

fountains

LITTLE RIVER LAKE FOREST

A large, lake-based Adirondack timberland asset benefitting from the exclusive ownership of a private 215-acre lake and further supported by a developing maple and cherry timber resource.



**3,190 Tax Map Acres
Clifton, St. Lawrence County, New York**

\$2,695,000

LOCATION

The 3,190-acre Little River Lake Forest is an expansive lake-based timberland asset located in New York's northern Adirondack Mountains. The property's investment value is driven by a rare, exclusively-owned 215-acre water feature, balanced by a well-stocked northern hardwood resource and a long history of recreational leasing opportunities.

Little River Lake is located just north of the village of Wanakena, New York, in the town of Clifton, St. Lawrence County. The surrounding region offers a 'vintage' Adirondack experience consisting of an expansive quilt of working and protected forestlands which are dotted with countless lakes, ponds, and rivers. Nearby, Wanakena Village is situated along the western end of Cranberry Lake near the Oswegatchie River inlet; the town known for its authentic general store, thriving summer community and the SUNY ESF Ranger School forestry campus.

Cranberry Lake Village is situated 9 miles to the east on the third largest lake in the Adirondack Park. The village is a popular summer and winter holiday destination for seasonal residents owning cottages along the lake and offers a hotel/restaurant and local grocery stop. Star Lake (pop. 800) is just minutes west of the property along Route 3, offering a gas station, a 9-hole golf course and a municipal health center.

New York State Route 3 passes through the area, linking the northwestern Adirondack foothills to regional population centers to the east and west. Plattsburgh is 105 miles east (2 hours), while Ottawa lies only 120 miles northwest, an easy 2.5 hour commute by car. Montreal is 155 miles northeast (3.5 hour commute by car), and New York City and Boston are 6.5 hours south and east, respectively.

ACCESS

Access to Little River Lake Forest is highlighted by nearly 1.3 miles of frontage along State Route 3 and is further complemented by a network of over 5.5 miles of carefully developed and well-maintained internal gravel roads. This vast internal road network provides excellent recreational and forest management access throughout much of the property's 5 square miles.

A gated gravel road extends from Route 3 along the far eastern boundary for nearly 3,500 feet. It parallels the boundary line between the ownership and a neighboring property and leads all the way to the northeast corner. This road crosses onto both ownerships in various places and has been used jointly in the past with no issues. Upon crossing the Little River Lake inlet, a network of seasonal roads leads westward for well over two miles, opening up access to the entire northern half of the property. The



Top: Aerial view of Little River Lake near the outlet.

Bottom: The current ownership has made a major investment in building and improving the property's internal roads.



ACCESS (continued)

Another gated entry road enters the property near the southeastern corner along Route 3 and extends a few hundred feet to a former log landing site. From here, a seasonal jeep trail then extends westward for a few thousand feet and provides access to the property's upper plateau sites that overlook the lake's southern shoreline.

At the western flank of the Route 3 frontage, a gated, deeded right-of-way road crosses a neighboring property owner's land for 300-400' before entering the property and providing access to the west end of the lake and dam. Here, there are several recreational cabins along the lakeshore and it is the traditional point of entry for launching small fishing and pontoon-type boats. The gravel road eventually crosses the dam and runs through the southwest corner of the land beyond the lake before crossing onto a neighboring landowner's property.

Boundary lines in the field are variable and are delineated by old boundary paint, occasional posted signs and ribbons. The estimate of 3,190 acres for the property, as well as maps in this report, is based upon deed acreage. Preliminary GIS map acreage analysis and aerial photo interpretation indicates 3,225 acres. Although the maps provided in this report are believed to be correct, the buyer should not rely on these maps to accurately portray deeded boundary lines in the field.

LITTLE RIVER LAKE

Little River Lake is nestled centrally within the property's expansive campus, creating a private and exclusive water feature that is rarely available on the market. It spans nearly two-and-a-half miles, offering 29,000 feet of Adirondack water frontage with much to explore by boat or by hiking along the many nooks and crannies of its shoreline. The lake's maximum depth is reported to be near 30' while average depth is 10'. Much of the western shoreline of the lake benefits from a hard shoreline offering good recreational access and pleasant aesthetics. The frontage is a scenic mixture of deciduous and conifer tree species, creating a beautiful backdrop for cabin sites. Boats are typically launched from a gravel launch site located in proximity to the dam on the southwestern end of the lake. Popular fish species include largemouth bass, brown bullhead and, occasionally, brook trout.

Little River Lake has played an important part in the community's timber and natural resource history. Benson Mines operated the world's largest magnetite iron mine nearby for much of the early to mid-20th century. By 1953, the owners engineered and constructed an impressive dam on the river to control water flow to its operations downstream. The earthen and rock-based dyke extends over 1,400' and is nearly 45' high from its tapered-base on the downstream side of the lake. While the mining operation closed in 1978 and is now just a distant remnant, the beautiful lake remains today as a legacy of the region's rich natural resource heritage. For more information on the DEC's dam classification and its most recent inspection in 2010, please contact Fountains at 518-668-5880.



Top: Little River Lake from the dam.

Bottom: An aerial view of the western end of the lake taken from the north.



RECREATIONAL LEASE & CAMPS

The property's significant water attributes, expansive canvas and good internal access afford excellent recreational leasing opportunities. The Little River Club has a nearly 30-year heritage of leasing the property for fishing, hunting and camping. About 10 seasonal cabins occupy the shoreline along the lake and have been used and maintained by the club members throughout the years. Annual lease income in 2011-12 is reported to approach \$14,000, a figure that will offset annual holding costs now that the property has been recently enrolled in New York's 480a Forest Tax Program. Please contact Fountains at 518-668-5880 for a copy of the lease agreement.



SITE DESCRIPTION

Little River Lake Forest's rolling hardwood ridge-and-valley landscape and significant water resource afford a wide variety of management objectives that can enhance use and support future investment returns. The property has a long tradition of recreational leasing, timber management, water quality management and wildlife habitat and can continue to support such broad and diverse goals during the next ownership cycle.

The terrain south of the lake is defined by broad hardwood ridges that run parallel to the lake and overlook its southern shoreline. From its high point (1722' ASL), the land slopes gradually down toward the shoreline across well-drained slopes. Near the lake, a series of three smaller, less prominent knolls overlook the shoreline, offering future cabin site options with views of the lake below. The northern half of the property hosts similar rolling hardwood ridge-and-valley type terrain characterized by well-drained upland sites interspersed with intermittent drainages, marshes and small beaver ponds in the lower lying areas. The upper hardwood sites are well-suited to growing commercial tree species while also providing a large, unbroken canvas of big and small game habitat to support recreational pursuits such hunting, ATV use and snowmobiling.

Little River Lake Forest's accessible hardwood resource and expansive water feature create a blended timberland asset anchored by a significant water resource.



Soils consist of Tunbridge, Potsdam, and Lyman types, which, according to the St. Lawrence County Soil Survey description, are characterized by loamy networks of ridges and valleys where bedrock is buried under a notable bed of glacial till. These soil types are well-suited to tree productivity including sugar maple, yellow birch, red maple, beech and cherry, all of which grow well on the property.

PROPERTY TAXES & TITLE

Total property taxes for calendar year 2014 were \$15,283.73. The property **IS** recently enrolled in the State of New York's popular 480-A tax program, which significantly reduced the annual tax burden. For more information about 480-A, contact Fountains Land or the Department of Environmental Conservation office located in Ray Brook, New York (518) 897-1283.

The property deed is recorded in the St. Lawrence County Clerk's Office in Canton, New York, as Instrument #2007-6176. Tax map information is recorded in the St. Lawrence County Real Property Tax office as Town of Clifton tax map parcel #215.000-1-1.1 Adirondack Park Agency land use classification is "Resource Management", allowing for an average 42-acre lot size of per principle structure. Mineral and iron ore rights are reserved per a prior deed reservation from the early 20th century when mining was a viable industry in the Adirondacks. For questions regarding mineral rights, right-of-way easements or any other title questions, please contact Fountains at 518 668-5880.



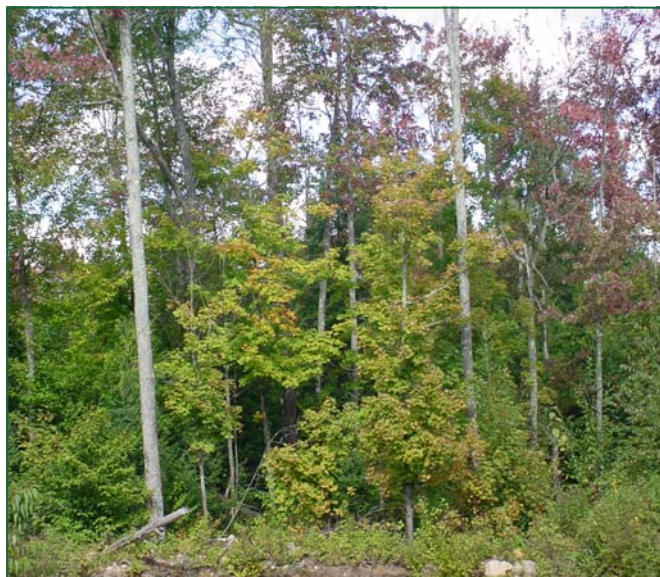
Top: A few islets in one of the many lakes and ponds on the property.

Bottom: Recently managed hardwood stand dominated by pole-sized maples, birches and

TIMBER RESOURCE

Timber Resource Overview:

The timber resource can be considered a significant and beneficial component of Little River Lake Forest, given its current value. More importantly, the opportunity of this resource to increase in value over time due to future physical growth, product shifts, stumpage price appreciation, and the benefits of continued good silviculture also enhances the investment value of timber. Species composition consists of highly desirable species and stem quality is sufficient to allow retention of the majority of the overstory, ensuring the resource performs well over time. Additionally, the 900 acres of land situated south of Little River Lake have a high percentage of sugar maple stems, with a potential of 25,000 +/- taps for those interested in exploring sugarbush options.



Timber Inventory:

Timber information provided in this report is based on a June/July 2012 timber inventory by Fountains Forestry, which was recently updated to reflect 2014 harvest and growth. The original inventory used variable radius plot sampling with 317 BAF 10 plots taken. Sampling statistics are favorable with $\pm 8.0\%$ for all pulpwood products combined and $\pm 10.6\%$ for sawlogs at the 95% confidence level. Timber volumes by species and product were valued by Fountains with consideration given to timber quality, product grades, access conditions, logging/trucking costs and regional mill pricing. Total sawlog volume is 4,731 million board feet (1.81 MBF/commercial acre) and 18,719 pulpwood cords (7.2 cords/commercial acre). Combined, total commercial per acre volume is 9.01 cords. Based upon this information, Capital Timber Value (CTV) has been established at \$1,040,000 or \$323/acre.

TIMBER RESOURCE (continued)

Volume and value summaries are provided in further detail on the Timber Valuation page provided in this report. Full timber inventory data is available in the “data room” on the Fountains Land website - access code is “**Clifton**”.

Ongoing Silvicultural Operations

A small silvicultural thinning operation was conducted in the winter of 2012 (prior to the inventory), covering roughly 100 acres located at the land’s southwestern section. This forestry activity was focused on improvement thinning with careful attention to stem spacing and species retention of the highest quality trees and in association with the ownership’s 480-A enrollment.

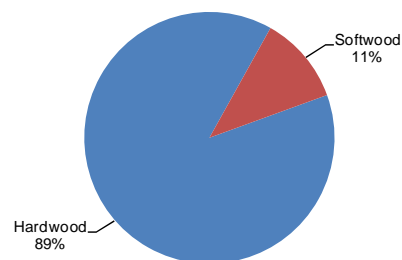
Species Composition:

While land use history can influence species composition, terrain and soil conditions often have the greatest impact; such is the case with Little River Lake Forest. Terrain in the forest consists of four primary ridges encompassing nearly a dozen knolls whose area includes predominately well-drained, sloped terrain. This environment has led to a resource dominated by hardwood species which account for 89% of total volume. While softwood species are a minor component within these areas, much of the softwood occurs within the level areas adjacent to the land’s streams and wetlands. Overall, total species composition is quite diverse and highly favorable, consisting primarily of the maples, yellow birch, black cherry and spruce/fir along with a host common associated species. The market climate is such that strong demand for the majority of species currently exists from the many regional forest products manufacturers, mostly in the form of sawmills, log buyers and various outlets for low grade material.

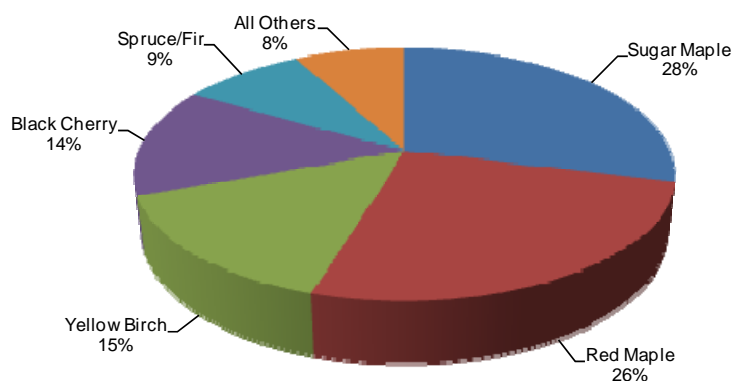
Stocking and Stem Quality:

Forest-wide, total basal area is 51.2 ft², representing mostly fully-stocked stand conditions, considering the resource is dominated by hardwood species (fewer hardwood stems per acre are required for full stocking when compared to softwood trees which have more narrow crowns). Overall, stem quality can be considered attractive with the acceptable growing stock (trees which currently meet a grade 2 sawlog or have the capability of developing into this product) holding 64% of total stocking. Given the forest’s large size and diverse historical harvesting regimes, stocking and stem quality is quite variable with certain stands containing exceptional attributes while others have less desirable species composition and quality. The best stands tend to be

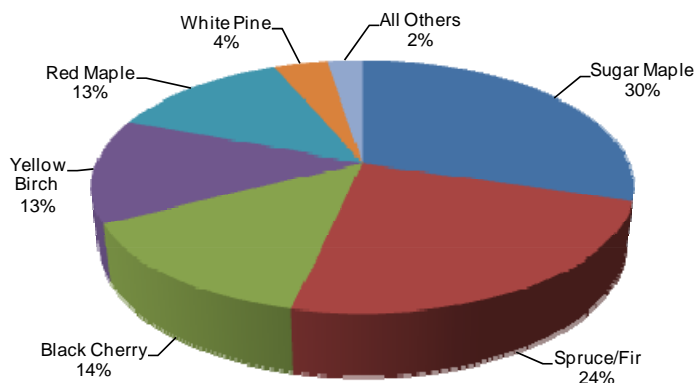
**Hardwood vs Softwood
as a Percentage of Total Volume**



Total Volume by Species



Sawlog Volume by Species



TIMBER RESOURCE (continued)

Sawlog Value:

Sugar maple sawlog value leads the way, holding 44% of total sawlog value. Combined with black cherry, yellow birch and red maple, these primary hardwoods hold nearly 83% of the total sawlog value and nearly 58% of total sawlog volume. Spruce/fir and white pine account for much of the balance of the sawlog volume and value.

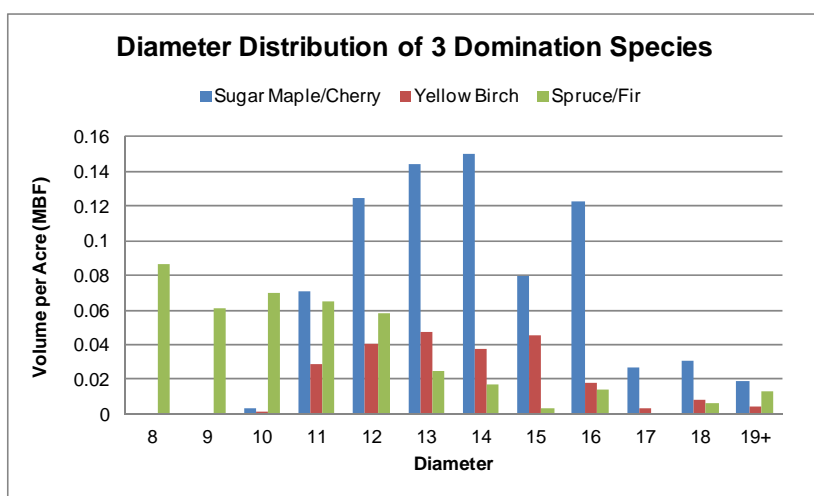
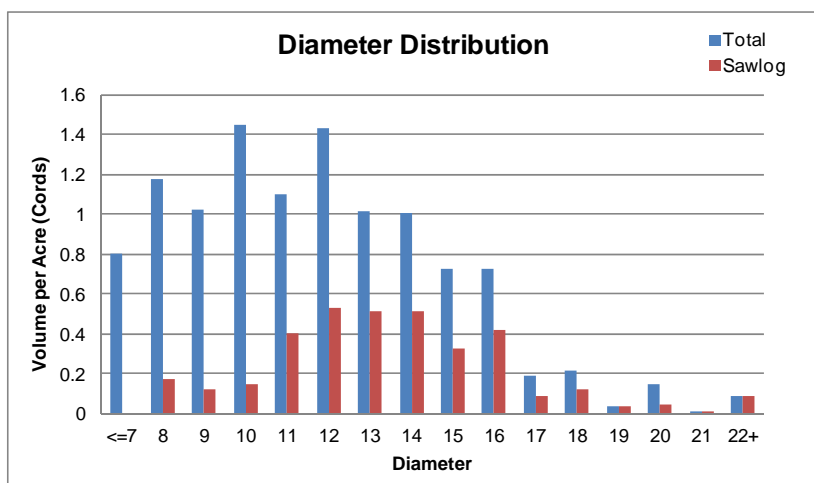
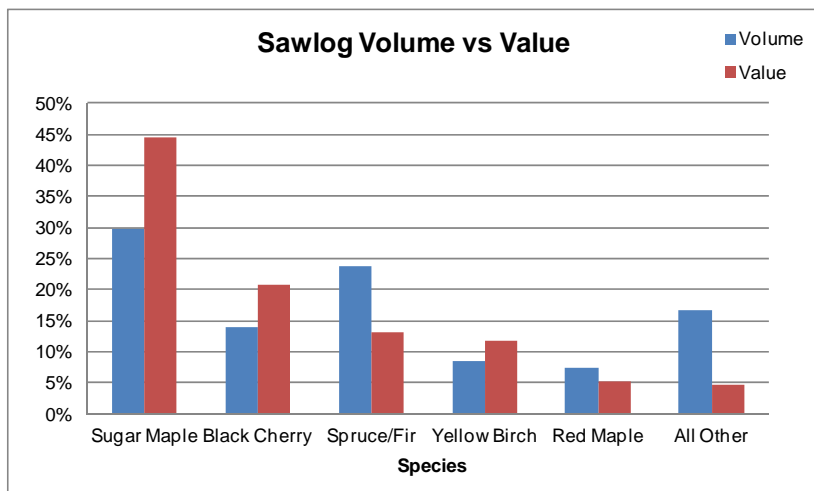
Diameter Distribution:

Diameters are well represented across the commercial spectrum with a notable medium sawlog size class, as well as an abundant pole-sized resource (11" stems well-positioned to develop into the sawlog size class within the next 10 years). This latter-mentioned size class is dominated by black cherry, the maples, yellow birch and spruce/fir. The smallest size class (5-10") is largely dominated by spruce/fir. Average diameter (based on total volume with all products combined) is 11.5", while sawlogs average 13.5".

Average diameter for three of the main species or species groups are sugar maple/cherry 14", yellow birch 13.5" and spruce/fir 10.5".

Forest Structure and Age:

The forest's long history of use as a source for forest products over the decades has created a diverse age structure. Most of the volume is held by stems within the 50-70 year age class (diameters 11-15"). A considerable volume is also held in the 30-49 year old age class (diameters 8-10") with all of the sawlog volume within the size class consisting of spruce/fir. A residual larger age class exists which is in excess of 75 years of age (diameters >16"). The youngest age class (diameters 5-7") have been created by harvesting that occurred within the last 15-25 years.



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.

TIMBER VALUATION

LITTLE RIVER LAKE FOREST

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Town of Clifton, St. Lawrence County, NY
November 2013

3,225 Acres
2,614 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<i>Sawtimber - MBF (International 1/4")</i>					
Sugar Maple	972	325.00	425.00	365.00	354,700
Black Cherry	428	300.00	425.00	365.00	156,200
Spruce/Fir	1,148	90.00	110.00	100.00	114,800
Yellow Birch	391	220.00	260.00	250.00	97,700
Red Maple	330	100.00	150.00	125.00	41,300
Sugar Maple Pallet	448	40.00	60.00	50.00	22,400
Pallet / Grade 3	517	30.00	45.00	35.00	18,100
White Pine	139	90.00	120.00	110.00	15,300
Black Cherry Pallet	217	40.00	60.00	50.00	10,900
White Ash	21	100.00	150.00	125.00	2,600
White Pine Pallet	49	30.00	40.00	35.00	1,700
Tamarack	32	30.00	50.00	40.00	1,300
Other	18	50.00	70.00	60.00	1,100
Aspen	22	30.00	40.00	35.00	800
<i>Pulpwood - Cords</i>					
Hardwoods	17,992	9.00	12.00	11.00	197,900
Spruce/Fir	422	4.00	6.00	5.00	2,100
Pine/Other Softwood	305	4.00	6.00	5.00	1,500

Totals					
Sawtimber Total	4,731	MBF			\$838,900
Sawtimber Per Acre	1.467	MBF			\$260
Sawtimber Per Comm. Acre	1.810	MBF			\$321
Cordwood Total	18,719	Cords			\$201,500
Cordwood Per Acre	5.8	Cords			\$62
Cordwood Per Comm. Acre	7.2	Cords			\$77
Total Per Acre					\$323

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$965,000	\$1,110,000	\$1,040,400

BASED ON A JULY 2012 INVENTORY CRUISE BY FOUNTAINS FORESTRY adjusted for growth and harvest

317 BAF 10 Inventory plots - Standard error of 10.6% on sawlogs products & 8.0% on pulp products at the 95% confidence level.

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

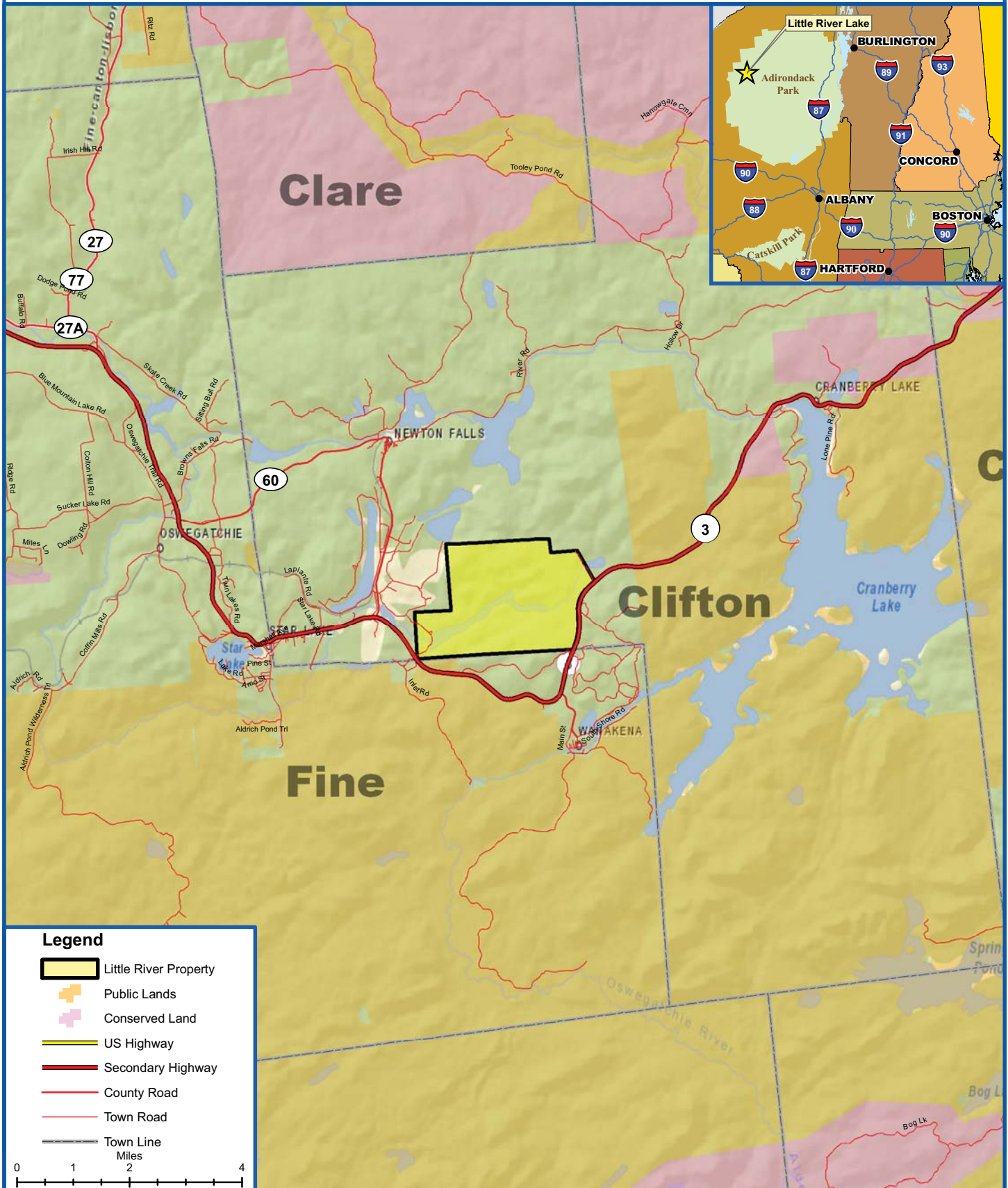
The volumes and values are not a liquidation value.

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



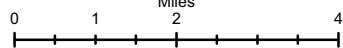
Locus Map
Little River Lake
3,225 GIS Acres
Clifton, St Lawrence County, New York

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Legend

- Little River Property
- Public Lands
- Conserved Land
- US Highway
- Secondary Highway
- County Road
- Town Road
- Town Line

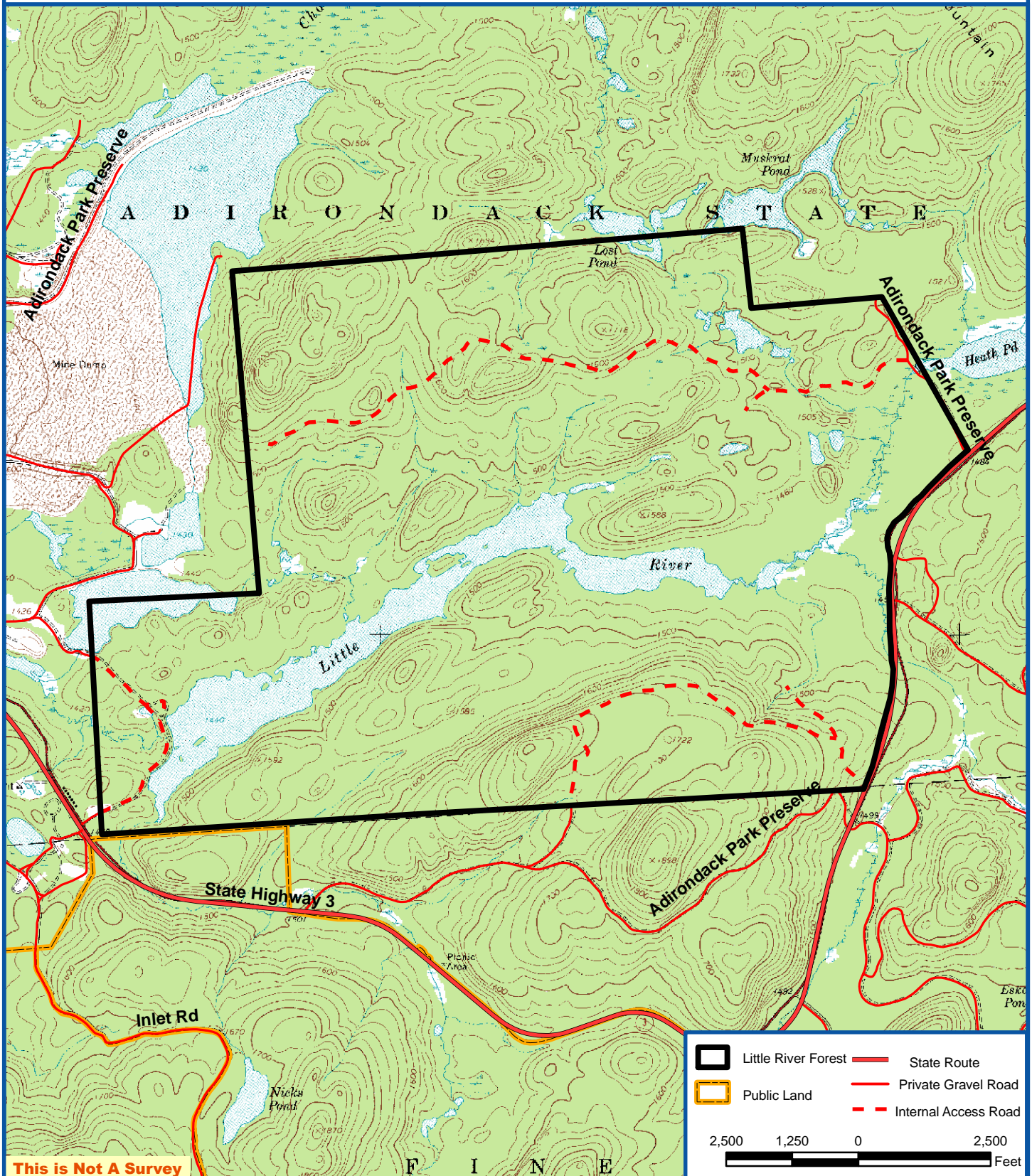




Little River Forest

3,190 Deeded Acres
Clifton, St. Lawrence County, New York

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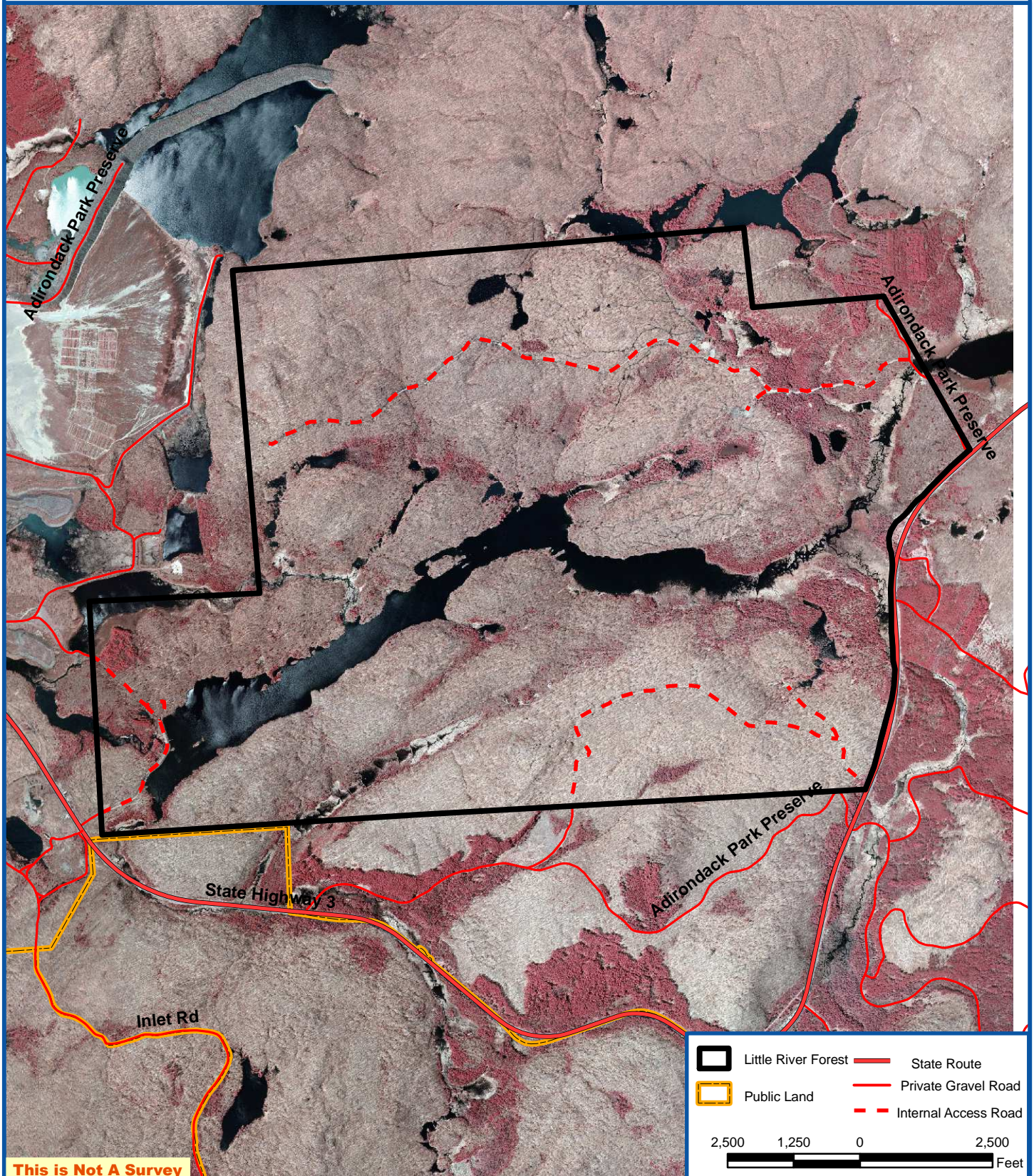
Map produced from data provided by the owner, aerial photography, county tax map information and reference information obtained from NYS GIS.
Boundary lines portrayed on this map are approximate and could be different then the actual location of boundaries found in the field.



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New York State
DEPARTMENT OF STATE
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New York State Disclosure Form for Buyer and Seller

THIS IS NOT A CONTRACT

New York State law requires real estate licensees who are acting as agents of buyers and sellers of property to advise the potential buyers and sellers with whom they work of the nature of their agency relationship and the rights and obligations it creates. This disclosure will help you to make informed choices about your relationship with the real estate broker and its sales associates.

Throughout the transaction you may receive more than one disclosure form. The law requires each agent assisting in the transaction to present you with this disclosure form. A real estate agent is a person qualified to advise about real estate.

If you need legal, tax or other advice, consult with a professional in that field.

Disclosure Regarding Real Estate Agency Relationships

Seller's Agent

A seller's agent is an agent who is engaged by a seller to represent the seller's interest. The seller's agent does this by securing a buyer for the seller's home at a price and on terms acceptable to the seller. A seller's agent has, without limitation, the following fiduciary duties to the seller: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A seller's agent does not represent the interests of the buyer. The obligations of a seller's agent are also subject to any specific provisions set forth in an agreement between the agent and the seller. In dealings with the buyer, a seller's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the value or desirability of property, except as otherwise provided by law.

Buyer's Agent

A buyer's agent is an agent who is engaged by a buyer to represent the buyer's interest. The buyer's agent does this

by negotiating the purchase of a home at a price and on terms acceptable to the buyer. A buyer's agent has, without limitation, the following fiduciary duties to the buyer: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A buyer's agent does not represent the interest of the seller. The obligations of a buyer's agent are also subject to any specific provisions set forth in an agreement between the agent and the buyer. In dealings with the seller, a buyer's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the buyer's ability and/or willingness to perform a contract to acquire seller's property that are not inconsistent with the agent's fiduciary duties to the buyer.

Broker's Agents

A broker's agent is an agent that cooperates or is engaged by a listing agent or a buyer's agent (but does not work for the same firm as the listing agent or buyer's agent) to assist the listing agent or buyer's agent in locating a property to sell or buy, respectively, for the listing agent's seller or the buyer agent's buyer. The broker's agent does not have a direct relationship with the buyer or seller and the buyer or seller can not provide instructions or direction directly to the broker's agent. The buyer and the seller therefore do not have vicarious liability for the acts of the broker's agent. The listing agent or buyer's agent do provide direction and instruction to the broker's agent and therefore the listing agent or buyer's agent will have liability for the acts of the broker's agent.

Dual Agent

A real estate broker may represent both the buyer and seller if both the buyer and seller give their informed consent in writing. In such a dual agency situation, the agent will not be able to provide the full range of fiduciary duties to the buyer and seller. The obligations of an agent are also subject to any specific provisions set forth in an agreement between

the agent, and the buyer and seller. An agent acting as a dual agent must explain carefully to both the buyer and seller that the agent is acting for the other party as well. The agent should also explain the possible effects of dual representation, including that by consenting to the dual agency relationship the buyer and seller are giving up their right to undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship before agreeing to such representation.

Dual Agent with Designated Sales Agents

If the buyer and seller provide their informed consent in writing, the principals and the real estate broker who represents both parties as a dual agent may designate a sales agent to represent the buyer and another sales agent to represent the seller to negotiate the purchase and sale of real

estate. A sales agent works under the supervision of the real estate broker. With the informed consent of the buyer and the seller in writing, the designated sales agent for the buyer will function as the buyer's agent representing the interests of and advocating on behalf of the buyer and the designated sales agent for the seller will function as the seller's agent representing the interests of and advocating on behalf of the seller in the negotiations between the buyer and seller. A designated sales agent cannot provide the full range of fiduciary duties to the buyer or seller. The designated sales agent must explain that like the dual agent under whose supervision they function, they cannot provide undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship with designated sales agents before agreeing to such representation.

This form was provided to me by Todd Waldron (print name of licensee) of Fountains Land
(print name of company, firm or brokerage), a licensed real estate broker acting in the interest of the:

☒ Seller as a (check relationship below)

☐ Buyer as a (check relationship below)

☒ Seller's agent

☐ Buyer's agent

☐ Broker's agent

☐ Broker's agent

☐ Dual agent

☐ Dual agent with designated sales agent

If dual agent with designated sales agents is checked: _____ is appointed to represent the buyer;
and _____ is appointed to represent the seller in this transaction.

I/We _____ acknowledge receipt of a copy of this disclosure form:
signature of { } Buyer(s) and/or { } Seller(s):

Date: _____

Date: _____