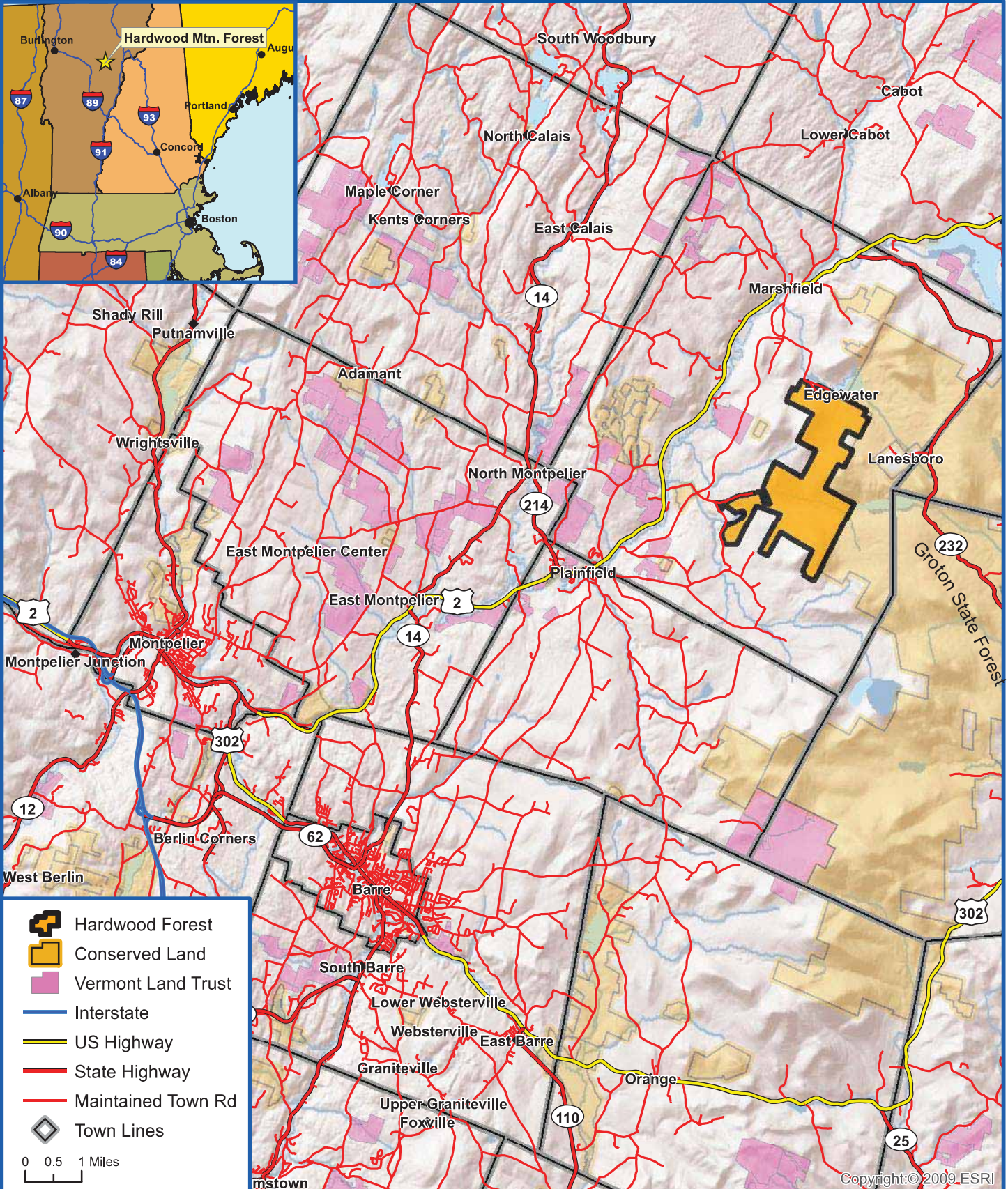
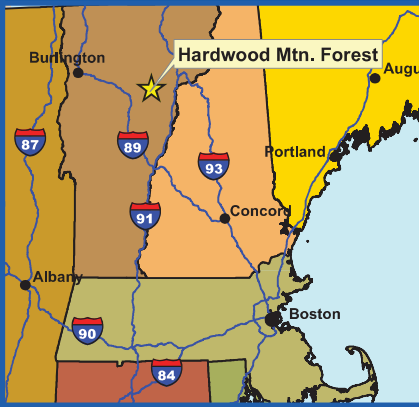
Laird Pond Road, the 10.7 acre field and the location of the approved six lot subdivision.



Locus Map

Hardwood Mountain Forest

2180.5 GIS Acres
Marshfield, Vermont

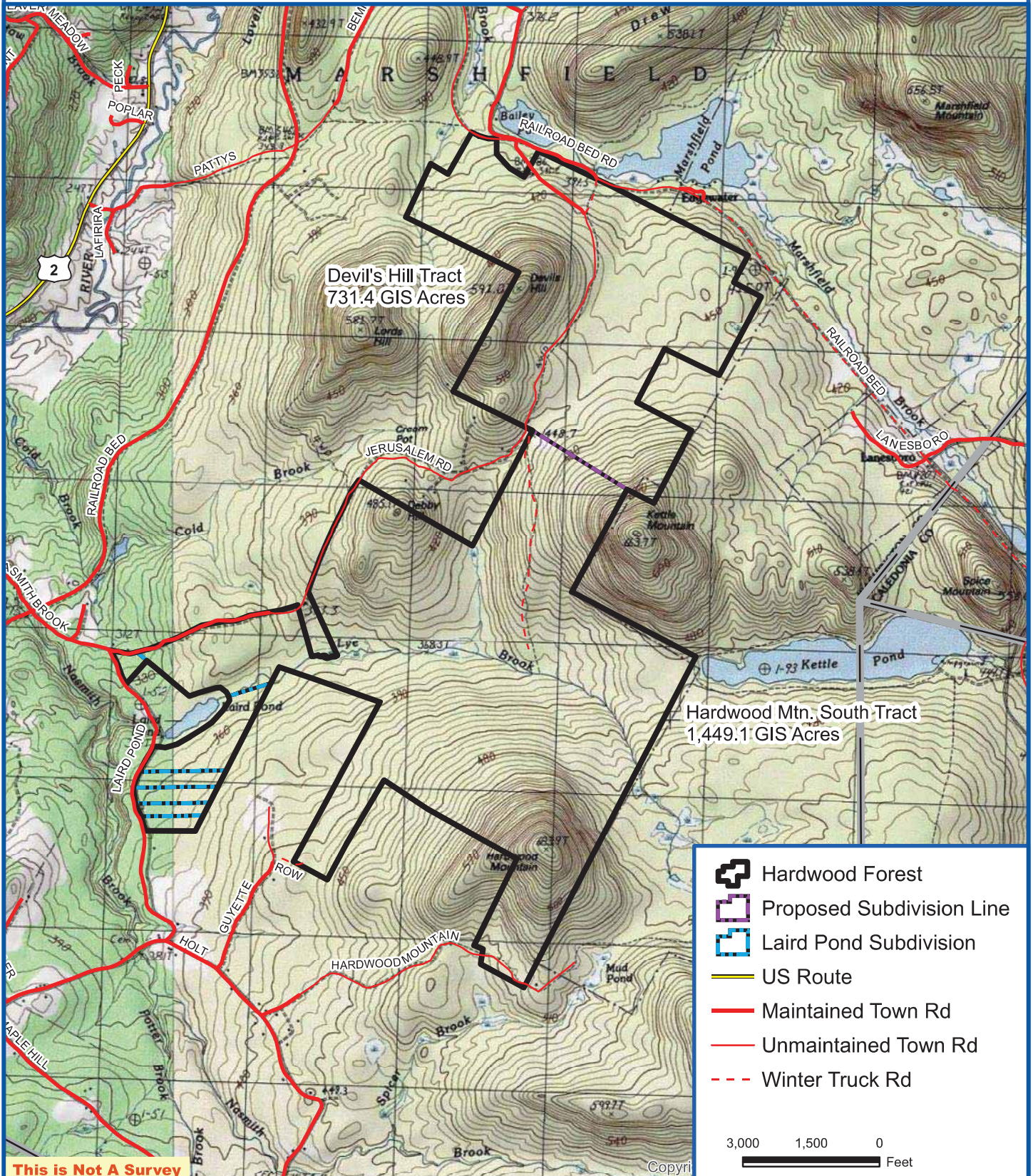


Hardwood Mountain Forest

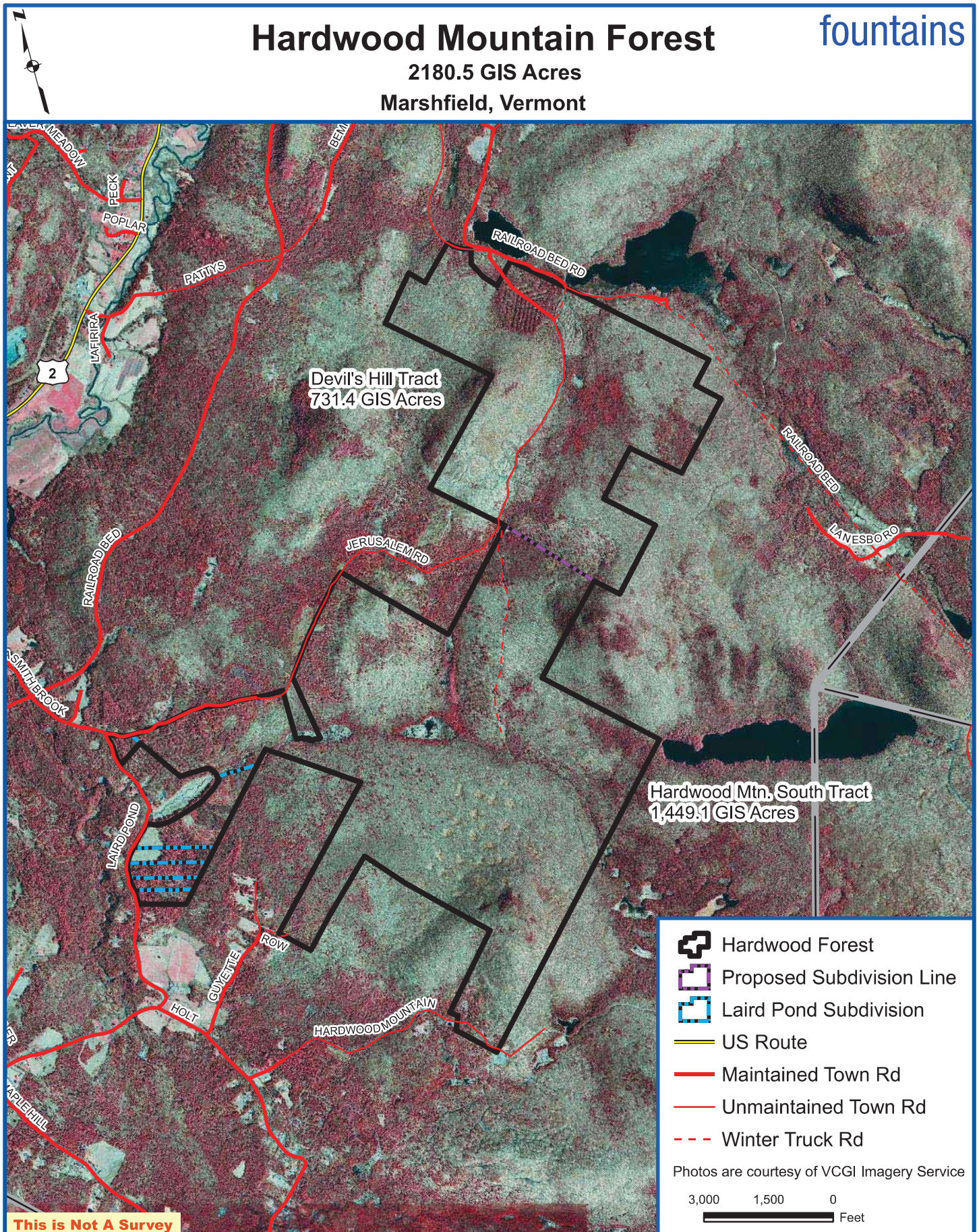
2180.5 GIS Acres

Marshfield, Vermont

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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.



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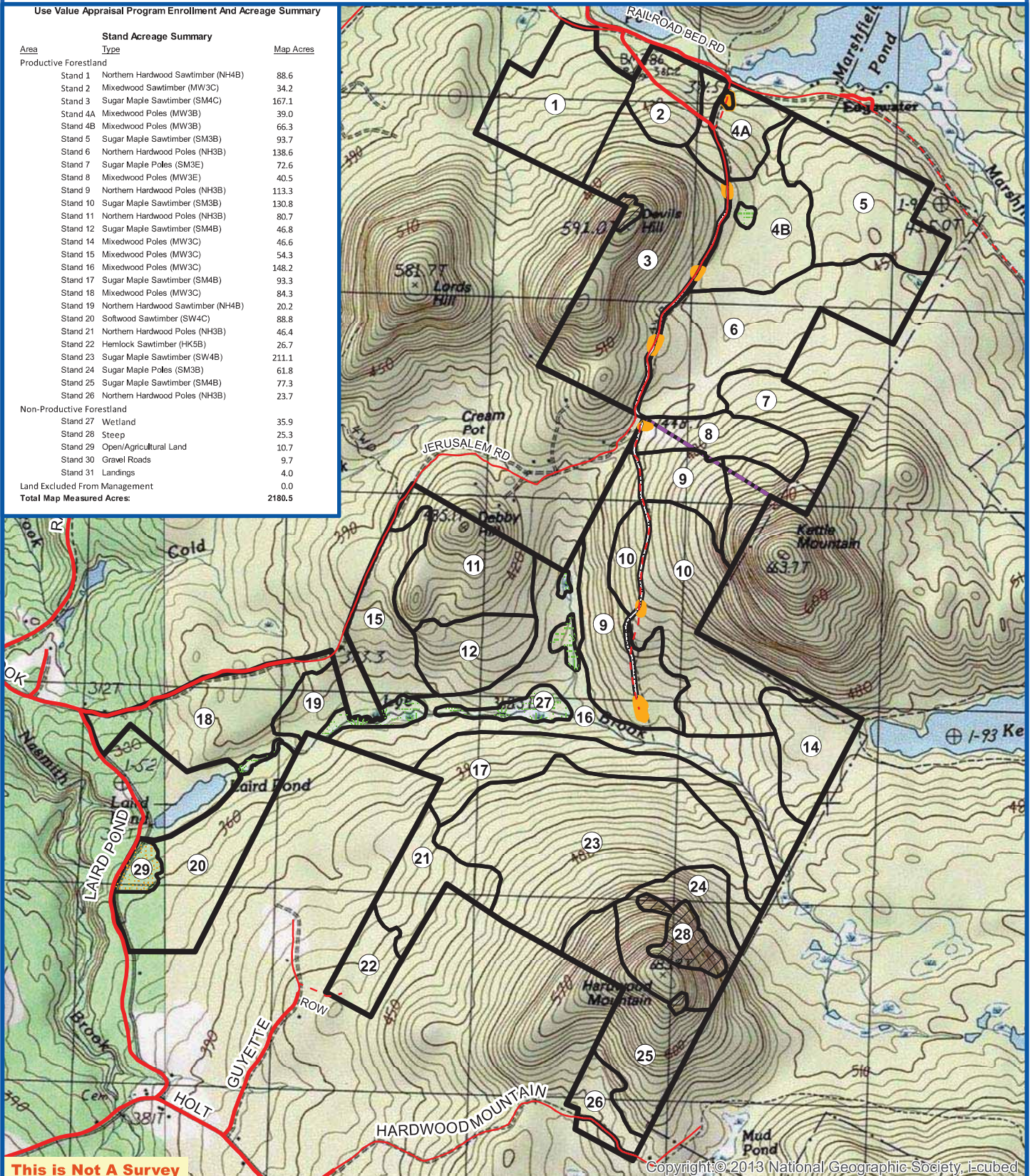
Hardwood Mountain Forest

Stand Map

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Use Value Appraisal Program Enrollment And Acreage Summary

Area	Stand 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



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Hardwood Mountain Forest

Approved UVA Harvest Map

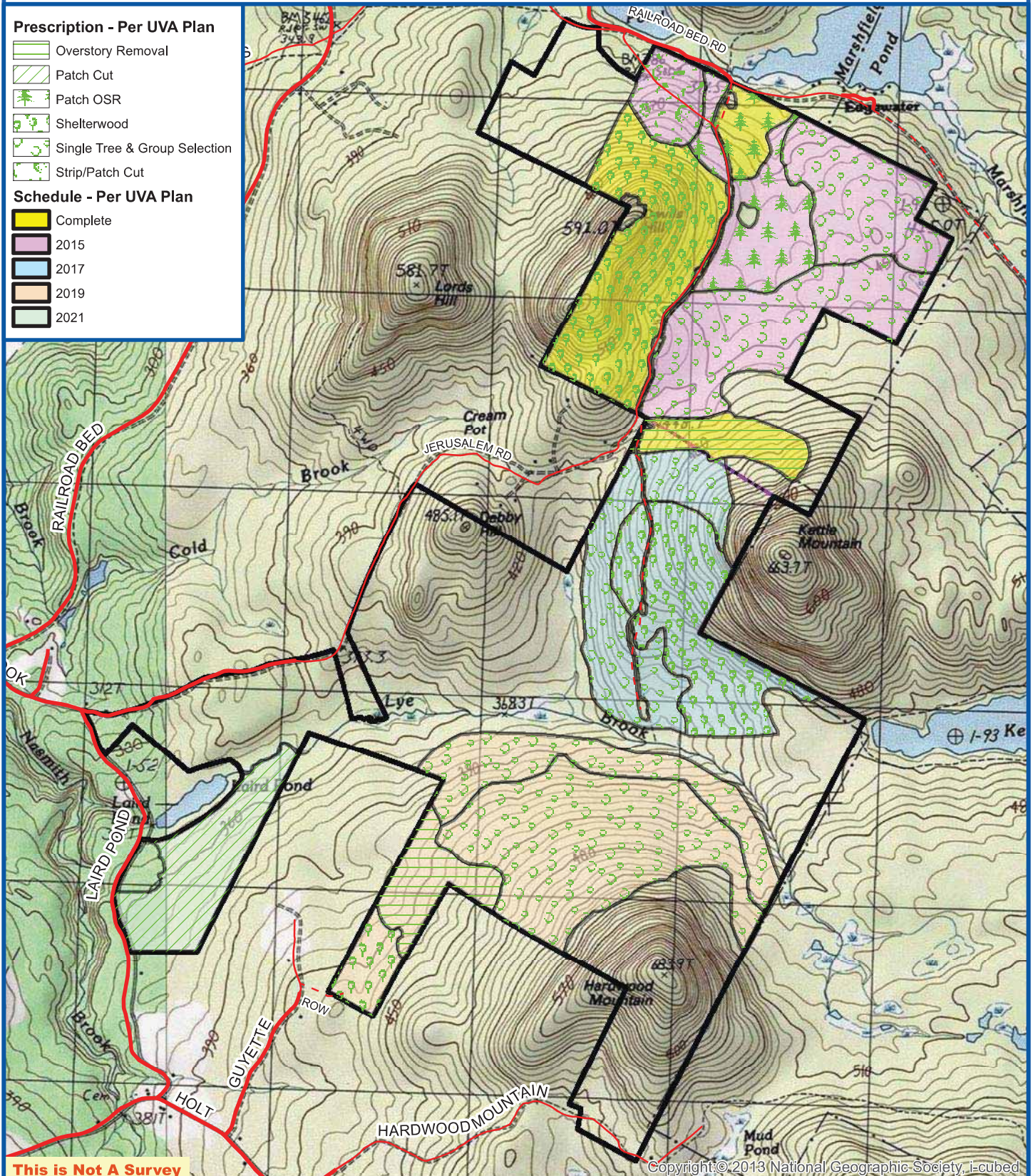
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Prescription - Per UVA Plan

- Overstory Removal
- Patch Cut
- Patch OSR
- Shelterwood
- Single Tree & Group Selection
- Strip/Patch Cut

Schedule - Per UVA Plan

- Complete
- 2015
- 2017
- 2019
- 2021



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