

HAYSTACK MOUNTAIN FOREST

Protected by a conservation easement and populated by fully-stocked sugar maple and yellow birch stands, the property is well-suited to the long-term timber investor as well as to sugarbush operators who will benefit from secure access, nearby power and ±26,000 potential taps.



**1,071± GIS Acres
Lowell, Orleans County, Vermont**

Price: \$680,000

INVESTMENT OVERVIEW

Haystack Mountain Forest is an affordable timber and/or sugarbush opportunity with attractive species composition, productive soils, secure access and excellent potential for asset appreciation from the timber resource. The ownership, Atlas Timberlands Partnership, is a collaboration between two well-known conservation groups, The Nature Conservancy and the Vermont Land Trust. Together, they have held the property (along with other lands) as a model for managing a diverse array of stewardship goals, including the practice of sustainable silvicultural operations. Their goal in divesting is to raise funds to further their forestland conservation work on new projects.

Investment highlights include:

- Species mix dominated by sugar maple;
- Middle-aged overstory with the timber resource well-positioned for asset appreciation;
- List price at 88% of Capital Timber Value;
- Secure access with power nearby;
- Possible sugarbush opportunity with 26,000 or more potential taps from stems 10" and greater on east-facing slopes with good sap-flow conditions.

LOCATION

The forest lies in the northern Vermont town of Lowell along the Green Mountain Range. This is a rural and mountainous area populated by small hamlets, working forests and scattered farms. The town of Lowell, situated in the Missisquoi River Valley between two mountain ranges, is a scenic area with a small hamlet at its center along Route 100, 4 miles to the east of the property. One of the region's landmarks is Hazen's Notch, a mountain pass through the Green Mountains which runs between Sugarloaf Mountain to the north and Haystack Mountain to the south. The pass is open only during non-snow months and is widely considered one of the most scenic roads in northern Vermont.

The main transportation corridor through the area is Route 100, which offers ideal access to regional and cross-border forest product manufacturing facilities. This north-south route provides access to Newport, the region's largest city (22 miles to the north) and Jay Peak Ski Resort (17 miles to the north as well). Interstate 91 is 15 miles to the east via Route 58, providing easy access to points further south in New England and north to Quebec. Montreal is a 1.75 hour drive to the northwest and Boston is a 3.5 hour drive to the southeast.



The property is just south of the Hazen's Notch, seen above to the right with the land's northern slopes in the center.

Looking west to Haystack Mt and the majority of the property pictured below the higher elevations visible.



ACCESS

The property's primary access is off Route 58 (aka Hazen Notch Road) from which a deeded right-of-way provides access to the northern 61% of the property's terrain along the private Brookside Drive. An established truck road runs a short distance from the end of Brookside Drive into the land to an existing large landing. Total length from Route 58 to the property boundary along this road is 1,425'. From the landing, internal access is provided by a series of old logging trails.

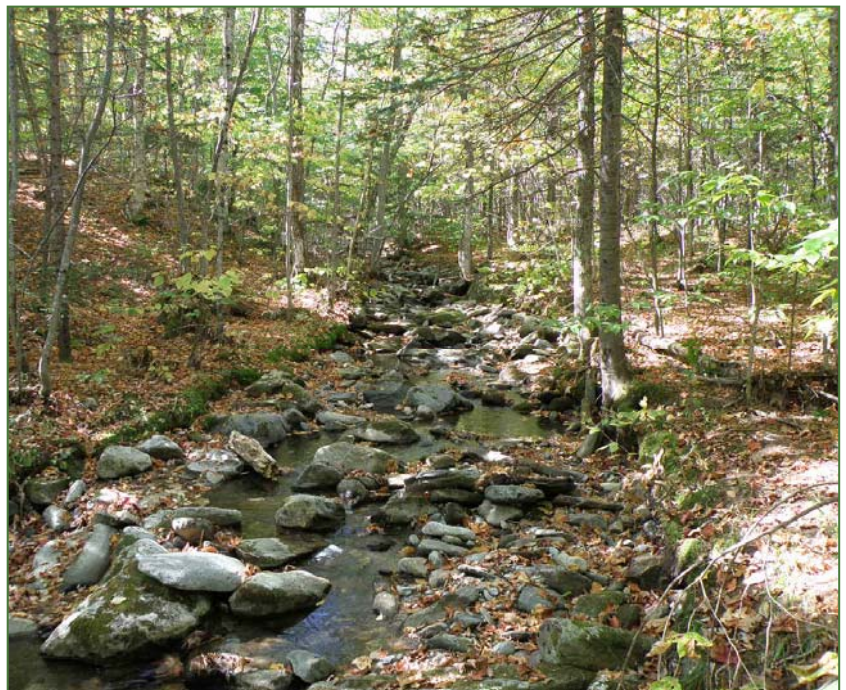
The remaining portion of the property (39%) is accessed via Potter Road, a Class 3 road for 2,380', at which point it turns into a Legal Trail for 6,425' before entering the property (thus, the property is roughly 1.3 miles from the town-maintained Mines Road). An established and deeded access road provides access to the stand-alone, 113-acre tract that is part of the property offering. The entire length of Potter Road is in excellent condition and is well-suited to future forest management activities.



Most of the land is accessed by a deeded right-of-way along Brookside Drive, pictured above.

SITE DESCRIPTION

The property's terrain is shaped by Haystack Mountain, whose eastern slopes comprise most of the property, creating an almost entirely eastern aspect. Gentle to moderate slopes are common on the majority of the land, and are well suited to mechanized forest harvest operation systems. Along the higher elevations, closer to the Haystack peak, terrain is steep with spotty rock outcrops. Terrain on the 113-acre, stand-alone parcel to the south is similarly gentle at lower elevation and steeper as the property increases in elevation, with its slopes defined by Tillotson Peak to the west.



The largest of five mountain streams that runs through the property, this stream is near the Brookside Drive access.

The west-to-east sloping terrain on the property provides soils that are predominately well-drained and highly productive. These soils are ideally suited to the property's maple and yellow birch timber resource.

Five streams run through the land, all originating as headwaters from Haystack and Tillotson peaks. Elevation ranges from 2,460' along the western boundary to 1,510' at the Brookside Drive access point.

TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory, conducted in July 2015 by the ownership's forest consultant, M.D. Forestland Consulting, LLC. 176 inventory points were sampled (1 plot per 5.4 commercial acres), covering a 470' X 470' grid using a 15-factor prism. Sampling statistics are $\pm 12.7\%$ standard error for sawlog products and $\pm 6.9\%$ for all products combined at the 95% confidence interval, figures within industry standards. After applying growth for 2016-17 using regional FIA data averages, the timber data reveals a total sawlog volume of 2,557 MBF International $\frac{1}{4}$ " scale (2.7 MBF/commercial acre) with 12,135 pulpwood cords (12.9 cords/commercial acre). Combined total commercial per acre volume is 18.3 cords, equal to the regional average. Stumpage values were assigned to the volumes in March of 2018, producing a property-wide Capital Timber Value (CTV) of \$776,400 (\$725/total acre). See the Timber Valuation in this report for details.



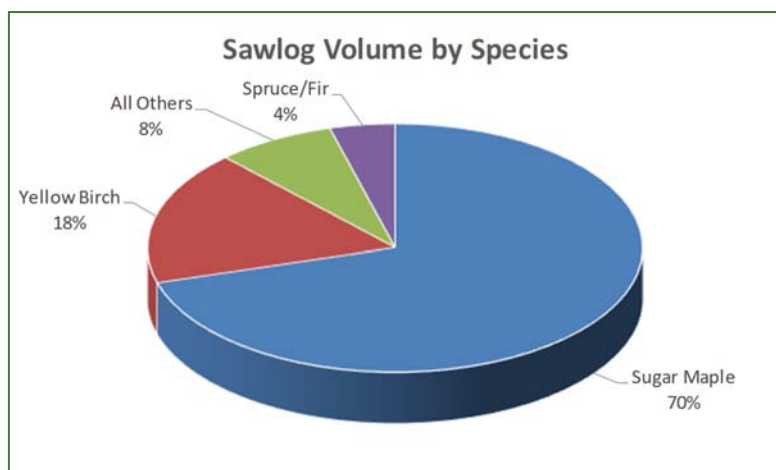
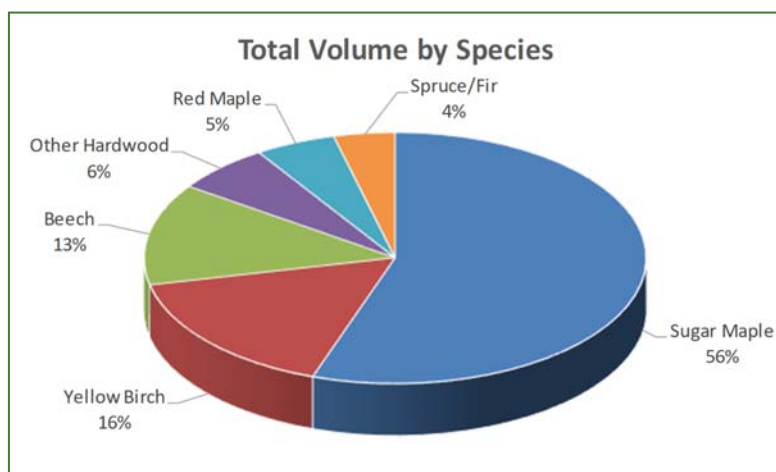
A typical, fully-stocked stand with small sawlogs mixed with 5-8" diameter growing stock.

Species Composition:

A species composition dominated by hardwoods prevails, with hardwoods at 96% and softwoods at 4% of total volume. Species composition for all products combined offers a favorable mix and is led by sugar maple (56%), followed by yellow birch (16%), American beech (13%), and red maple (5%), with other common hardwoods and spruce/fir comprising the balance. The sawlog volume breakdown consists largely of sugar maple (70%) and yellow birch (18%). This species composition is well suited to a long-term timber investment, with solid markets regionally and into Quebec for all products and species growing on the land. The relatively low beech component is the result of active forest management that has occurred over the past 20 years.

Stocking and Stem Quality:

Forest density can generally be considered as fully stocked, with the average Basal Area (BA) at 81 ft² on 195 stems/acre. Acceptable growing stock BA is 39 ft². Stem quality is generally average for the region, with the highest quality stems present in the growing stock size classes.

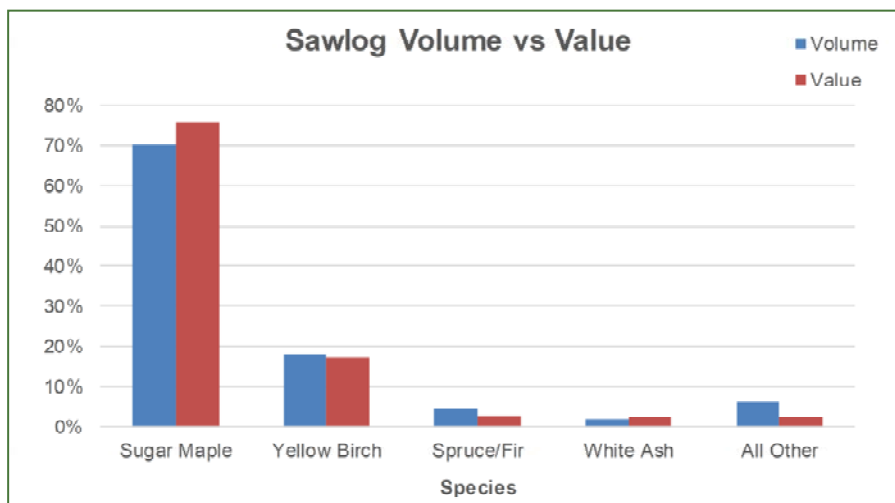


TIMBER RESOURCE (continued)

Sawlog Value/ Thinning History:

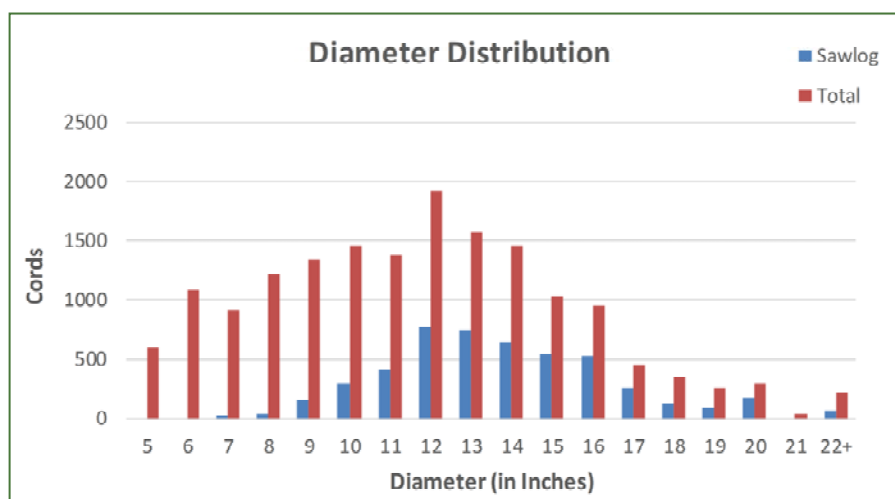
Sawlog value is largely dominated by sugar maple (76%) and yellow birch (18%) with the balance comprised of common associates.

Since the tenure of the current conservation group owner-partnership began in 1997, thinning and small group cuts were conducted in 2003 and 2005 on the majority of the forest. No silvicultural activity has been conducted on the stand-alone, 113-acre parcel. In areas treated for regeneration, advanced sapling regeneration is well established.



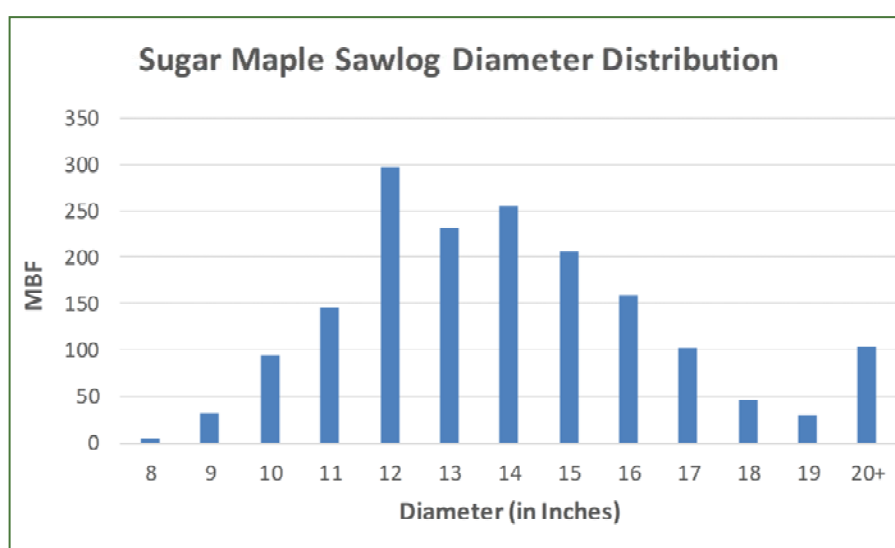
Diameter Distribution:

Average diameter for all products combined is 11.5", while the average sawlog diameter is nearly 13.5". Generally, two size classes predominate with the small to medium-sized sawlog diameters of 12-16" representing 37% of total stocking. These stems are generally 65-75 years old and 2-4 decades from maturity. The growing stock size class (8-10") represents 33% of total stocking. Large-sized diameters are also represented (8% of total volume) and are generally scattered throughout the forest.

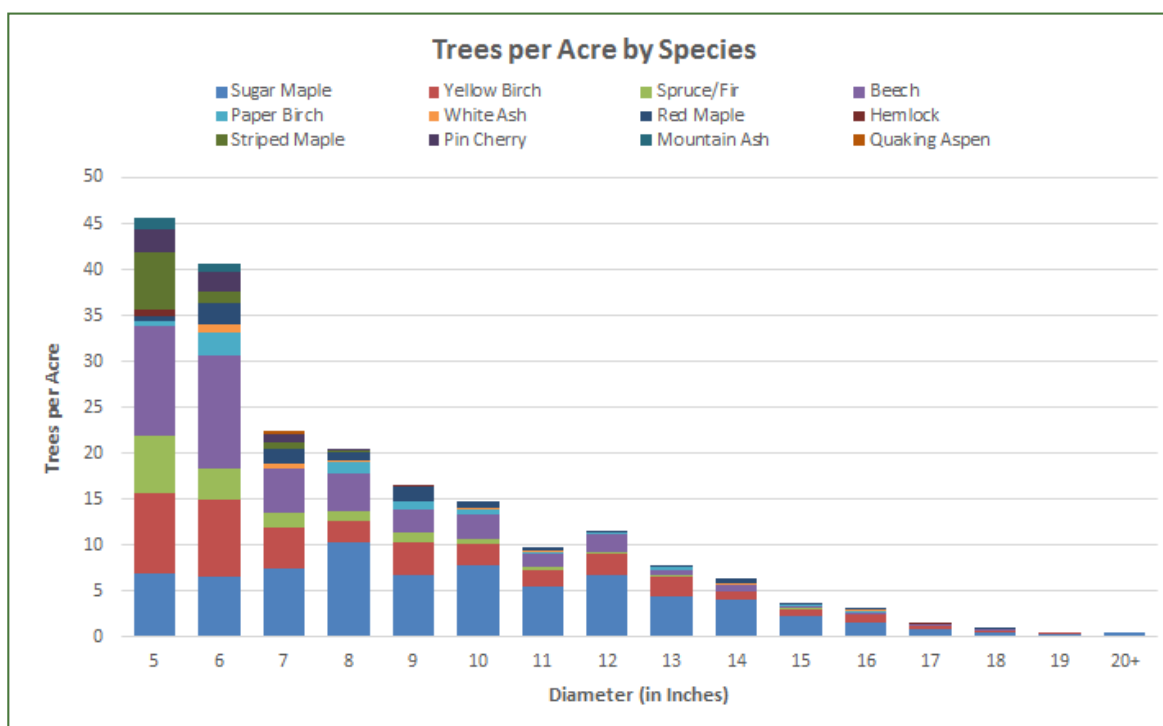


As with most forests that have seen harvesting within the past 30 or more years, the presence of an advanced sapling to small pole-sized growing stock age class (5-10" diameters) can be an important component of asset appreciation and an increasing source of future forest stocking. The growing stock on the forest holds 48% of total volume. Sugar maple and yellow birch growing stock stems account for 53% of the total growing stock basal area.

Average diameter for sugar maple, the major specie, is 13.5".



TIMBER RESOURCE (continued)



SUGARBUSH OPPORTUNITY

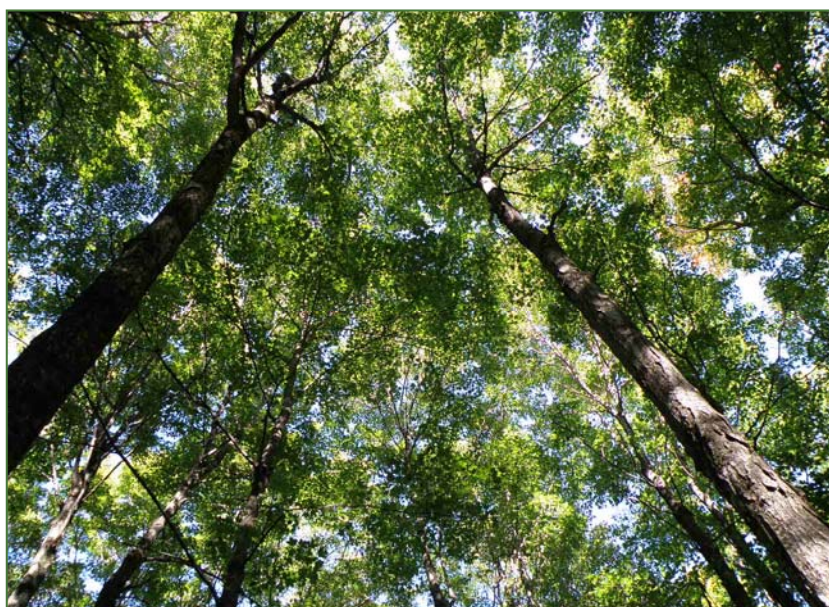
The property offers a potential sugarbush opportunity, given the level of maple stocking, slope factor, access and proximity to electric power. The timber data indicate a total potential tap count of 36,307 taps, with roughly 95% of the taps from sugar maple and the balance from red maple. Trees 10" and greater were considered, providing an average of 36 taps/acre, covering the property's commercial acres. Also, the timber data indicate that an additional 11,000 taps will become available in the coming decades from the maple resource within the 5-8" diameter class.

Tap Estimate from Timber Data			
Area	Acres	Stems/Acre	Total Taps
A	620	41.5	25,735
B	291	19.5	5,666
C	101	48.6	4,906
Total Area	1,012	35.9	36,307
EPZ	59		
Total Area	1,071		

Note that the tap estimate is broken down into three watershed areas (A-C). The largest, Area A, is considered to be a viable sugarbush given the level of taps/acre, slope factor, access and relatively short, ½ mile distance to electric power along Route 58.

Distance to electric power from Units B & C is roughly 1.3 miles and this access road is not graveled. Therefore, the sugarbush potential in these units is likely not a viable option.

Good stocking and areas with high maple concentrations offer the possibility for sugarbush establishment.



CONSERVATION EASEMENT

The conservation easement on the property will be held by the Vermont Land Trust (VLT), a Vermont-based organization and one of the most respected conservation organizations in the nation. A working forest “partnership” with VLT offers the new owner predictability and cooperation, given the long history and solid reputation this land trust has established regarding the easement lands under its jurisdiction.

A principal objective of the easement’s commercial acreage is to maintain, grow and harvest forest resources and products on a sustainable basis. The terms of the easement prevent subdivision and future development of any kind; however, forestry and sugarbush operations, and construction of associated support infrastructure, are permitted.

Easement highlights include:

- Most sustainable and traditional forestry and sugarbush activities are permitted to support the long-term stewardship of the protected property;
- The entire property is open to non-vehicular public recreation and hunting;
- Silvicultural activities are limited to sustainable levels, with target diameters set for each species;
- Surface Water Protection Zones (SWPZs - 25 acres), permit limited harvesting/sugaring with special consideration to maintaining water quality. Ecological Protection Zones (EPZ's - 59 acres) can not be managed and thus were not included in the represented timber data;
- One camp structure of 800 ft² is permitted.

The maps provided in this report designate the SWPZ and EPZ areas. Copies of the easement and baseline documentation are available upon request.

Item	Acres
Tax Acres	963
GIS Acres	1071
Non-Commercial Timber Acres	129
Commercial Timber Acres	942
SWPZ (can be managed)	25
EPZ "No-Touch"	59



Typical forest stocking conditions with sawlog stems interspersed with younger growing stock .

ACREAGE, TAXES & TITLE

Property taxes in 2017 were \$1,734.69. The property **IS** enrolled in the State of Vermont’s Use Value Appraisal (UVA) program.

The property is owned jointly by Vermont Land Trust and The Nature Conservancy. Total Grand List acreage is 963, while the GIS acreage is ±1,071; the latter is believed to be more accurate and is the basis for the timber data and for setting property asking price.

With the exception of a few minor areas, all boundaries appear to be well monumented.

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

Haystack Mountain Forest

Timber Valuation

Prepared By

F&W FORESTRY SERVICES, INCORPORATED

Lowell, Orleans County, Vermont
February 2018

1,071 GIS Acres
942 Commercial Acres

Species	Volume	Unit Price Range			Total Value
	MBF/CD	Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
Sugar Maple	951	300.00	450.00	385.00	365,900
Yellow Birch	273	225.00	325.00	300.00	82,000
Sugar Maple Tie Logs	813	70.00	125.00	90.00	73,200
Sugar Maple Veneer	26	800.00	1,000.00	900.00	23,700
Spruce/Fir	111	110.00	165.00	140.00	15,500
Yellow Birch Tie Logs	163	50.00	90.00	75.00	12,200
White Ash	40	200.00	350.00	300.00	12,000
Yellow Birch Veneer	18	500.00	700.00	600.00	10,600
Tie Logs	104	40.00	80.00	60.00	6,300
Red Maple	21	140.00	225.00	200.00	4,200
White Birch Veneer	4	500.00	750.00	600.00	2,500
White Birch	20	75.00	150.00	100.00	2,000
Hemlock	8	30.00	60.00	50.00	400
Beech	5	30.00	100.00	80.00	400
Pulpwood - Cords					
Hardwoods	11641	10.00	16.00	14.00	163,000
Spruce/Fir	460	4.00	7.00	5.00	2,300
Hemlock	33	4.00	7.00	5.00	200

Totals			
Sawtimber Total	2,557 MBF		\$610,900
Sawtimber Per Acre	2.388 MBF		\$570
Sawtimber Per Comm Acre	2.715 MBF		\$649
Cordwood Total	12,135 Cords		\$165,500
Cordwood Per Acre	11.3 Cords		\$155
Cordwood Per Comm Acre	12.9 Cords		\$176
		Total Per Acre	\$725

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$670,000	\$824,000	\$776,400

BASED ON JULY 2015 INVENTORY CRUISE BY M D FORESTLAND CONSULTING.

176 15 BAF inventory plots were taken on a 470' x 470' grid

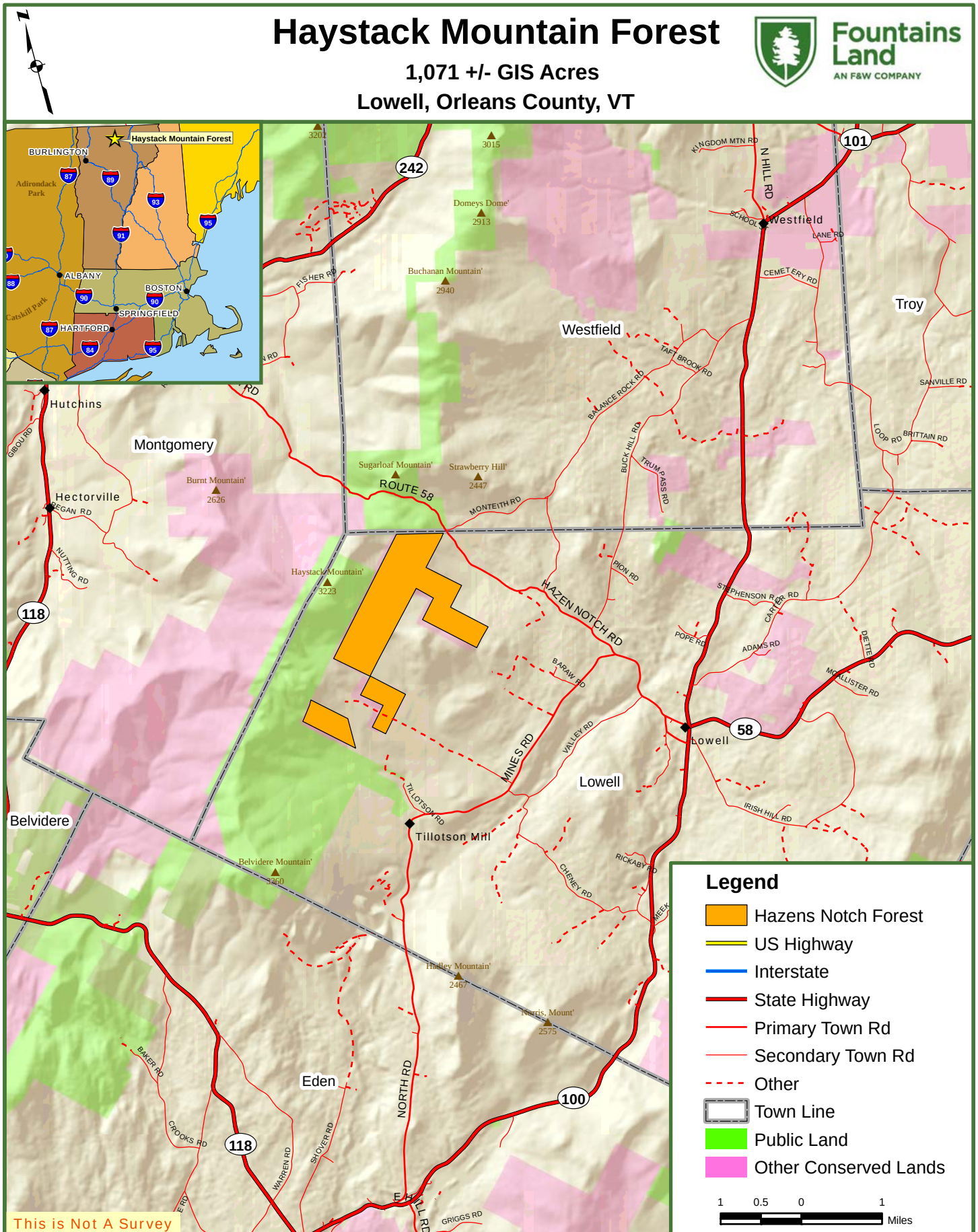
Original volumes have been grown forward for 2 years. Growth rates are averaged for Lamoille, Franklin, Orleans & Washington Counties (VT)

The cruise resulted in a statistical error of ±12.7% for sawlog products and ±6.9% 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.



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from publicly available GIS sources, 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.

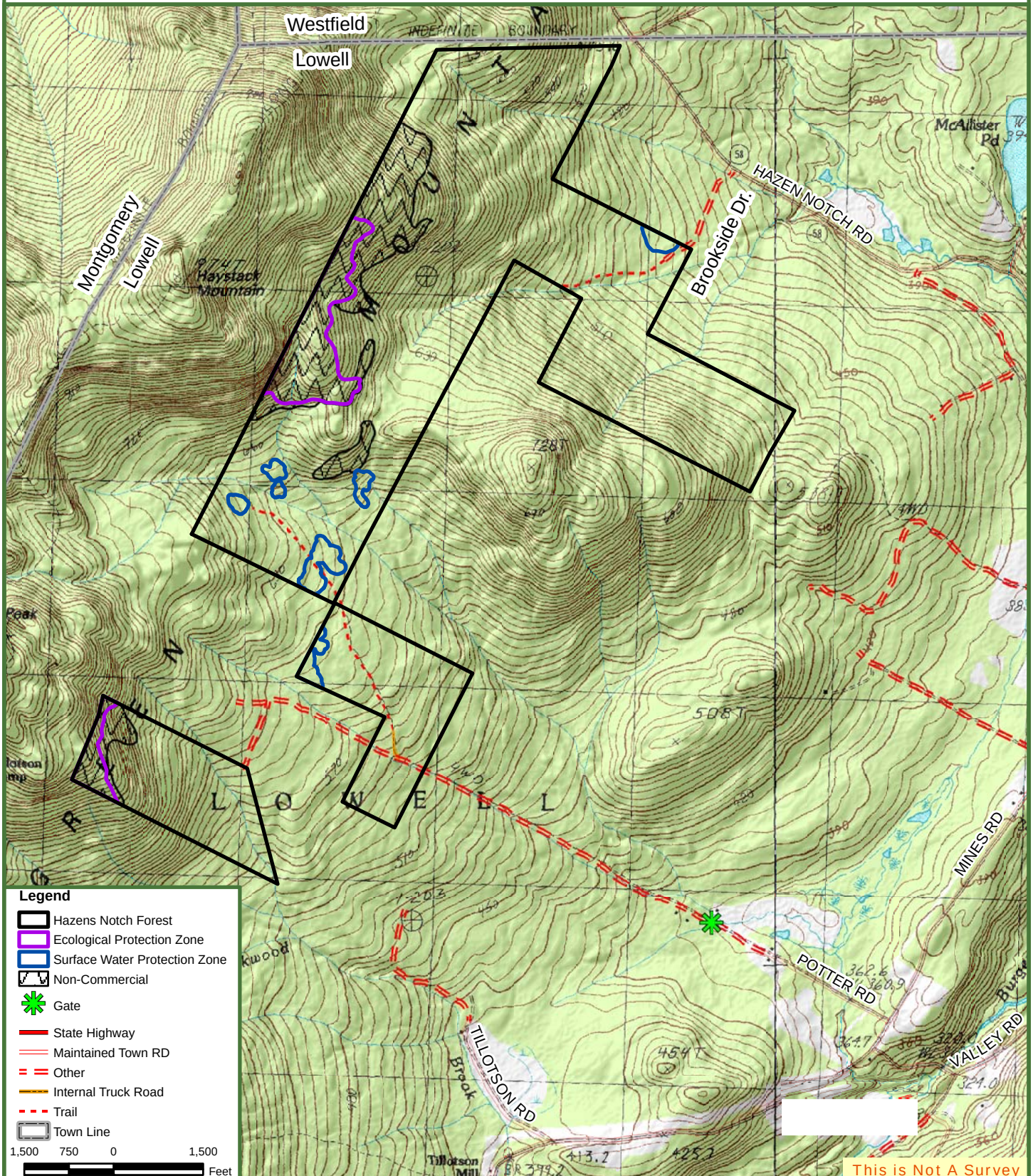


Haystack Mountain Forest

1,071 +/- GIS Acres
Lowell, Orleans County, VT



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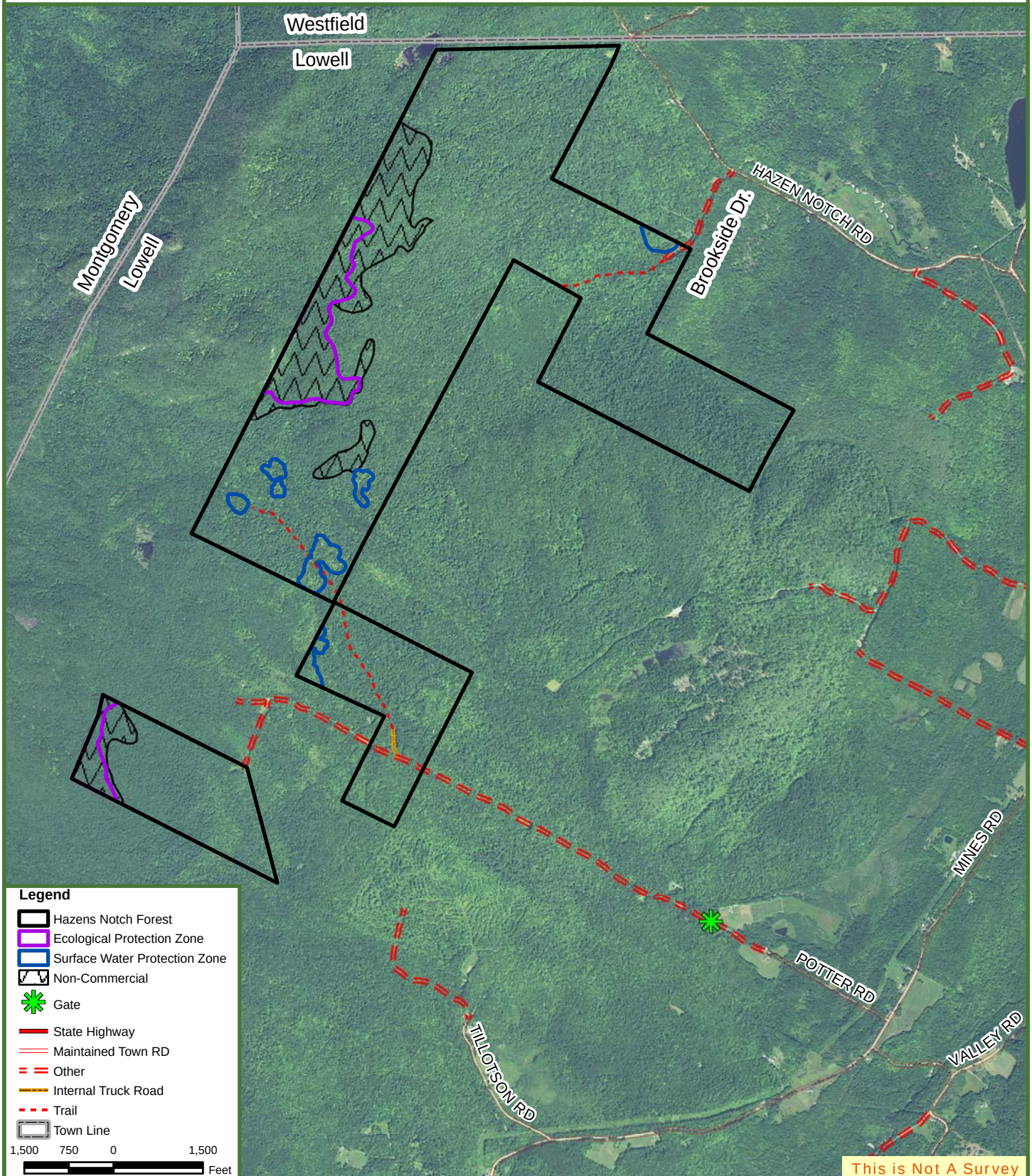


Haystack Mountain Forest

1,071 +/- GIS Acres
Lowell, Orleans County, VT

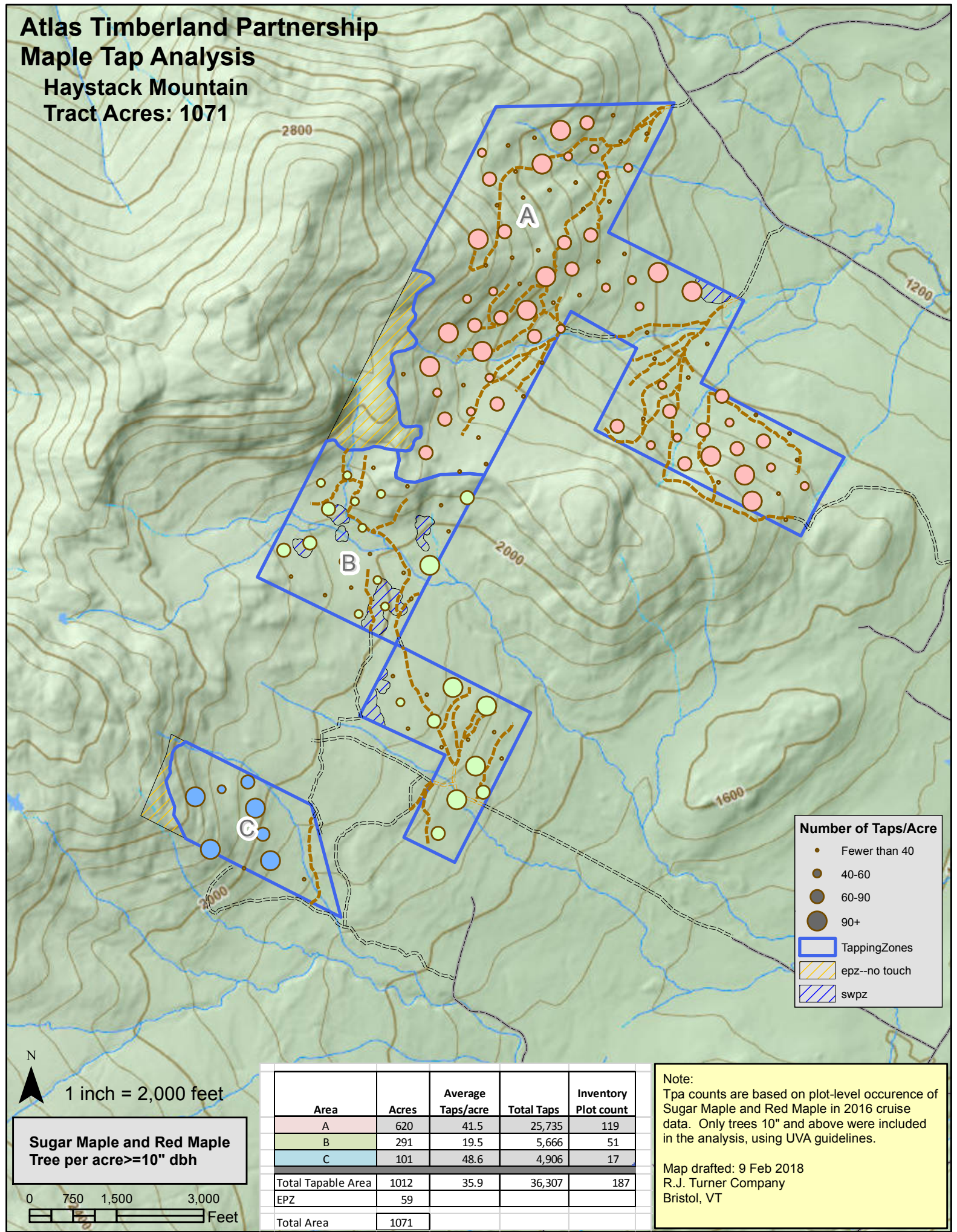


**Fountains
Land**
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Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from publicly available GIS sources, and the owner. Boundary lines portrayed on this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

Atlas Timberland Partnership
Maple Tap Analysis
Haystack Mountain
Tract Acres: 1071



Number of Taps/Acre

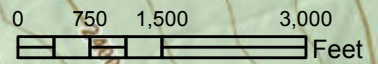
- Fewer than 40
- 40-60
- 60-90
- 90+

TappingZones

- epz--no touch
- swpz

N
1 inch = 2,000 feet

Sugar Maple and Red Maple
Tree per acre >= 10" dbh



Area	Acres	Average Taps/acre	Total Taps	Inventory Plot count
A	620	41.5	25,735	119
B	291	19.5	5,666	51
C	101	48.6	4,906	17
Total Tapable Area	1012	35.9	36,307	187
EPZ	59			
Total Area	1071			

Note:
Tpa counts are based on plot-level occurrence of Sugar Maple and Red Maple in 2016 cruise data. Only trees 10" and above were included in the analysis, using UVA guidelines.

Map drafted: 9 Feb 2018
R.J. Turner Company
Bristol, VT



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