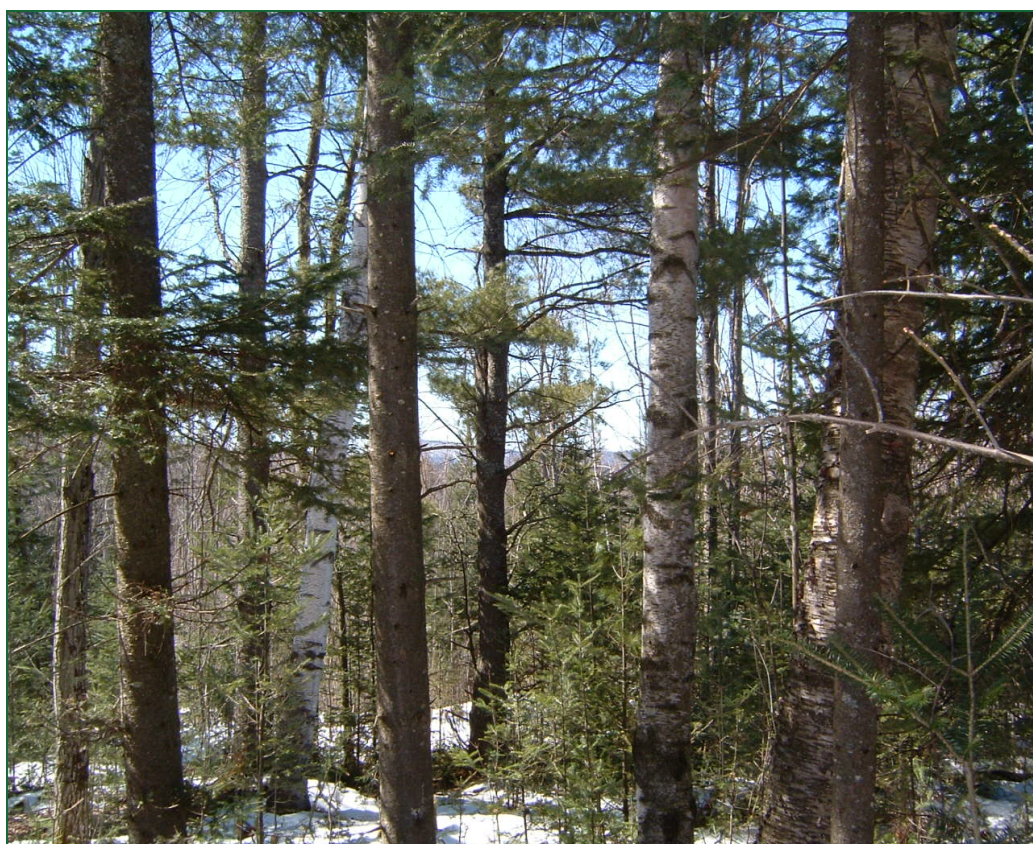


HALIBUT MOUNTAIN FOREST

*An affordable timberland investment
with a conservation easement, featuring
spruce/fir and miscellaneous hardwoods.*



94.3± GIS Acres
Guildhall, Essex County, Vermont

Price: \$72,000

LOCATION

Halibut Mountain Forest is located in the Northeast Kingdom region of Vermont, roughly 3 miles west of the Connecticut River and the New Hampshire border. Lancaster, New Hampshire is about 8 miles to the southeast, while the small hamlet of Guildhall, Vermont is a similar distance to the northeast. The Northeast Kingdom region is well-known for its rural, scenic and recreational attributes. Just a few miles to the west of the property is the 15,800-acre state-owned Victory Basin Wildlife Management Area.

The forest is close to several state roads and Interstate 91, facilitating access to regional sawmills and other end users of forest products.



Mixedwood stand off town road with Halibut Mountain in the background.

ACCESS/BOUNDARIES

Access to the property is provided by Guildhall Hill Road (also known as Lamotte Road), a Class 3 town road. The property has roughly 1,180' of frontage along this road.

Guildhall Hill Road is maintained by the town year round to within about 1 mile of the southern property boundary. The last mile to the property is a gravel road that is maintained by local landowners (this road is NOT plowed during the winter). There is a several-acre large clearing along the central section of the road frontage. Internal access is provided by several old logging trails that lead to all portions of the forest. Together, the clearing, town road and internal trails provide good access for all future forestry operations.



Road frontage along Guildhall Hill Road.

Boundary lines were repainted in 2008 as red blazes.

SITE DESCRIPTION

The northern section of the property occupies the upper slopes of Halibut Mountain, while the northeastern areas of the land rise to a ridge on Sheridan Mountain. The center of the property is a bowl bordered by these two ridges. Soils leading to the ridges and mountain tops are well-drained and capable of supporting quality northern hardwoods. Drainage in the central and southwestern areas is adequate, supporting mixed species such as spruce, fir, ash, birch, maple and cedar. Topography is mostly gentle with the exception of some steep slopes leading to Halibut Mountain. Elevation varies significantly, starting at 1,600' at the road frontage and rising to 1,900' at the property's northern end (close to the top of Halibut Mountain). Of historical importance, the former site of the Guildhall Mountain School (1799-1929) is located adjacent to the property's southern boundary.

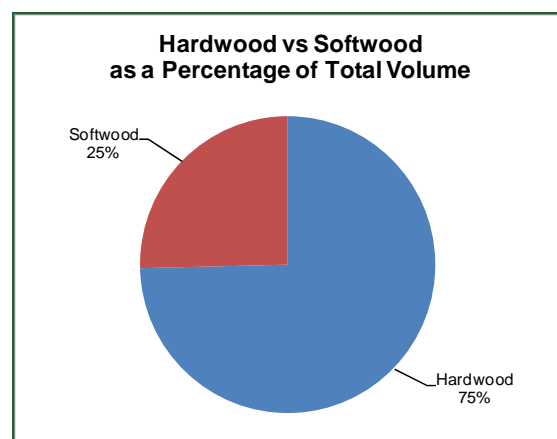
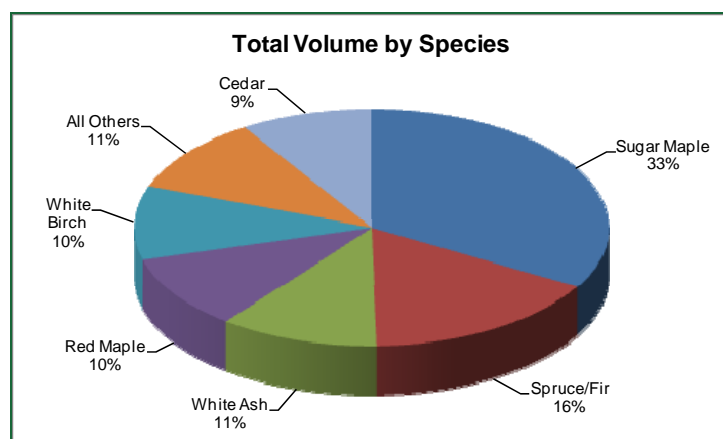
TIMBER

Recent Timber Inventory:

Timber data in this report are based on a comprehensive and monumented timber inventory, conducted in the spring of 2015 by Fountains Forestry. 34 points were sampled, covering a 377' X 377' chain grid using a 15 factor prism. Sampling statistics are $\pm 29.5\%$ standard error for sawlog products and $\pm 18.6\%$ for all products combined at the 95% confidence interval. These data reveal a total sawlog volume of 359 MBF International $\frac{1}{4}$ " scale (3.81 MBF/commercial acre) with 1,276 pulpwood cords (13.5 cords/commercial acre). Combined total volume is 21.1 cords/commercial acre, a figure slightly above the regional average. Based on this information, stumpage values were assigned by Fountains, producing a property-wide Capital Timber Value (CTV) of \$71,200 (\$755/total acre). See the Timber Valuation in this report for details.



Hardwood on lower slopes of Sheridan Mountain.



Timber Overview:

The property has been professionally managed for decades under even-aged management schemes with long periods between entries (cutting cycle of 15-25 years, with the last silvicultural activity conducted around 1999). The resulting timber resource is dominated by newly regenerated stands in the southwestern and central portions of the land and pole to small sawlog-sized stands on the slopes leading to the ridge tops in the north and east. The regenerated areas are fully stocked with natural regeneration and are beginning to differentiate into crown classes. Long-term timber returns lie in the high-quality regeneration and growing stock/sawlog component within the older stands. Given the stand conditions, the forest is well suited to the long-term buyer seeking appreciation from the developing timber resource.

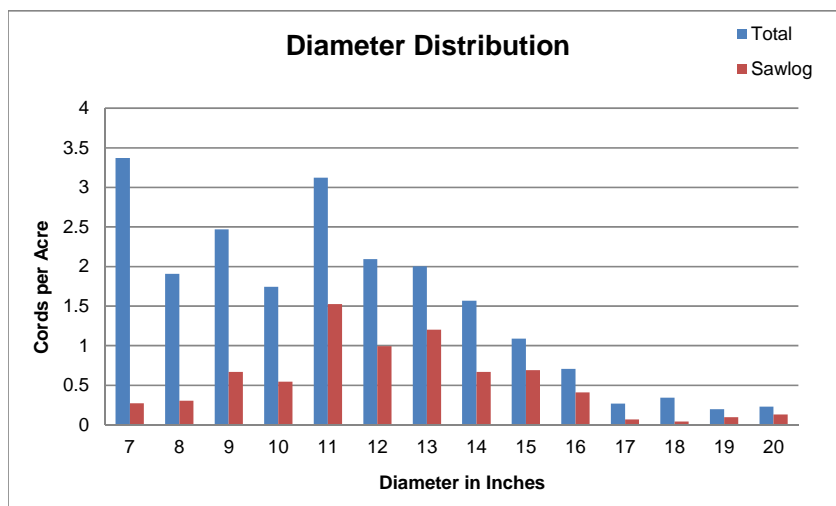
Species Breakdown:

While the graphic above portrays breakdown of total volume by species, sawlog volume is led by spruce/fir (30%), followed by sugar maple (29%), white birch (13%), and white ash (10%), with cedar, yellow birch and red maple comprising the balance. Two advantages of the spruce/fir component are 1) it matures earlier than hardwoods, offering an income source while the hardwoods mature, and 2) it provides for market diversification with demand for spruce/fir tied to US housing versus the more diverse global demand for hardwoods. Total basal area is 95 ft² with acceptable growing stock BA of 60.4 ft², indicating full total stocking levels with a high percentage of quality stems.

TIMBER (Continued)

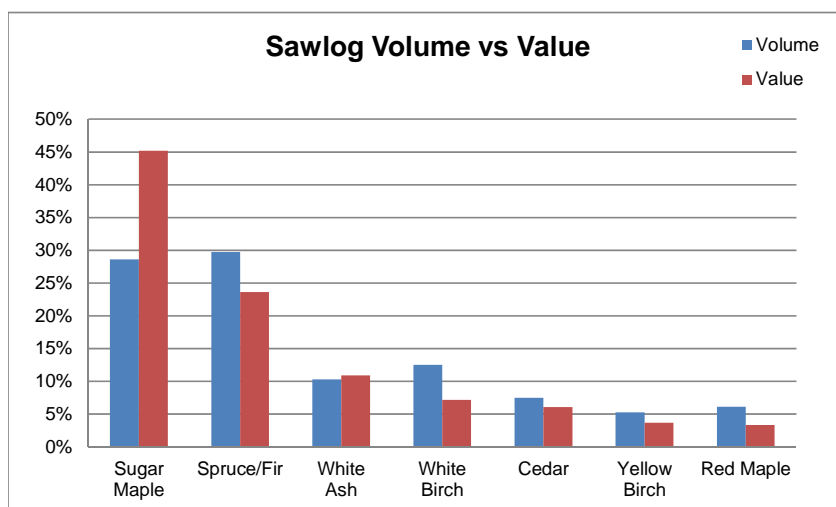
Diameter Distribution:

Average diameter for all products combined is 11" with sawlog average at 12". Average sawlog diameters for key species include spruce/fir at 10.5", sugar maple at 12.5" and white birch at 11.5". Nearly all of the pulpwood volume consists of hardwood species, and within this pulpwood volume the future growing stock component (6"-11" trees capable of developing into sawlog and veneer, the "future forest") is dominated by the maples, birches and ash.



Sawlog Volume and Value:

Sawlog volume and value is largely dominated by sugar maple and spruce/fir, with 45% of this sawlog value covered by sugar maple, one of the Northeast's premier hardwood species.



PROPERTY TAX and TITLE INFORMATION

Property taxes in 2014 were \$228.88. The property is enrolled in the State of Vermont's Use Value Appraisal (UVA) program. The UVA program allows for a substantial property tax reduction in exchange for the practice of "good" silviculture and a commitment to non-development uses. For more information about this program, contact Fountains Land or the State of Vermont's office of Property Valuation and Review at (802) 828-5861.

The property is owned by Magellan Forestry, LLC, whose deed is recorded in the Guildhall Town Clerk's office in Book 37, Page 94. The property is depicted on Town Tax Map 10, Lot 2850. Grand List acreage is 98.05 while GIS acreage is 94.3, the figure used to determine the timber data.

CONSERVATION EASEMENT

The easement is held by the Vermont Land Trust and restricts all development and subdivision, while providing for public recreational use of the land. This easement restricts all permanent structures, including seasonal camps. Maple sugaring operations and supporting structures are compatible with the easement. Nearly all widely acceptable forestry practices are encouraged and permitted on the property. A full copy of the easement is available upon request.

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.

Halibut Mountain Forest

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Guildhall, Vermont
April 2015

94.3 GIS Acres
94.3 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	55	325.00	410.00	375.00	20,700
Spruce/Fir	107	100.00	150.00	120.00	12,800
White Ash	37	120.00	200.00	160.00	5,900
Sugar Maple Pallet	48	45.00	120.00	80.00	3,800
Cedar	27	75.00	150.00	125.00	3,300
White Birch	27	60.00	130.00	100.00	2,700
Birch Pallet	31	40.00	90.00	65.00	2,000
Red Maple	9	80.00	175.00	140.00	1,300
Yellow Birch	6	180.00	260.00	225.00	1,200
Hardwood Pallet	13	25.00	60.00	40.00	500
<i>Pulpwood - Cords</i>					
Hardwood	1,037	8.00	20.00	15.00	15,600
Spruce/Fir	113	4.00	12.00	7.00	800
Cedar	126	3.00	8.00	5.00	600

Totals					
Sawtimber Total	359	MBF			\$54,200
Sawtimber Per Acre	3.809	MBF			\$575
Sawtimber Per Comm. Acre	3.809	MBF			\$575
Cordwood Total	1,276	Cords			\$17,000
Cordwood Per Acre	13.5	Cords			\$180
Cordwood Per Comm. Acre	13.5	Cords			\$180
Total Per Acre					\$755

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$61,000	\$80,000	\$71,200

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

Based on a early 2015 inventory by Fountains of 34 15 BAF Points. % Error: Sawlog Volume 29.5%, Total Volume 18.6%, at 95% Confidence Level

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.

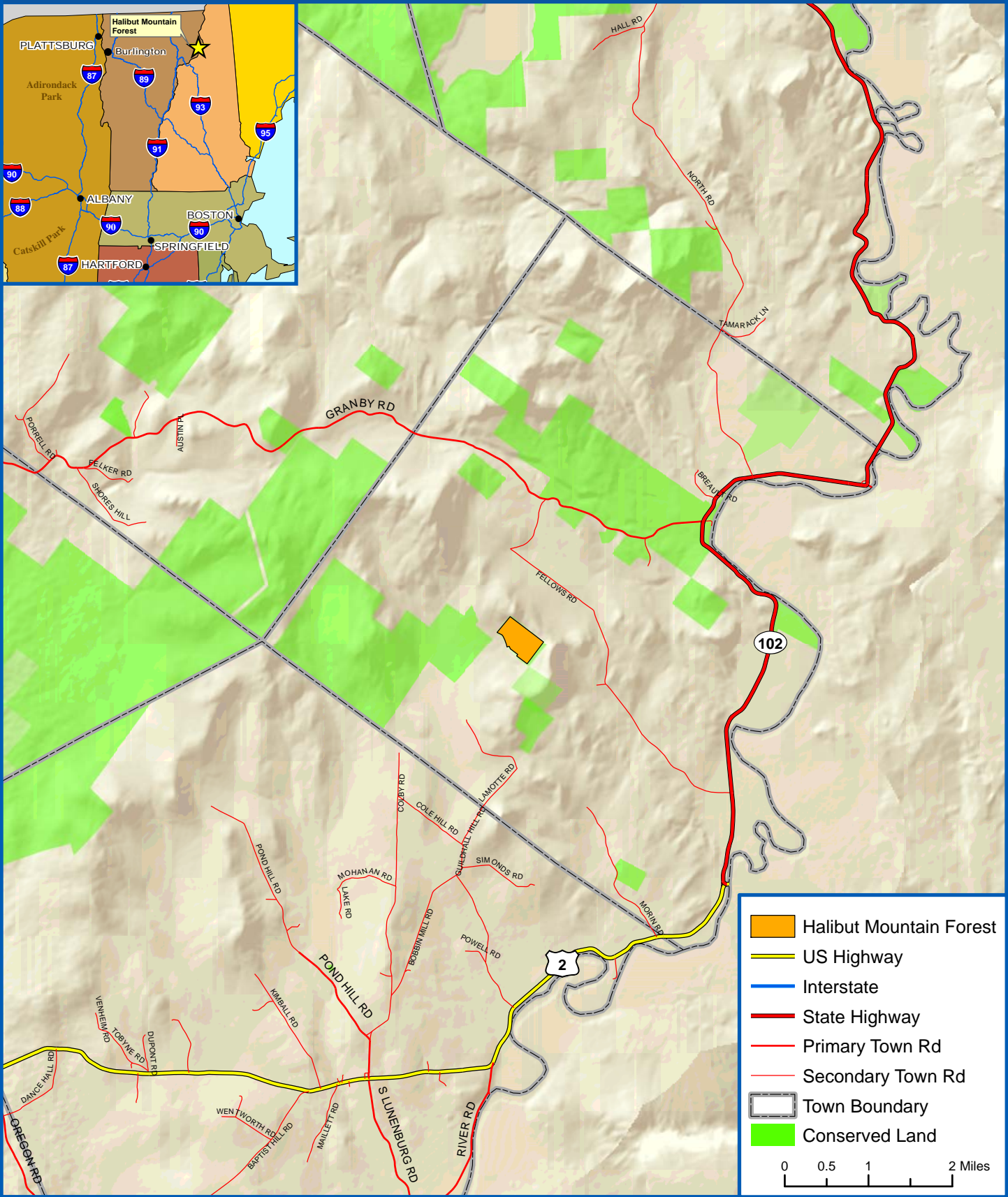
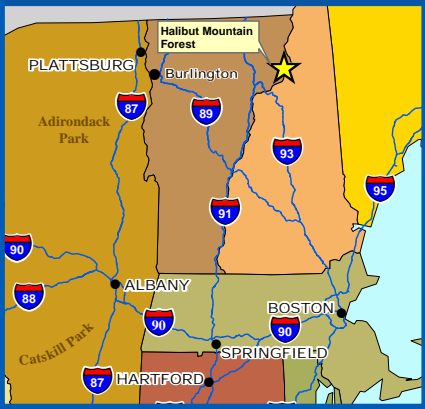


Halibut Mountain Forest

98.05 Town Listed Acres

Guildhall, Vermont

fountains

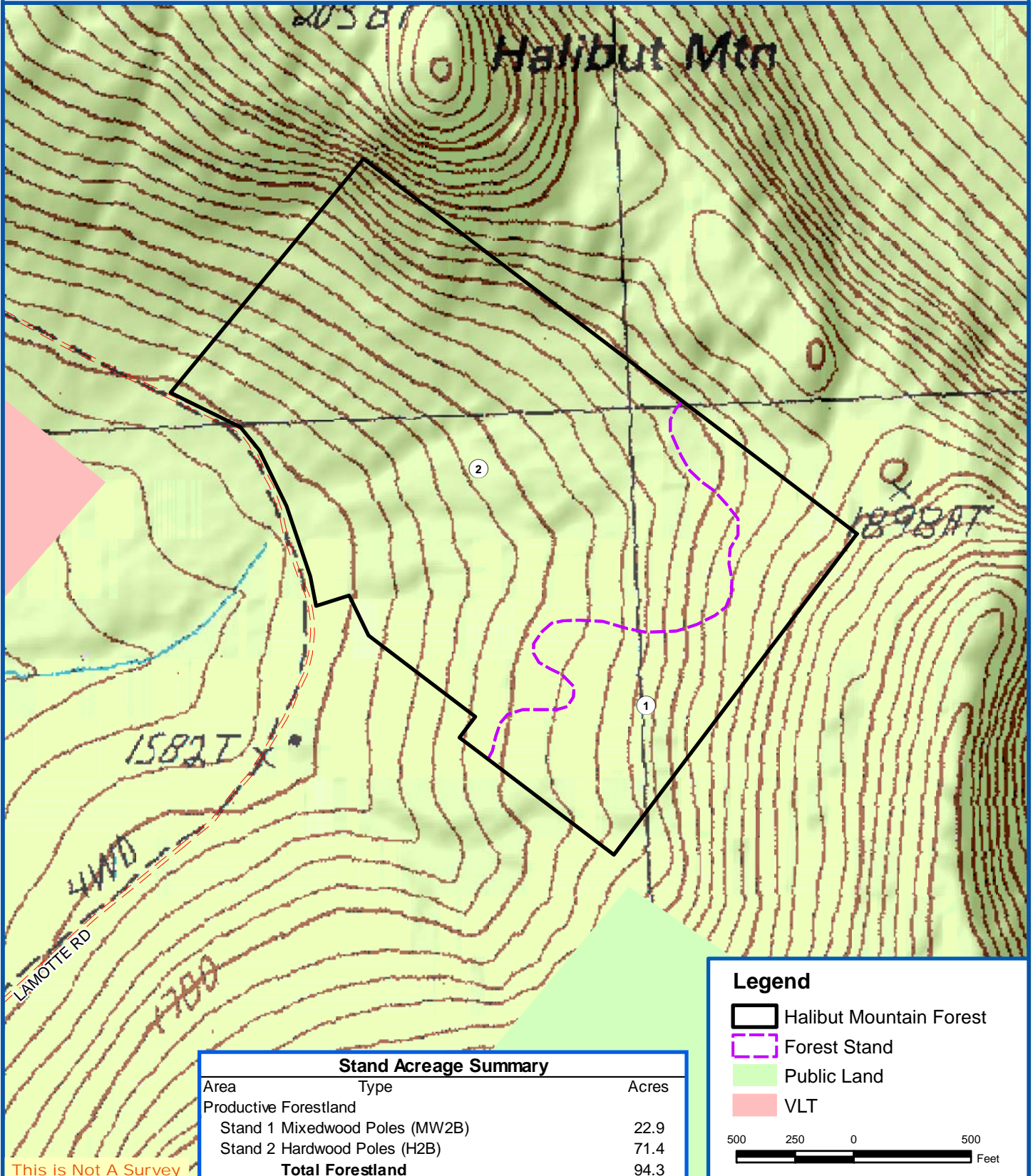




Halibut Mountain Forest

98.05 Town Listed Acres
Guildhall, Vermont

fountains



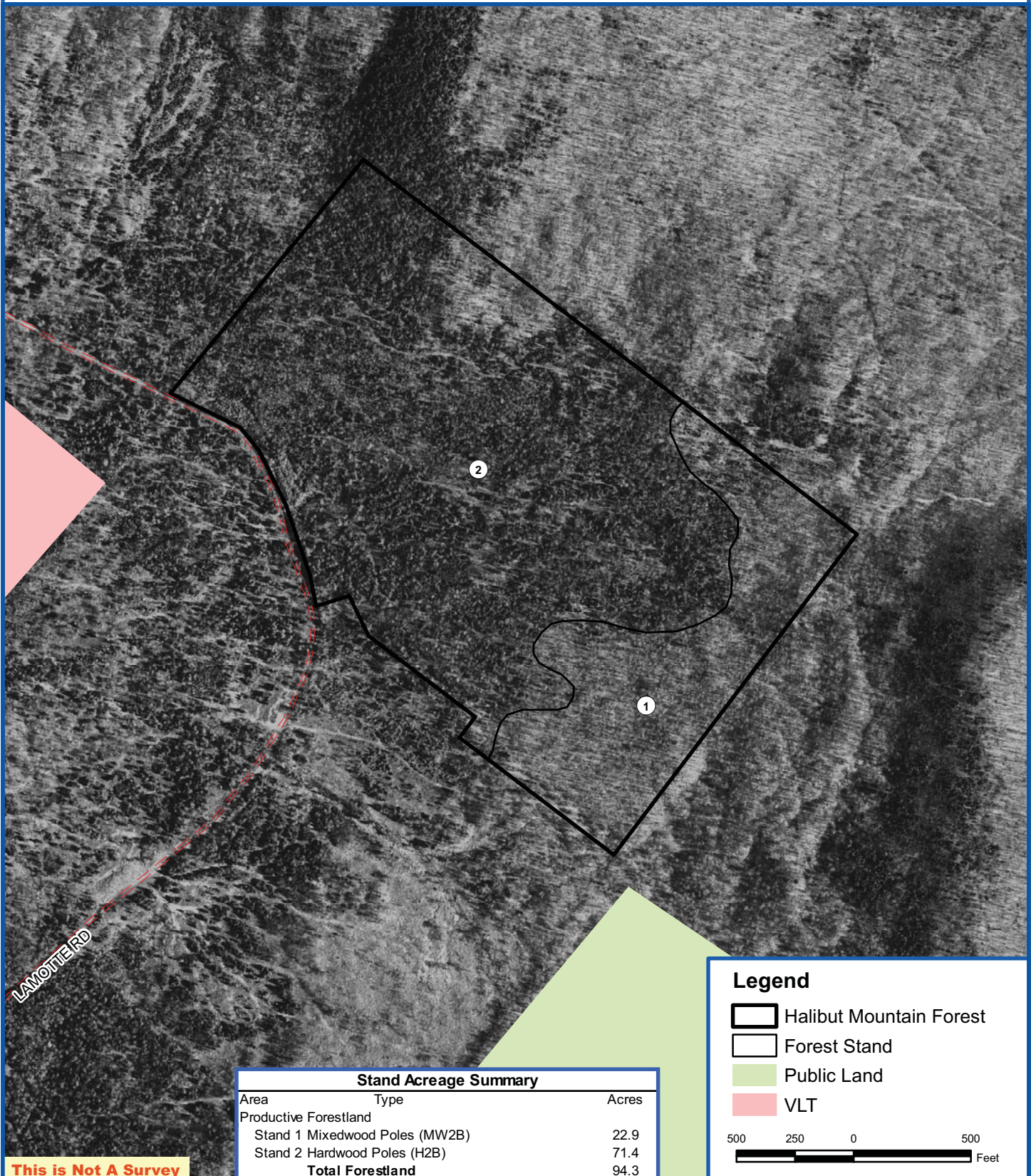
Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VCGI, and the owner. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the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



Halibut Mountain Forest

98.05 Town Listed Acres
Guildhall, Vermont

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.



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:

FOUNTAIN LAND
Printed Name of Real Estate Brokerage Firm

MICHAEL A TRAGNER
Printed Name of Agent Signing Below

[Signature]
Agent of the Firm Signature Date