

## **WORCESTER TIMBERLANDS**

**A conservation easement-encumbered timberland property with a highly-stocked forest resource, well-suited to the long-term timberland investor, and benefitting from decades of family land stewardship.**



***5,916± GIS Acres  
Elmore & Worcester, Vermont***

**Price: \$5,030,000**

**2,353 Acres West of Rt. 12 - Price: \$1,910,000**

**3,568 Acres East of Rt. 12 - Price: \$3,270,000**

## INVESTMENT OVERVIEW

Worcester Timberlands is a long-term timber investment opportunity characterized by an attractive species composition, highly-stocked stands providing positive cash flow, and excellent potential for asset appreciation from the timber resource. The ownership, Vermont Land Trust (VLT), acquired the land in 2014 from the Meyer Family who formerly owned the property since the 1950s. The family sold to VLT with the goal of insuring the property will remain as a long-term forest resource. VLT is currently transferring a conservation easement on the land to the State of Vermont, who will oversee the easement terms.

Investment highlights include:

- Species dominated by maple & birch (58%);
- Standing timber value of \$7,622,000;
- Fully-stocked overstory, well-positioned for asset appreciation;
- Mature timber component allowing for positive cash flow;
- Developed access covering much of the landscape (limited access to some areas in SE and NE sections of the land);
- Easement allows for one subdivision along Route 12 and six primitive camps.



Middle-aged stand with white ash near Eagle Ledge access road

## LOCATION

The property is located in north-central Vermont, 12 miles north of the state's capital city of Montpelier. The region's landscape is defined by scattered valley farms, widely dispersed hillside homes and working forests. Both Worcester and Elmore have small village centers with job markets nearby in the larger towns of Morrisville, Stowe, Montpelier and Waterbury.

Route 12 runs north-south through the tract (roughly bisecting the land) providing access to Interstate 89 and Route 2 to the south and Routes 15 and 100 to the north. These major roads provide transportation corridors to regional and Canadian forest product mills from the property.

The region's landscape is defined by the high-elevation Worcester Range, a 15-mile long, north-south series of mountains with the property's adjacent Catamount Brook watershed comprising much of the land west of Route 12.



Catamount Brook Basin and Mount Worcester

## ACCESS

The property offers developed access at various points along Route 12, covering nearly all of the terrain sloping towards the river that runs along this paved road. Much of the upper slopes of the large Catamount Brook basin, located west of Route 12, is accessed by a town road and an internal winter road. The northwestern 270-acre parcel is also accessed by a right-of-way off Route 12.

Much of the eastern terrain is accessed from unmaintained Eagle Ledge Road, where various established landings exist. The north-central section of the land is accessed from the unmaintained portion of Hardwood Flats Road. The extreme southeast and northeast areas of the property do not benefit from developed access, a situation which has been accounted for when setting the asking price.

Property maps in this report depict all of the existing access points.



Route 12 with road frontage on both sides of the highway. The North Branch of the Winooski River is to the left, out of view.

## SITE DESCRIPTION

The property spans nearly 5 miles from north to south and 4.5 miles east to west (at its widest points). All aspects are represented. Elevation ranges from 2,620' in the western section (only 6.25 acres are above 2,500') to  $\pm 900'$  along Route 12. The majority of the terrain sits at elevations between 1,100-1,600'.

Most of the property can be characterized as moderate to steeply sloping upland terrain, providing well-drained soils in these areas. Poorly-drained soils and wetlands exist in pockets scattered around the property, often associated with streams in low-lying, flat areas. The non-commercial acreage is limited to wetlands, roads and landings; thus, all upland terrain has been accessed in the past during commercial thinning operations.



Catamount Brook; the property holds most of its upper watershed.

The North Branch of the Winooski River runs along the property in a spot adjacent to Route 12. A notable waterfall along the river is situated a stone's throw from the property's boundary in this area. Catamount Brook drains the western block before entering the Winooski River along its property frontage on Route 12. Another notable stream is Hardwood Brook, which runs along Eagle Ledge Road.

## TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory conducted in August 2018 by F&W Forestry Services. 290 inventory points were sampled (1 plot per 20 commercial acres), covering a 585' x 1,400' grid and using a 15-factor prism. Sampling statistics are  $\pm 6.9\%$  standard error for sawlog products and  $\pm 4.2\%$  for all products combined at the 95% confidence interval, figures well within industry standards. The timber data reveal a total sawlog volume of 43,468 MBF International  $\frac{1}{4}$ " scale (7.5 MBF/commercial acre) with 121,632 pulpwood cords (21 cords/commercial acre). Combined total commercial per acre volume is 36 cords, well above the regional average. Stumpage values were assigned to the volumes in August of 2018, producing a property-wide Capital Timber Value (CTV) of \$7,622,300 (\$1,317/total commercial acre). See the Timber Valuation in this report for details.



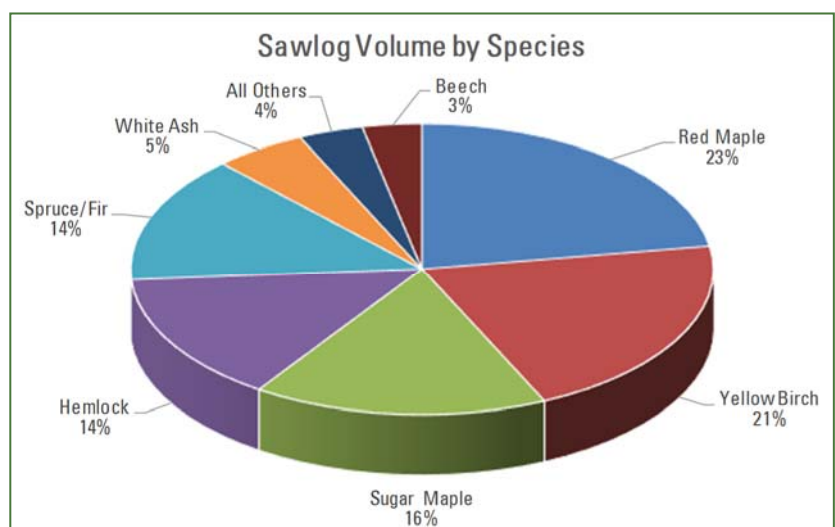
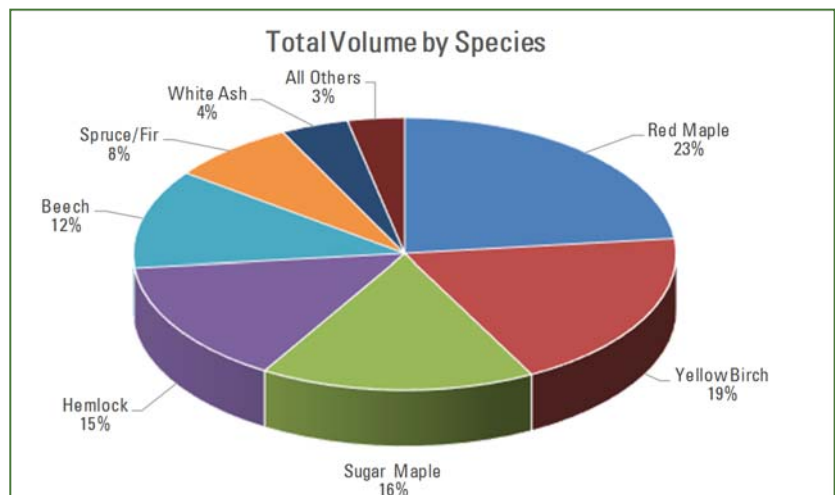
Northern hardwood stand off the Hardwood Flats access road.

### Species Composition:

A species composition dominated by hardwoods prevails, with hardwoods at 77% and softwoods at 23% of total volume. Species composition for all products combined offers a favorable mix and is led by red maple (23%), followed by yellow birch (19%), sugar maple (16%), hemlock (15%), American beech (12%) and spruce/fir (8%), with other common hardwoods and softwoods comprising the balance. The sawlog volume breakdown is much the same, though the spruce/fir component is higher. This species composition is well suited to a long-term timber investment, with solid markets regionally and into Quebec for the products growing on the land. A relatively high American beech component is indicative of a resource that has seen minimal management over the last  $\pm 20$  years.

### Stocking and Stem Quality:

Forest density can generally be considered as fully stocked to overstocked, with the average Basal Area (BA) at 119 ft<sup>2</sup> on 202 stems/acre. Acceptable growing stock BA is 82ft<sup>2</sup>, indicating high overall stem quality, sufficient to fully occupy stands post thinning with acceptable growing stock.

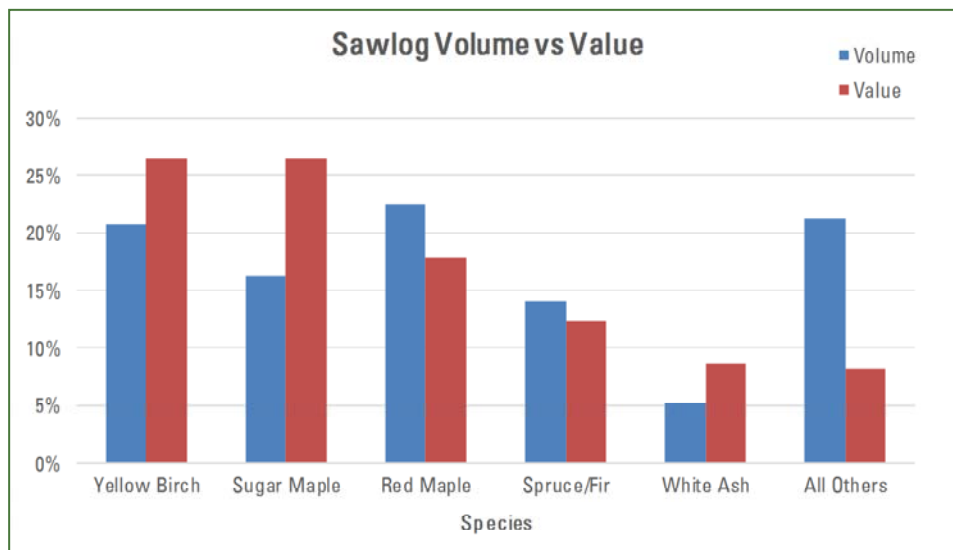


## TIMBER RESOURCE (continued)

### Sawlog Value/ Thinning History:

Sawlog value is largely dominated by species for which market demand has historically been strong within the region. The white ash component is primarily located in stands east of Route 12.

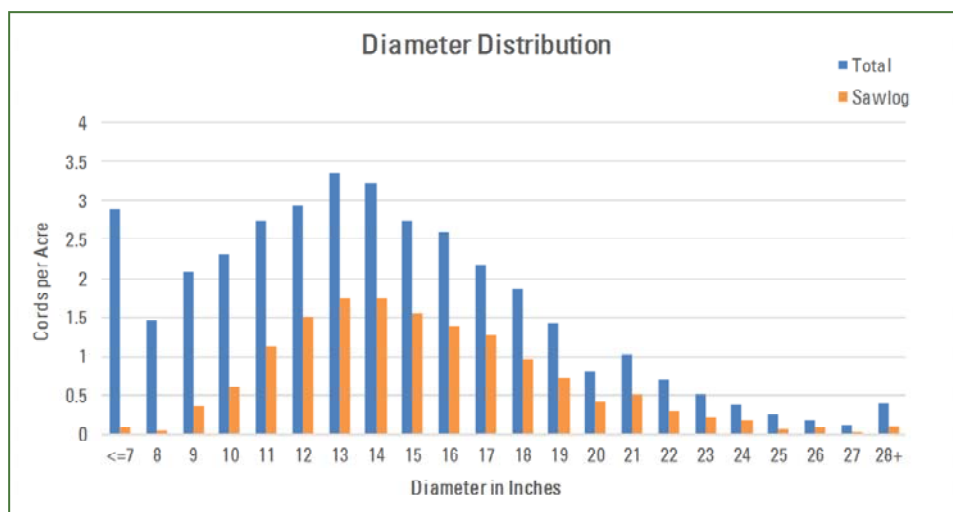
The current owner has not conducted any thinning activity since their 2014 acquisition of the property. The former family owner last managed stands on the eastern side of the property roughly 20 years ago. However it has been  $\pm 30$  years since most of the forest stands have been managed.



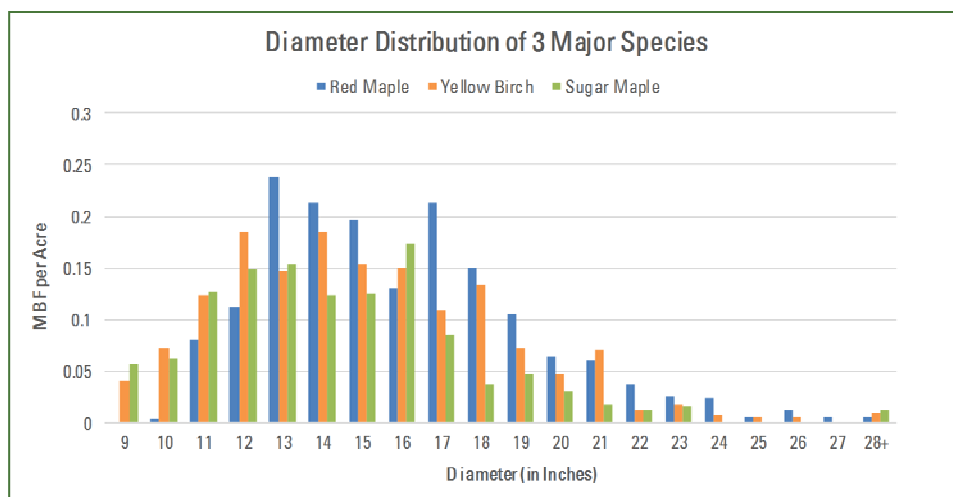
### Diameter Distribution:

Average diameter for all products combined is 13.5", while the average sawlog diameter is nearly 14.5", indicating a forest resource with a mature and maturing age class (the diameter distribution graph shows a notable volume of diameters 20" and greater).

While a considerable component of the resource is within the older age classes, 36% of the pulpwood volume is growing stock (stems in the 5"-10" size class).

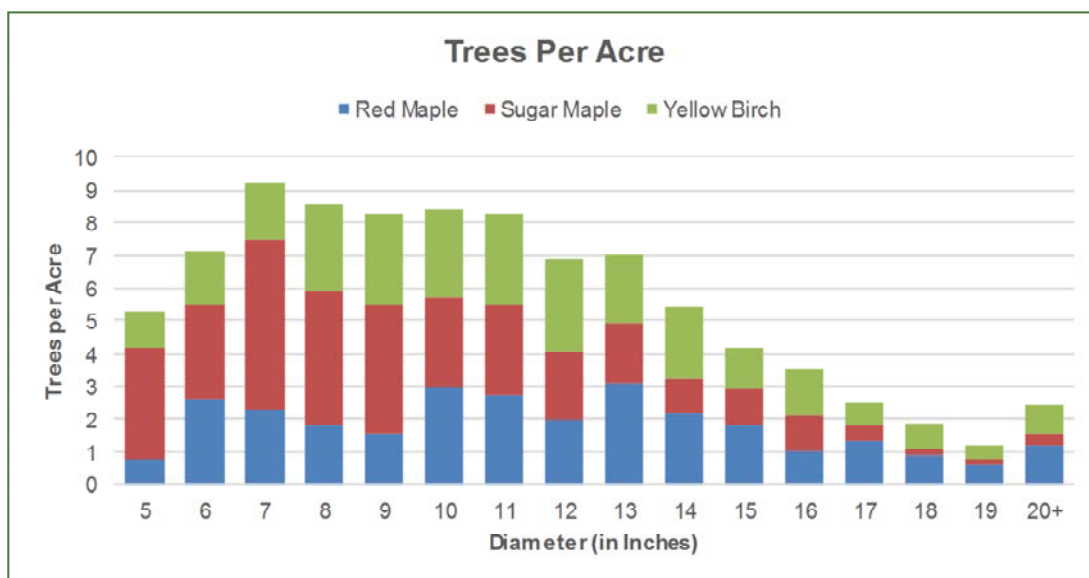


Average diameter for the three main species are: sugar maple 14.0", yellow birch 14.5" and red maple 15.5". Stem quality for these three species is high, with acceptable growing stock between 70% and 80% of each species' total volume, an important indicator, given these species represent 70% of the property's sawlog value.



The average hemlock diameter is 15", with this resource at financial maturity. The spruce/fir component exists primarily as red spruce whose average sawtimber diameter is  $\pm 13$ ", also representing a financially mature resource.

## TIMBER RESOURCE (continued)



## SUGARBUSH OPPORTUNITY

The property may offer sugarbush opportunity in some areas based on high maple stocking, slope factor, access and proximity to electric power. The timber data indicate a total potential tap count of  $\pm 290,000$  gross taps, with roughly 43% of the taps from sugar maple and the balance from red maple. Trees 9"+ were considered, providing an average of  $\pm 50$  taps/acre, covering the property's commercial acres. However, many of these taps are likely not economically feasible, given the lack of developed access and proximity to electric power. Also, the timber data indicate that an additional  $\pm 134,000$  taps may become available in the coming decades from the maple resource within the 5-8" diameter class.

**Tap Estimate from Timber Data**

Unit	Gross Taps	Acres	Taps/Ac
Combined	290,728	5,789	50.2
Rt 12 East	193,410	3,484	55.5
Rt 12 West	98,671	2,305	42.8

Note that the tap estimate is broken down into three units per the table above and relative to how the land is available for sale. The area west of Route 12 likely holds the best sugarbush potential, given its more developed access and proximity to electric power.

While the area east of Route 12 holds higher concentrations of maple, access is less developed, especially on terrain that slopes towards the Eagle Ledge access road. However, some of the stands which slope toward the Route 12 corridor may possess sugarbush opportunity.

Northern hardwoods on the Catamount Timberland Tract, an area that was thinned 20-25 years ago.



## CONSERVATION EASEMENT

The conservation easement on the property will be held by the State of Vermont, Agency of Natural Resources, Department of Forest, Parks and Recreation. The seller, Vermont Land Trust (VLT), has been the owner since 2014, acquiring the land from the Meyer Family whose wishes were to ensure the property would remain as a productive, unfragmented forest resource landscape. VLT is currently transferring the conservation easement to the State of Vermont, a process that is anticipated to occur in 2019. VLT is hoping to agree on purchase terms subject to the transfer of the conservation easement, at which point title will be transferred to the new owner.

A working forest “partnership” with The State of Vermont, Agency of Natural Resources offers the new owner predictability and cooperation, given the long history and solid reputation this Agency has in overseeing other conservation easements under their stewardship.

A principal objective of the easement is to minimize ecological impacts of a managed forest resource to provide a long-term source of forest products.

Easement highlights include:

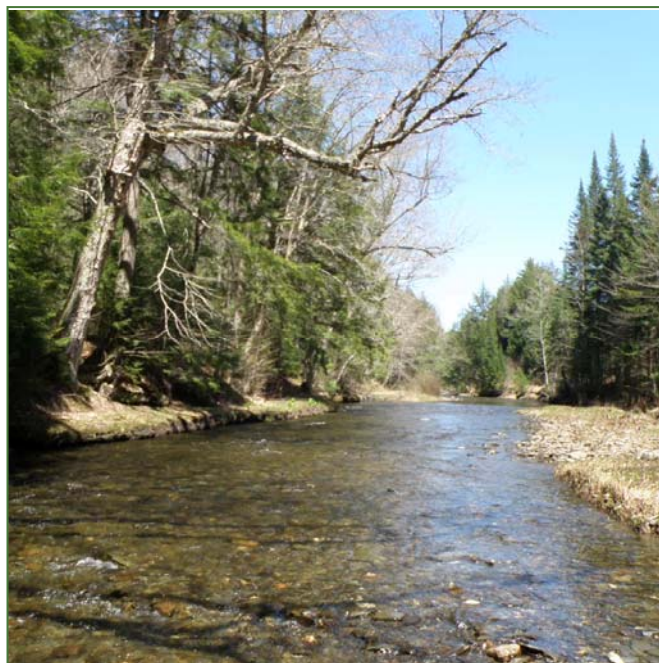
- Most sustainable and traditional forestry and sugarbush activities are permitted to support the long-term stewardship of the protected property
- The entire property is open to non-vehicular public recreation and hunting
- Silvicultural activities are limited to sustainable levels
- Surface Water Buffer Zones (SWBZs) permit limited harvesting/sugaring with special consideration to maintaining water quality
- Six camp structures of 800 ft<sup>2</sup> are permitted
- One subdivision by Route 12 allowed.

## ACREAGE, TAXES & TITLE

Property taxes in 2017-18 were \$15,329. The property **IS** enrolled in the State of Vermont’s Use Value Appraisal (UVA) program.

Total Grand List acreage is 6,035, while the GIS acreage is ±5,916; the latter is believed to be more accurate and is the basis for the timber data and for setting property asking price. Boundaries appear to be marked.

Upper Right: North Branch of the Winooski River frontage.  
 Right: Eagle Ledge Track looking north.



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

## Deer Lake Forest Estimated Timber Valuation

Prepared By

**F&W FORESTRY SERVICES INCORPORATED**

Elmore and Worcester, Vermont  
August 2018

5,916 Total Acres  
5,789 Commercial (Forested) Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<b>Sawtimber - MBF</b>					
Yellow Birch	5,991	200.00	325.00	250.00	1,497,900
Sugar Maple	4,124	300.00	425.00	350.00	1,443,300
Red Maple	7,042	100.00	200.00	150.00	1,056,300
Spruce/Fir	6,157	100.00	150.00	125.00	769,600
White Ash	2,024	225.00	325.00	275.00	556,500
Hemlock	6,244	30.00	50.00	45.00	281,000
Sugar Maple Pallet	2,932	50.00	100.00	85.00	249,200
Hardwood Pallet	4,691	30.00	60.00	40.00	187,600
Yellow Birch Pallet	2,905	40.00	80.00	60.00	174,300
Black Cherry	465	250.00	350.00	275.00	127,800
Yellow Birch Veneer	91	600.00	800.00	700.00	63,600
Black Cherry Veneer	39	800.00	1,400.00	1,200.00	47,400
Sugar Maple Veneer	41	800.00	1,400.00	1,000.00	40,700
White Birch	268	60.00	115.00	75.00	20,100
White Pine	93	100.00	140.00	115.00	10,700
Beech	132	25.00	70.00	50.00	6,600
White Pine Pallet	229	15.00	35.00	20.00	4,600
<b>Pulpwood - Cords</b>					
Hardwood	99,811	7.00	15.00	10.00	998,100
Hemlock	18,190	3.00	6.00	4.00	72,800
Spruce/Fir	3,352	3.00	6.00	4.00	13,400
White Pine	279	2.00	5.00	3.00	800

<b>Totals</b>					
Sawtimber Total	43,468	MBF			\$6,537,200
Sawtimber Per Acre	7.348	MBF			\$1,105.04
Sawtimber Per Comm. Acre	7.509	MBF			\$1,129.25
Cordwood Total	121,632	Cords			\$1,085,100
Cordwood Per Acre	20.6	Cords			\$183.42
Cordwood Per Comm. Acre	21.0	Cords			\$187.44
Total Per Comm. Acre					\$1,316.69

<b>Total Value</b>	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$5,832,000	\$9,845,000	\$7,622,300

BASED ON A JULY 2018 INVENTORY CRUISE BY F&W FORESTRY SERVICES, INC.

Inventory is based upon 290 (15 BAF) inventory plots on a 585' x 1,400' grid (1 plot equals 20 acres)

Statistical error: ±6.9% for sawlog products and ±4.2% for all products combined at the 95% Confidence Level

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

The volumes and values are not a liquidation value.

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



# Locus Map Worcester Timberlands

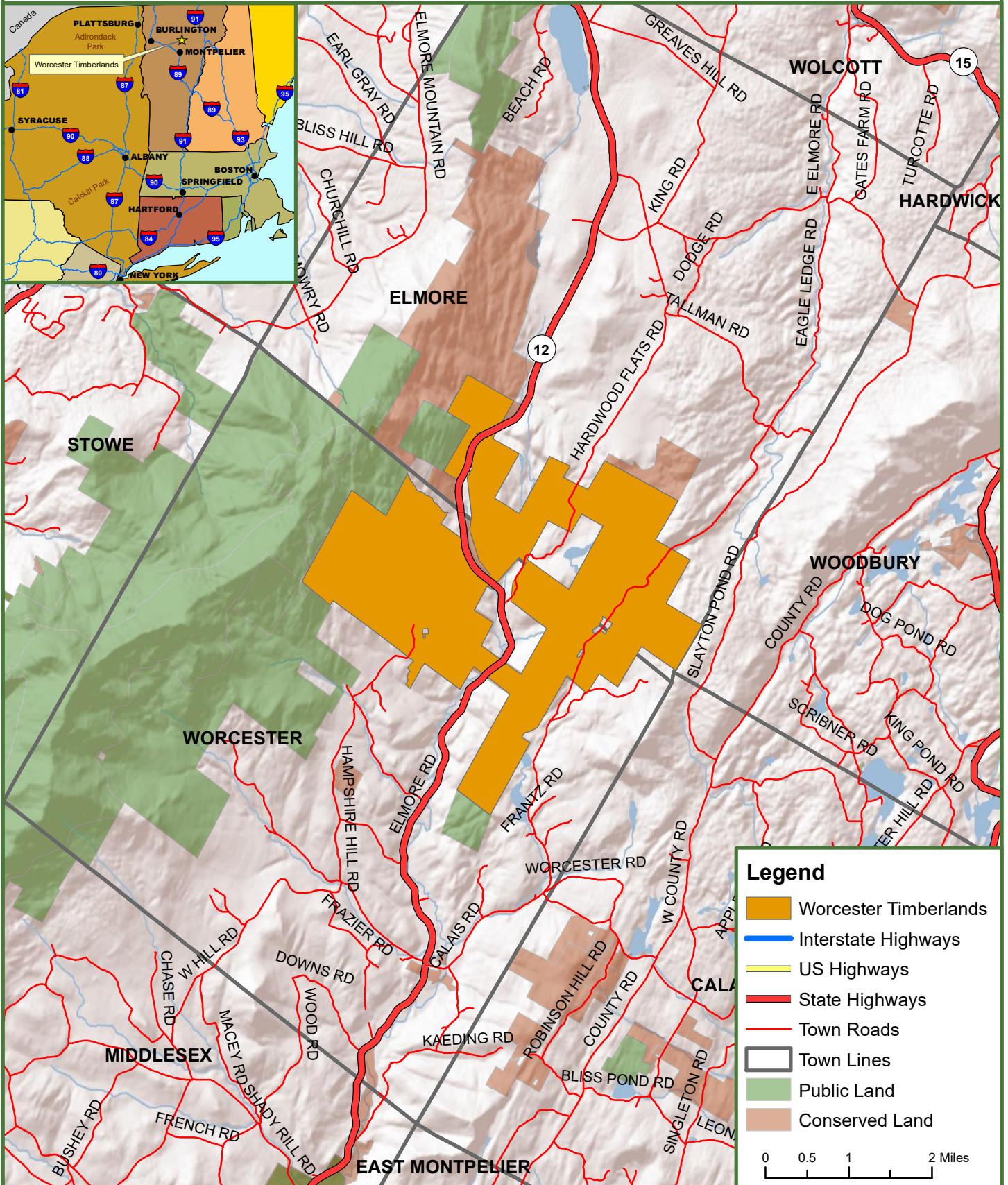
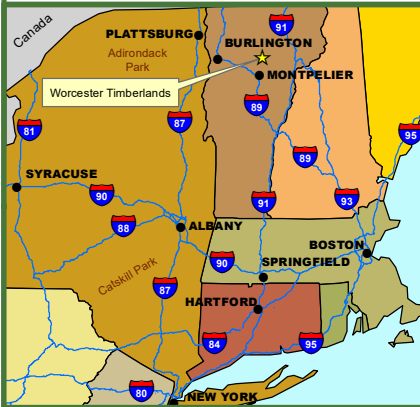


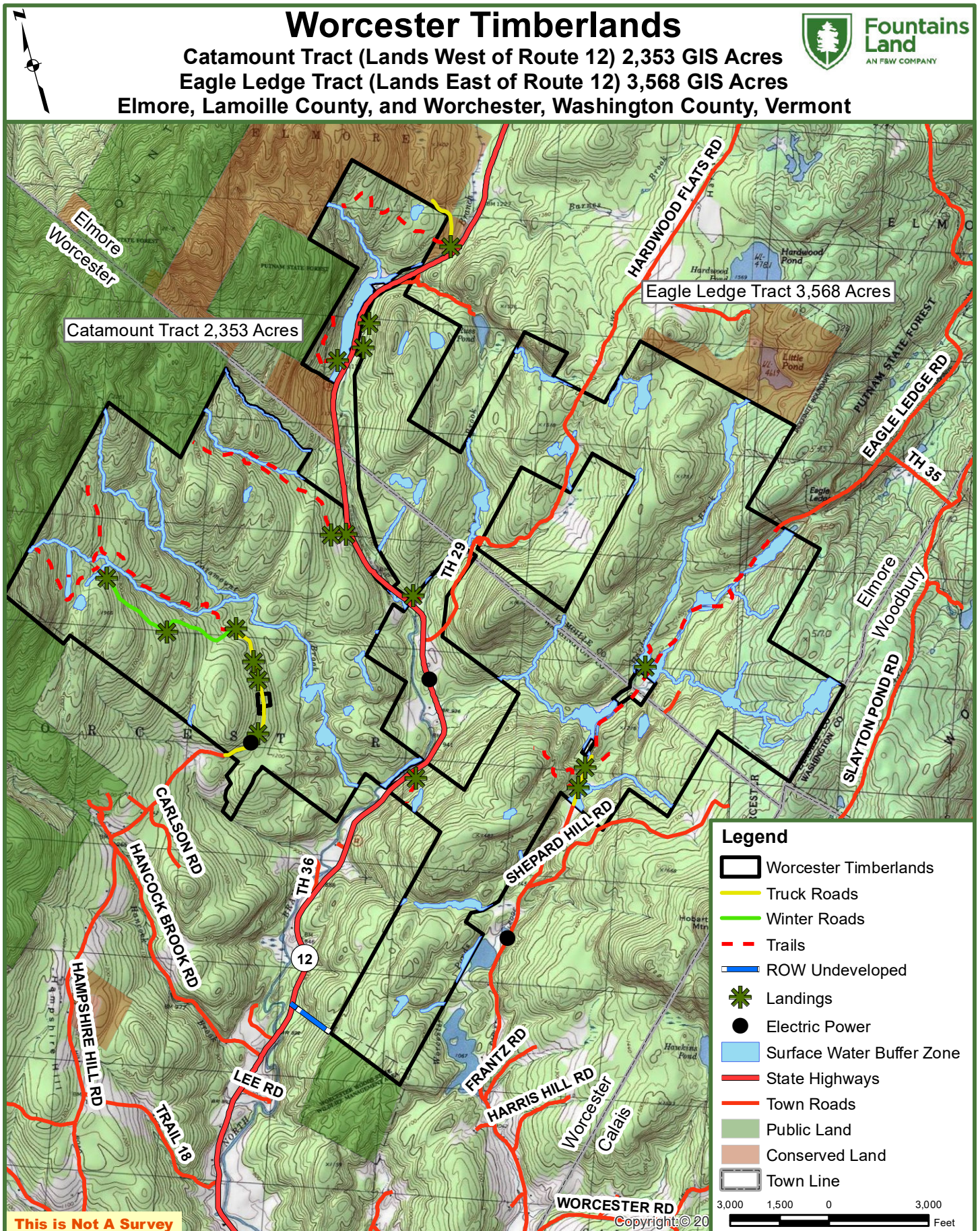
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Catamount Tract (Land West of Route 12) 2,353 GIS Acres

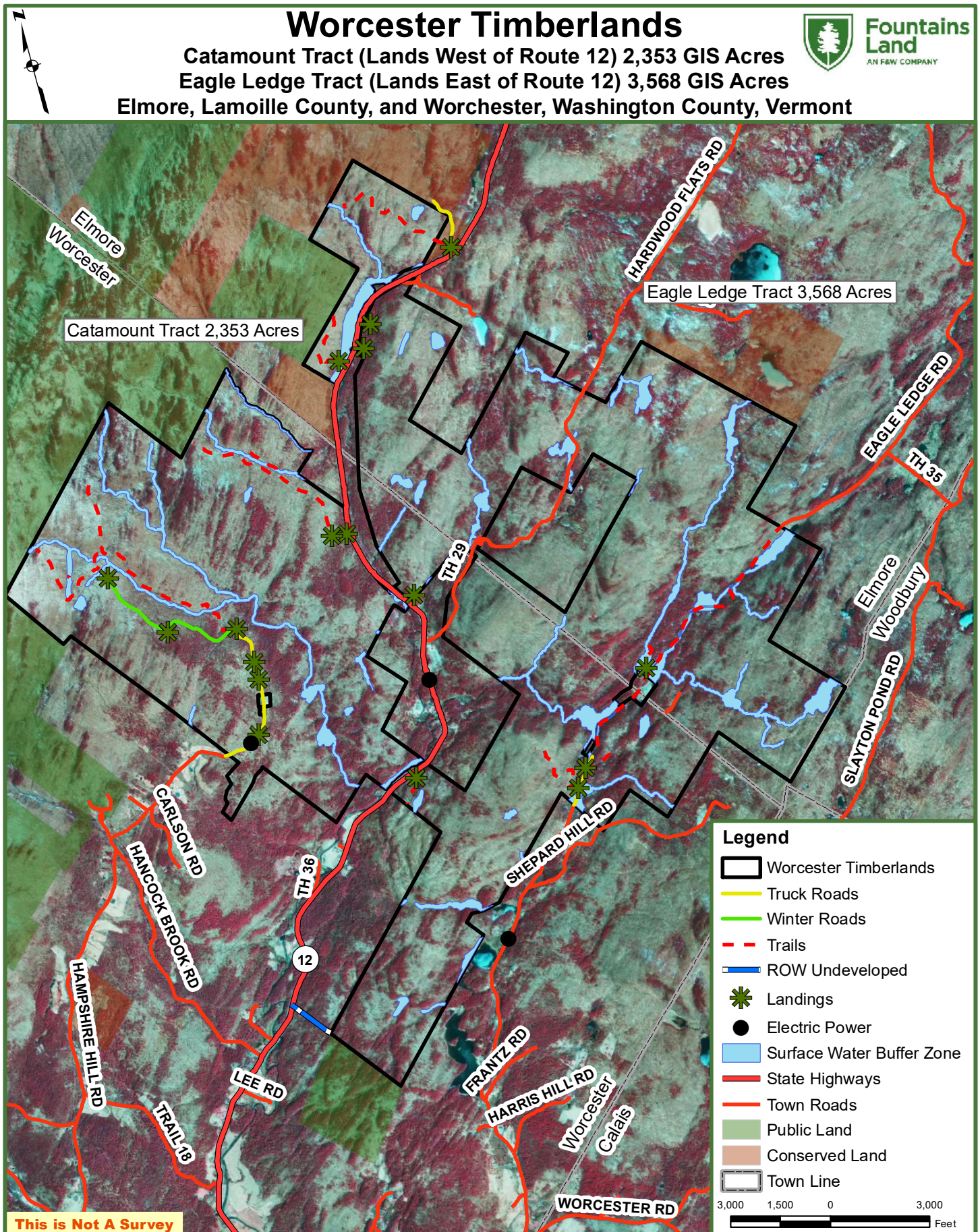
Eagle Ledge Tract (Land East of Route 12) 3,568 GIS Acres

**Elmore, Lamoille County, and Worcester, Washington County, Vermont**





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 from the actual location of the boundaries found in the field.



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# 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