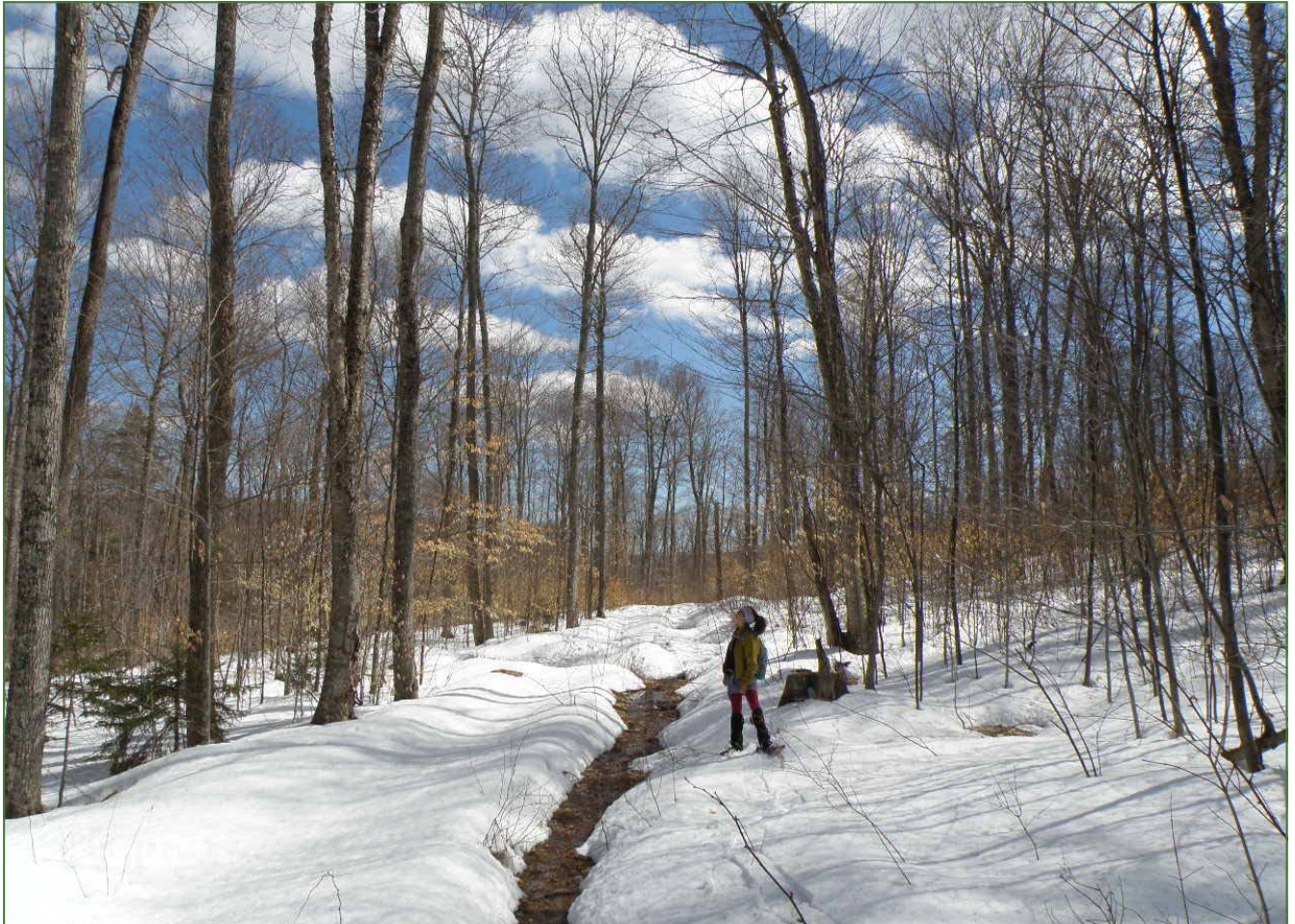


HERRING BROOK FOREST

A timberland investment property, well positioned for steady asset appreciation, and offering high quality, maturing maple and pine sawlogs with developed access.



**2,228± GIS Acres
Moretown, Washington County, Vermont**

Price: \$2,890,481

PROPERTY OVERVIEW

This timberland investment has been carefully managed for 30 years, with third-party FSC certification covering the last 10 years, yielding one of the finest timber resource tracts in the region. The asset appreciation management regime has focused growth on chosen species, favoring the highest stem quality, and producing a crop that is at or nearing maturity.

Investment highlights:

- Standing timber value of \$2,567,000;
- Excellent access and operability with good regional forest product markets;
- A resource prime for robust asset appreciation with cash flow options.



Decades of careful management has produced an outstanding hardwood sawlog timber resource, well on its way to financial maturity.

LOCATION

Situated in the north-central part of the state, the forest occupies much of the central portion of Moretown township, a rural, largely forested landscape. Adjacent to the capital city of Montpelier, Moretown is primarily a bedroom community for Montpelier, Barre, Waterbury and larger employers in the Burlington region.

This region is known for nurturing productive stands of sugar maple and other commonly occurring northern hardwoods. The area also benefits from a diverse array of regional and local markets for forest products, including sawlogs, veneer, pulpwood and maple sap/syrup outlets.

Downtown Montpelier, located 6 miles to the east, is the hub of the region and offers numerous shops and restaurants, a lively cultural scene, several colleges, state government and an array of employers. Outdoor recreation is a popular pastime with numerous hiking and biking trails throughout the region, and 4 alpine ski areas within an hour's drive. Burlington, the state's largest city, is a 50-minute drive to the northwest. Boston is 3 hours southeast of the property.



Downtown Montpelier (Vermont's State Capital), with the Northfield Range and property slopes in view in the background (center left).

ACCESS & BOUNDARIES

The property is accessed by Herring Brook Road, a gravel road that creates 2.7 miles of property frontage. The land's frontage is on an unmaintained portion of the road, 0.4 miles from the town-maintained section of the road, where electric power is available.

Herring Brook Road offers excellent access for future forest management operations, supporting all forms of log truck traffic. The northernmost property area offers a 0.7-mile seasonal internal road (culverts pulled) into the center of this operating unit.

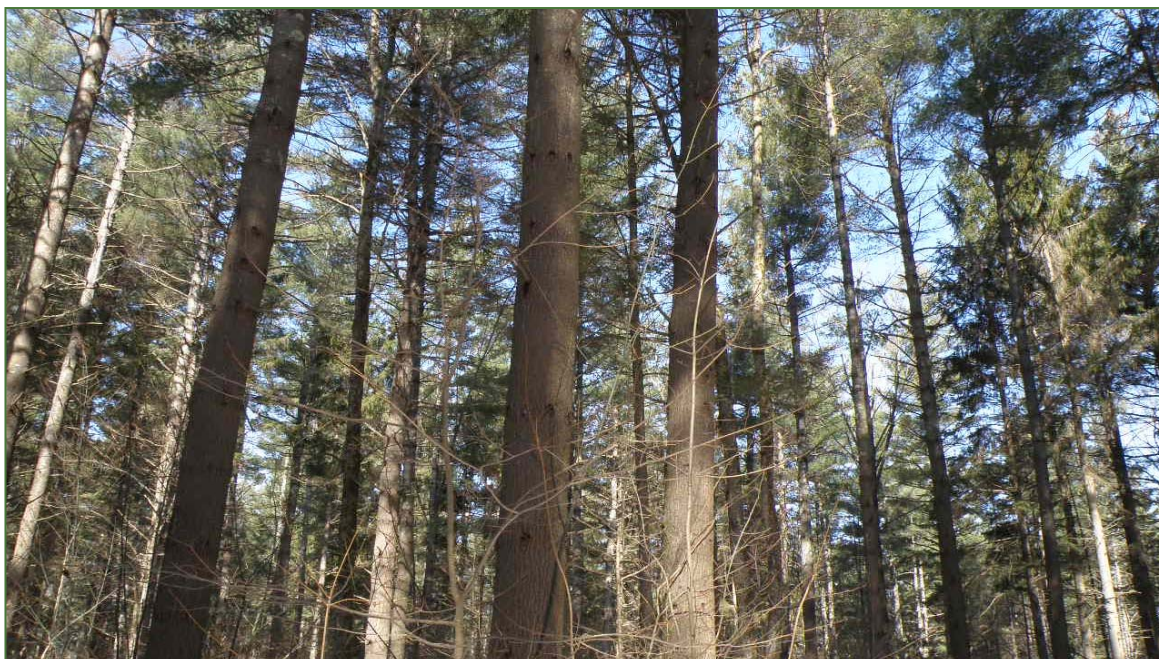
Boundary lines are in very good condition, with all lines maintained and visible with red paint. There is a survey of the property that notes two rights-of-way (RoWs) which appear to benefit the adjacent ownership. A third RoW provides access to the land's extreme southeastern watershed. The 135-acre northern, stand-alone parcel does not benefit from deeded access. Past entry for forest managed purposes has been by permission by the adjacent landowner to the north.



The property's primary access is via Herring Brook Road. Here, the property is on the left and further up the road.

TAXES & TITLE

The entire property IS enrolled in the State of Vermont's Use Value Appraisal (UVA) program (plan date 2009). Annual taxes are \$5,438. The property title to be conveyed includes all development, surface and subsurface mineral rights.



White pine stands were planted in the 1950s and then managed for the best stems, producing a mature pine sawlog crop of exceptional quality.

SITE DESCRIPTION

The property is entirely forested with all aspects represented. The forest is named after Herring Brook, a mountain brook whose watershed originates from the land's central and northern terrain. The property also covers terrain within four other local watersheds.

Topography is quite variable, however the majority of slopes are gentle to moderate. Areas of steep slopes can be found on terrain leading up to hill tops and along streams. Many of the areas adjacent to Herring Brook and Lynch Hill Roads are level, former cropland that was planted to softwood species in the 1950s. In and around these areas old foundations and stone walls indicate historic settlement in the area dating back to the early 1800s.

Much of the land's northwest boundary runs along the Northfield Mountain Range, where elevation ranges from 1,600' to 1,876'. At the opposite end of the forest, Chase Mountain is another notable land feature where the property rises just south of its peak to an elevation of 2,000'. The lowest elevation is 1,000' where Herring Brook flows off the forest. Generally, well-drained, upland soils predominate. The majority of the softwood volume is held on hardwood sites that were planted to pine and some spruce. The naturally-occurring softwoods are limited to shallow upland soil and slopes near the drainages.

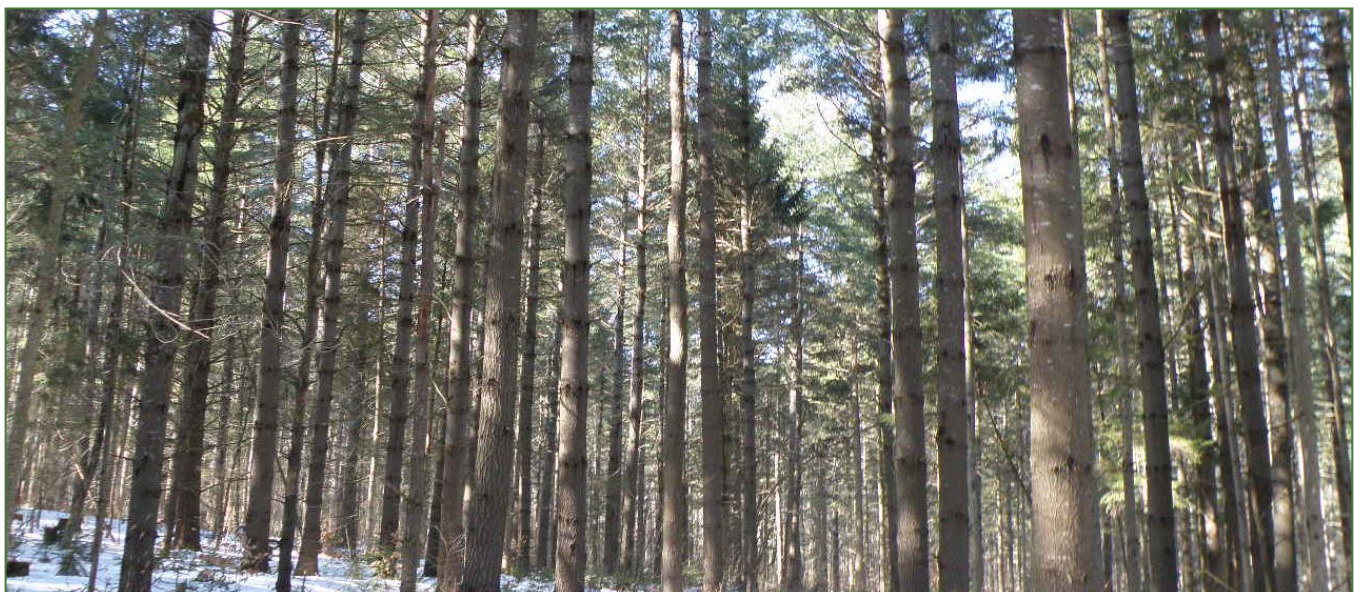
The property's large acreage (for the area) provides future opportunity to sell a conservation easement once funds are available through a conservation group partner.



Herring Brook as it crosses the property boundary.



Most of the land offers moderate, well-drained slopes.

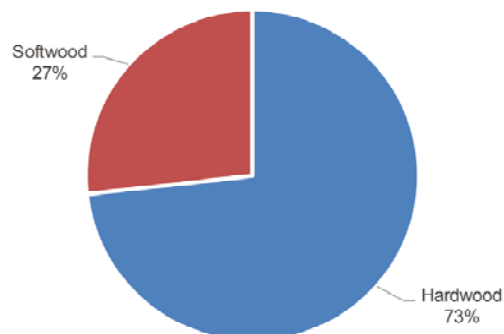


A third thinning has occurred in all of the pine stands, where stem quality and stocking are well above average.

TIMBER RESOURCE

Timber data in this report are based on a comprehensive and monumented timber inventory completed in June of 2016 for the purpose of establishing Capital Timber Value (CTV). 477 inventory points on 2,169 commercially forested acres were sampled (1 plot per 4.5 forested acres), covering a 440' x 440' grid using a 10-factor prism. Sampling statistics are $\pm 8.4\%$ standard error for sawlog products and $\pm 5.4\%$ for all products combined at the 95% confidence interval. The timber data reveal a total sawlog volume of 12,344 MBF International $\frac{1}{4}$ " scale (5.7 MBF/acre), with 27,809 pulpwood cords (12.8 cords/acre). Combined total commercial per acre volume is 24.2 cords, an average stocking figure for the region. Growth was assigned by the ownership, with stumpage values set by the ownership's forest manager in January of 2019, producing a property-wide Capital Timber Value (CTV) of \$2,567,500 (\$1,152/total acre). See the Timber Valuation in this report for details.

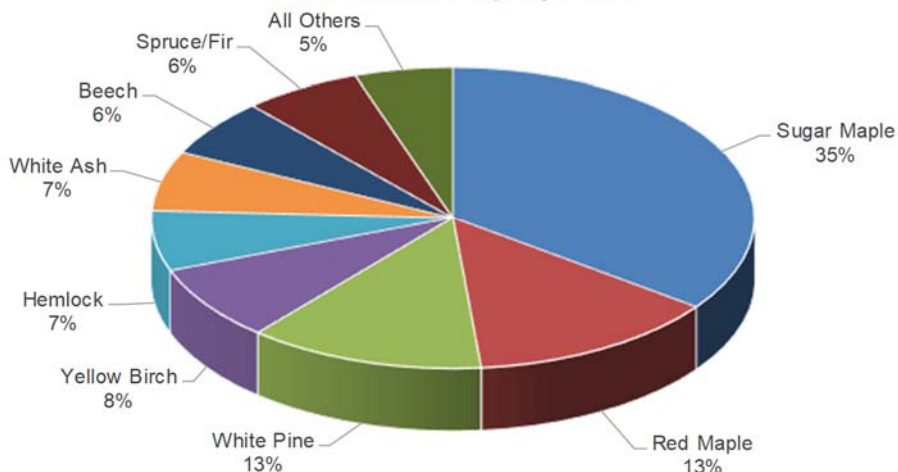
**Hardwood vs Softwood
as a Percentage of Total Volume**



Species Composition:

The species composition is dominated by hardwoods (73%), with softwoods holding the balance (27%). Species composition for all products combined mirrors that of a managed northern hardwood forest type, with the exception of the planted pine stands. Overall volume is led by sugar maple (35%), with the major associated species consisting of red maple (13%), white pine (13%) and yellow birch (8%). Other common associates complete the profile.

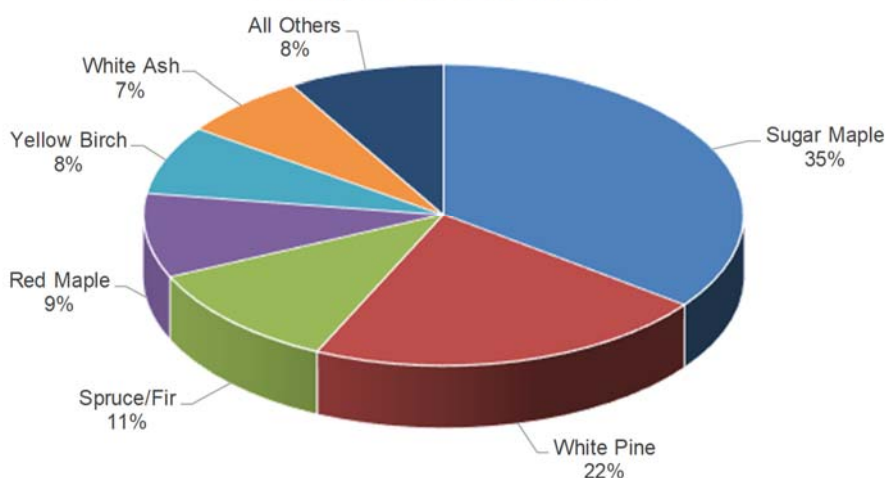
Total Volume by Species



The sawlog volume breakdown is similar; however, pine and spruce hold a higher sawlog component. The past forest management has had a noticeable impact on reducing the American beech component, which was considerably higher when management began 30 years ago.

The spruce sawlog volume is held by naturally-occurring red spruce (roughly 65% of volume) with planted Norway and white spruce holding the balance.

Sawlog Volume by Species



TIMBER RESOURCE (continued)

Sawlog Value/ Thinning History:

Sawlog value is largely dominated by sugar maple (57%), with all other groups slightly above/below 10%.

Since the tenure of the current owner began in 2008, forest management activity in the form of thinnings, shelterwoods and group selection treatments has been completed on roughly 85% of the acreage. A relatively small portion of the acreage was treated by an overstory removal, limited to part of the mature softwood plantations. This forest management activity focused growth on the best stems, primarily favoring healthy trees of selected desirable species with large diameters. Areas targeted for regeneration establishment held an overstory of unacceptable species and/or quality.

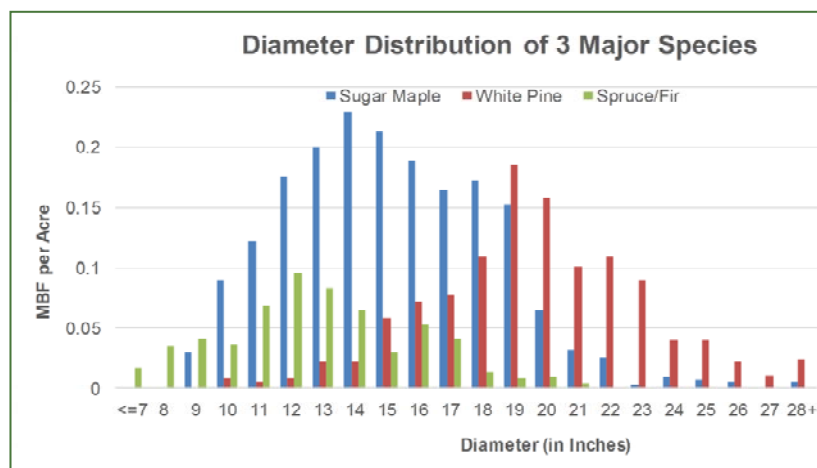
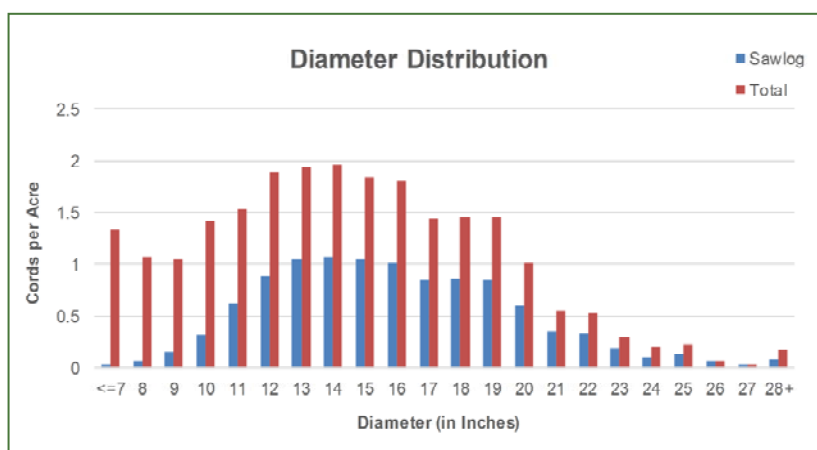
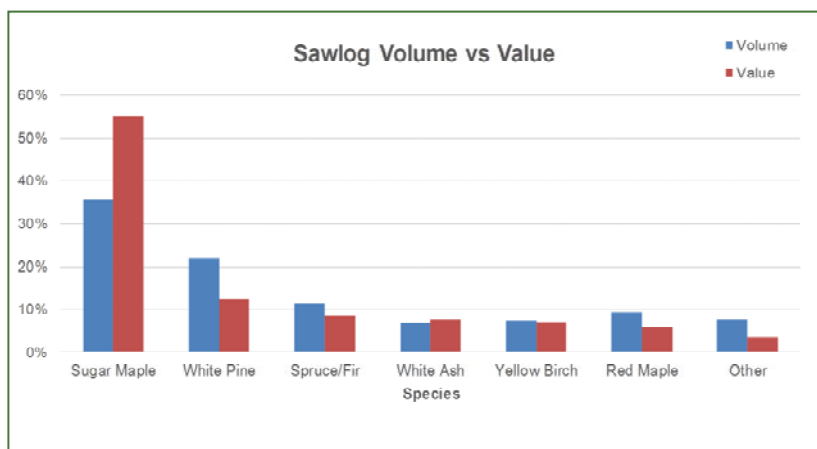
Diameter Distribution:

Average diameter for all products combined is 14.5", while the average sawlog diameter is 15.5". The diameter distribution generally indicates three dominant age classes: 35 years old, 55 years old, and 75+ years old. Average sugar maple sawlog diameter is 15.0", with white pine at 19.5" (financially mature) and spruce at 13.0".

Stocking, Quality & Growing Stock:

Aside from recent shelterwood and seed tree cut areas, forest density is generally represented by fully-stocked stands. The average Basal Area (BA) is 78.1 ft² on 126 stems/acre. Stem quality is quite good with Acceptable Stocking BA of 54 ft². 75% of growing stock volume (diameters 10" and less) consists of acceptable species (maples, birch and ash); however, American beech will remain a challenge in some areas.

Pine plantations occupy roughly 160 acres with standing volumes well over 10,000 MBF/acre. Fully-stocked, high-quality northern hardwoods stands, where sugar maple is the primary species, cover roughly 1,090 acres. The previously-treated hardwood stands are currently in a free-to-grow state with no thinning activity required over the next 10 years. The softwood plantations can be harvested at any time.



Fountains Land 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

HERRING BROOK FOREST

Timber Valuation

Prepared By

F&W FORESTRY SERVICES, INCORPORATED

Moretown, Vermont
January 2019

2,228 Acres
2,169 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<i>Sawtimber - MBF (International 1/4")</i>					
Sugar Maple	2,918	340.00	425.00	375.00	1,094,300
White Pine	2,050	100.00	150.00	135.00	276,800
Spruce/Fir	1,391	120.00	150.00	125.00	173,900
White Ash	679	210.00	275.00	255.00	173,200
Yellow Birch	625	200.00	265.00	240.00	149,900
Sugar Maple Pallet	1,378	50.00	100.00	85.00	117,200
Red Maple	732	145.00	175.00	140.00	102,400
Sugar Maple Veneer	40	1,000.00	1,400.00	1,100.00	44,200
Hardwood Pallet	1,040	25.00	50.00	40.00	41,600
Red Pine	285	55.00	85.00	75.00	21,400
Hemlock	378	25.00	60.00	45.00	17,000
Red Oak	56	275.00	325.00	300.00	16,700
Black Cherry	64	200.00	275.00	260.00	16,600
White Pine Pallet	628	10.00	50.00	25.00	15,700
White Birch	79	50.00	100.00	85.00	6,700
<i>Pulpwood - Cords</i>					
Hardwood	23,185	10.00	16.00	12.00	278,200
Hemlock	2,655	3.00	8.00	5.00	13,300
Softwood	1,403	3.00	8.00	4.00	5,600
Spruce/Fir	567	3.00	8.00	5.00	2,800

<i>Totals</i>					
Sawtimber Total	12,344 MBF				\$2,267,600
Sawtimber Per Acre	5.540 MBF				\$1,018
Sawtimber Per Comm Acre	5.691 MBF				\$1,046
Cordwood Total	27,809 Cords				\$299,900
Cordwood Per Acre	12.5 Cords				\$135
Cordwood Per Comm Acre	12.8 Cords				\$138
Total Per Acre					\$1,152

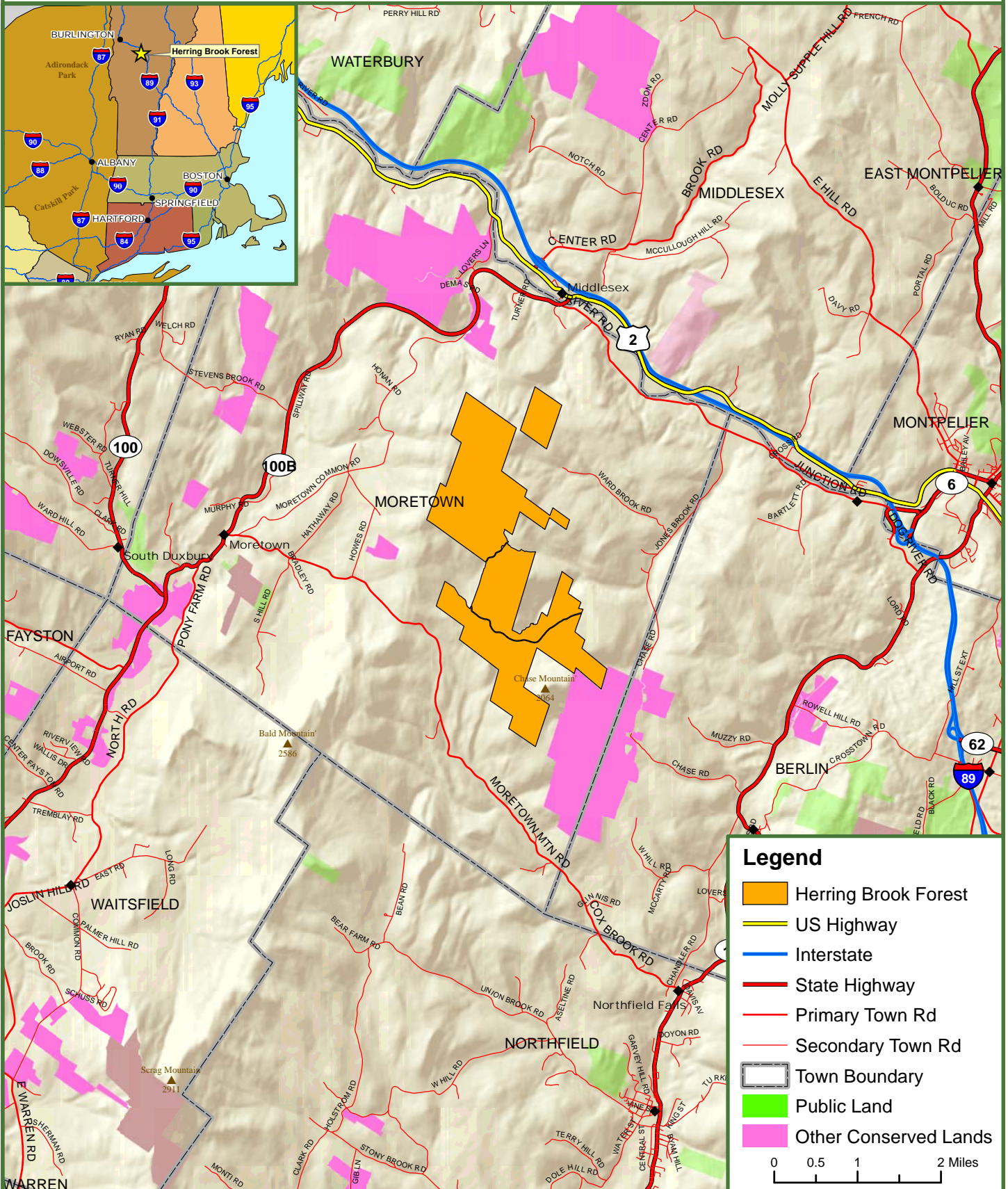
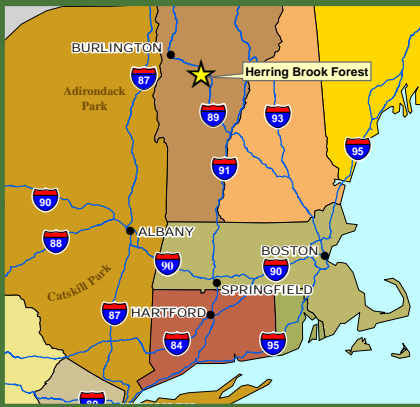
Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$2,375,000	\$2,790,000	\$2,567,500

BASED ON DOMAIN Q3 2018 VOLUMES, from SPRING 2016 TIMBER INVENTORY (477 plots using 10 factor prism) BY F&W FORESTRY SERVICES
 The cruise resulted in a statistical error of $\pm 8.4\%$ for sawlog products and $\pm 5.4\%$ 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.



Locus Map Herring Brook Forest

2,228.5 GIS Acres
Moretown, Washington County, VT





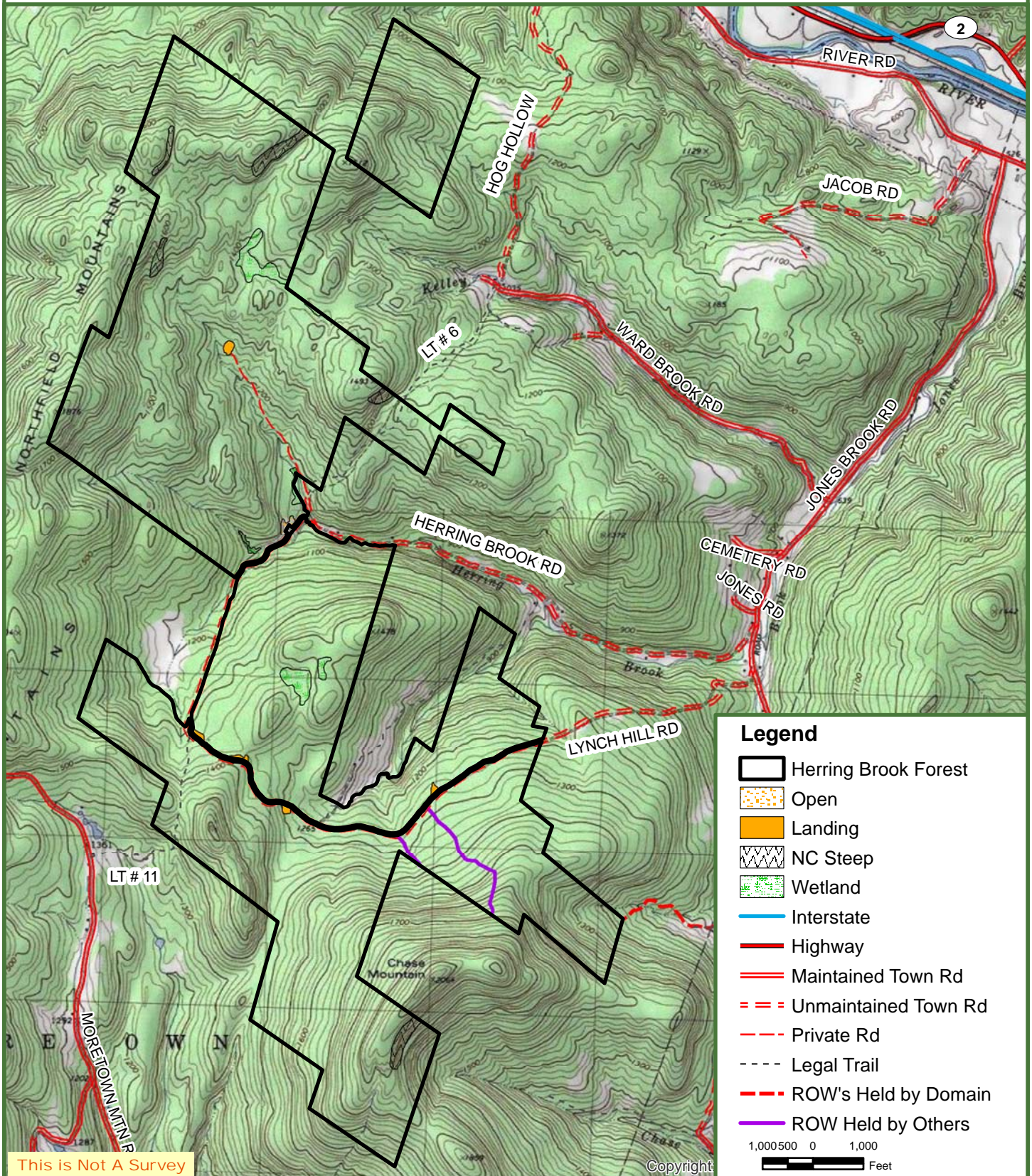
Herring Brook Forest

2,228.5 GIS Acres

Moretown, Washington County, VT



**Fountains
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Map produced from property survey. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.



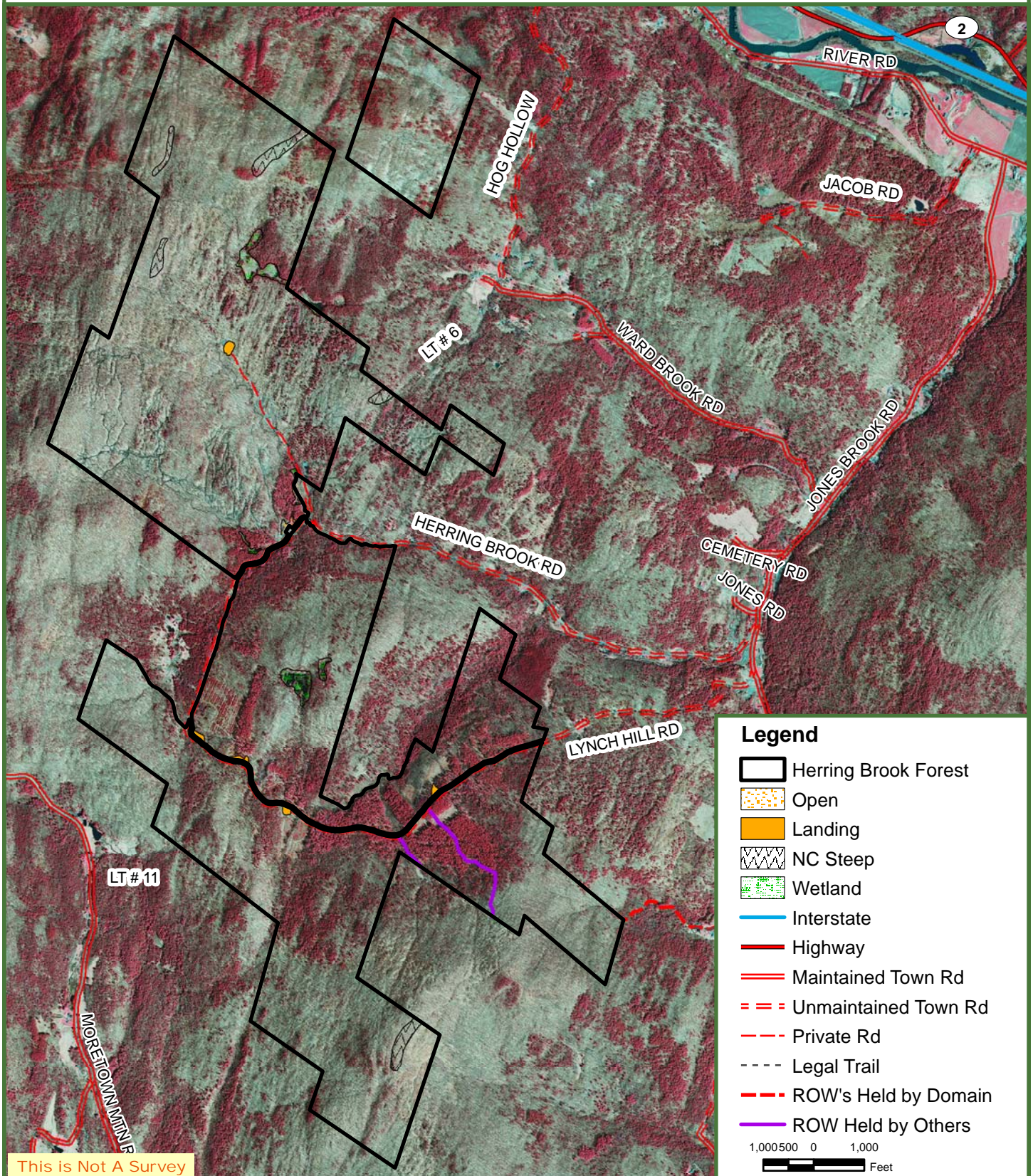
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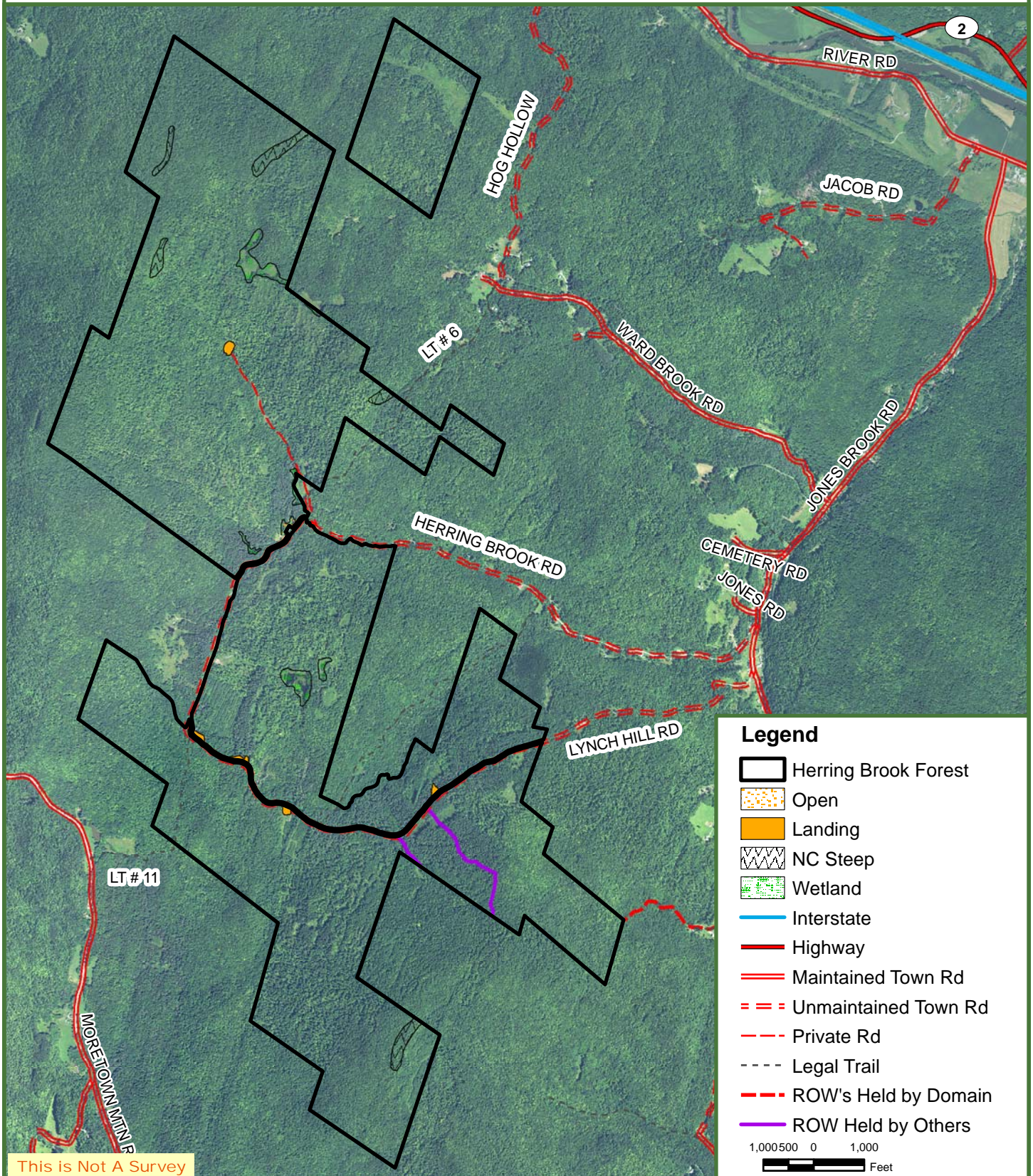
Herring Brook Forest

2,228.5 GIS Acres

Moretown, Washington County, VT



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Map produced from property survey. 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 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