

BEAR NOTCH FOREST

*A high-quality, central Vermont timber investment property,
dominated by pine, maple and oak,
offering good access and homestead opportunities.*



1,149 GIS Acres
West Fairlee, Orange County, Vermont

Price: \$1,753,000

PURCHASE OVERVIEW

After a long tenure of stewardship, the Britton Family has decided to sell their West Vershire forestland. Carefully managed for decades, the property is ideally suited for long-term capital timber appreciation. For the family investor seeking a blended asset, the forest also offers a unique homesteading opportunity.

Notable highlights include:

- Good species composition with value dominated by pine, maple and oak;
- High overall stocking with average of 34.5 cords per acre;
- Wide diameter distribution with the pine, oak and hemlock near or at maturity;
- Developed access enabling full property coverage for future forestry activity;
- Electric power and level terrain suitable for home-site development.



Long-term stand development has been the primary ownership goal for decades. Pictured above is a thinned maple stand located at the property's east side.

LOCATION

The location is appealing given its close proximity (4 miles) to Lake Fairlee, a small lakeside community which has shaped this rural location to include summer homes, numerous camps and the popular Middlebrook Restaurant. Closer to the property, the hamlet of West Fairlee Center hosts a church and community center, serving as the gateway to Bear Notch Road with the property situated less than a mile beyond.

The land's close proximity to the I-91 corridor (11 miles to the east) enhances the capacity for efficiently transporting forest products to various markets, as well as offering a short commuting distance to a healthy job market within the Connecticut River Valley, home to Hanover (22 miles) and West Lebanon (28 miles).



Lake Fairlee, situated 4 miles south of the forest, hosts various summer camps and vacation homes.



The Middlebrook Valley leads directly to the property, seen in the upper left corner of the photo.

ACCESS

Legal access to the forest is provided from all directions relative to the flow of terrain, including private internal roadways further penetrating the property.

Beaver Meadow Road – All of the frontage (3,100') is town maintained with power and telephone. An internal road penetrates the forest (1,400' in length) from this frontage, leading to high-level sites well suited for multiple uses. These town and private roads offer excellent access for forestry operations to all lands sloping west of the Wormwood Hill Ridge.

Bear Notch Road – Year-round town maintenance and power/telephone service ends within roughly 400' of the land's southern boundary. The road beyond this point is Class IV (not town maintained), bisecting the land and running a total length of nearly 1 mile. The southern half mile of this road can support log trucks with minimal upgrades. A 1,000'-long internal road runs east from Bear Notch Road, crossing the brook and ending at a large opening. This road infrastructure provides very good access to the land's vast central valley.

Buck Hill Road – provides town-maintained access and power/telephone service to the property boundary where a landing has been established. Beyond this point a town trail runs westerly, creating the property's entire southern boundary.

TH 5 (Wild Hill Road Spur) – A driveway and landing exist at the end of this town-maintained road, where power/telephone service exist. Beyond this point, the entire eastern boundary consists of a town Class IV road. These roads provide very good access to the land's east-facing slopes.

ACREAGE, TAXES & TITLE

Property taxes in 2014 were \$4,069. The property is enrolled in the State of Vermont's Use Value Appraisal (UVA) program. The property is owned by Allen H. Britton, Jr. Revocable Trust U/A/D May 19, 1992, whose deeds and Attorney Opinion of Title Report are available upon request from Fountains.

The acreage total of 1,149 used in this report and in determining timber volumes was calculated using GIS. The Town of West Fairlee Grand List reports 1,220 acres.



Frontage along Beaver Meadow Road (right side of photo) with an internal access road junction in view. Electric power runs along entire frontage.



Bear Notch Road winds through the valley and property (all land in view is part of the forest).



Bear Notch Road, once it reaches the land, is a Class IV road not maintained by the town.

OWNERSHIP HISTORY

Bear Notch Forest was a multi-decade work-in-progress for Allen Britton, Jr. His life's work was shaped by the lumber business, Britton Lumber, he started with his father and brother after returning from World War II in 1946. The family farm had been eliminated by an Interstate 91 interchange in Hartland, so the Britton's were looking for new ways to work the land. They started buying tracts of productive forestland, harvesting timber and milling it at their two sawmills in Hartland and Fairlee. Allen began purchasing land that now forms Bear Notch Forest in the 1960s; it took multiple acquisitions to assemble the parcel that exists today.

While other parcels of land were bought and sold (a total of more than 2,500 acres over time), Allen never sold the Bear Notch lands. He managed them carefully to be able to harvest and regenerate as much white pine as possible. When he became the sole owner of Britton Lumber in the early 1970s and brought his son, Doug, on board, they established a new mill in Fairlee dedicated to white pine processing. In addition, they added a wholesale distribution yard, buying and selling building products.

Allen was very comfortable in the woods and developed a deep attachment to Bear Notch Forest. He brought power close to the property and envisioned developing a pond in the wetland area. Allen passed Britton Lumber on to Doug in 1984, who managed it well until selling it in 2013. Allen passed away in the fall of 2014, just a few months before the Fairlee mill burnt to the ground. His true legacy, Bear Notch Forest, remains and is ready for a new steward to care for it as well as Allen did.



Thinning/shelterwood treatments conducted in 2013 within oak stands on mid slopes leading to Wormwood Hill on the land's western side.



The significant white pine resource has been well managed since establishment in late 1940s



A maturing hemlock resource provides for immediate forest management opportunity.



Thinned hardwood stand off the Buckhill Road access area.

SITE DESCRIPTION

As with many areas of Vermont, the property has been shaped by its former uses, including an intensive period of farming and homesteading going as far back as the late 1700s. Field evidence, such as barn and house stone foundations, stone walls and wire fences, covers the property's landscape, indicating that nearly all of the land was formally used for some form of agricultural activity. Today, many of the forest stands naturally became established after farming ended on the property in the early to mid 1900s, and reflect the historic property use patterns. Many forest stand boundaries are well-defined along stone walls and wire fences, particularly within the pine stands.



The property is rich with former land use history including an old meadow situated at the property's center (left side of photo) along Bear Notch Road.

The property is defined by the Bear Notch valley at its center which is rimmed to the west by the 1,602' Wormwood Hill ridge complex, and to the east by an un-named ridge with an elevation of 1,260'. The majority of acreage sits within this valley which is drained at its center by Bear Notch Brook. The western section of the land rises to Wormwood Hill, where much of the red oak reserves can be found. The property's extreme eastern area hosts some of the best sugar maple stands but also includes a pine stand which can easily be identified on the photo map. Noteworthy are the 75' cliffs located at the southern end of the un-named eastern ridgeline which can be seen to the east from Bear Notch Road immediately upon entering the property.

Terrain is dominated by moderate to steep slopes, well-suited to a combination of traditional and fully-mechanized forest operational equipment. Fairly level terrain exists off Beaver Meadow Road and at the property's center along Bear Notch Road. With the exception of low-lying terrain along various brooks, soils are well-drained with average to above average productivity.



Bear Notch Brook flows through dense forest in its upper reaches and through the wetland complex at lower elevations.

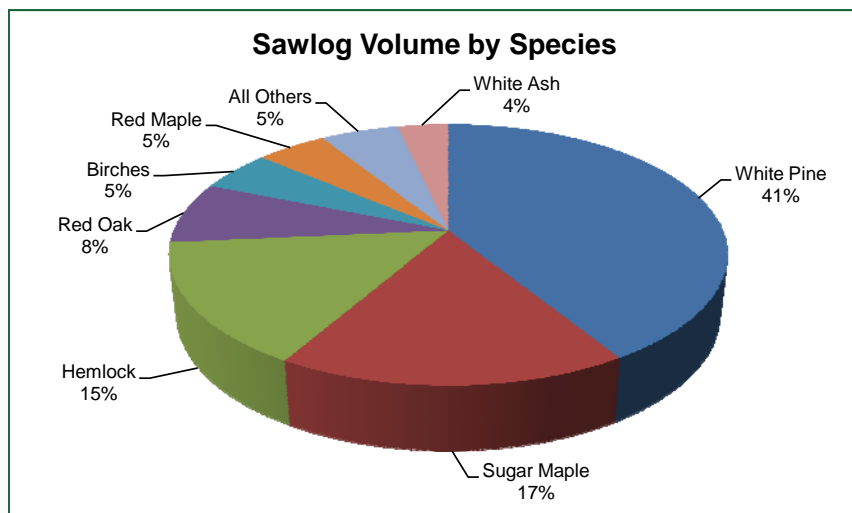
TIMBER RESOURCE

Timber data in this report are based on a comprehensive and monumented timber inventory, conducted in the spring of 2015 by Fountains Forestry. 182 points were sampled, covering a 381' X 381' grid (western parcel grid was 503' X 503') using a 15 factor prism. Sampling statistics are $\pm 11.1\%$ standard error for sawlog products and $\pm 8.0\%$ for all products combined at the 95% confidence interval, figures well within industry standards. These data reveal a total sawlog volume of 8,893 MBF International $\frac{1}{4}$ " scale (8.15 MBF/commercial acre) with 19,848 pulpwood cords (18.2 cords/commercial acre). Combined total commercial per acre volume is 34.5 cords, a figure well in excess of the regional average. Based on this information, stumpage values were assigned by Fountains, producing a property-wide Capital Timber Value (CTV) of \$1,380,600 (\$1,202/total acre). See the Timber Valuation in this report for details.

TIMBER RESOURCE (continued)

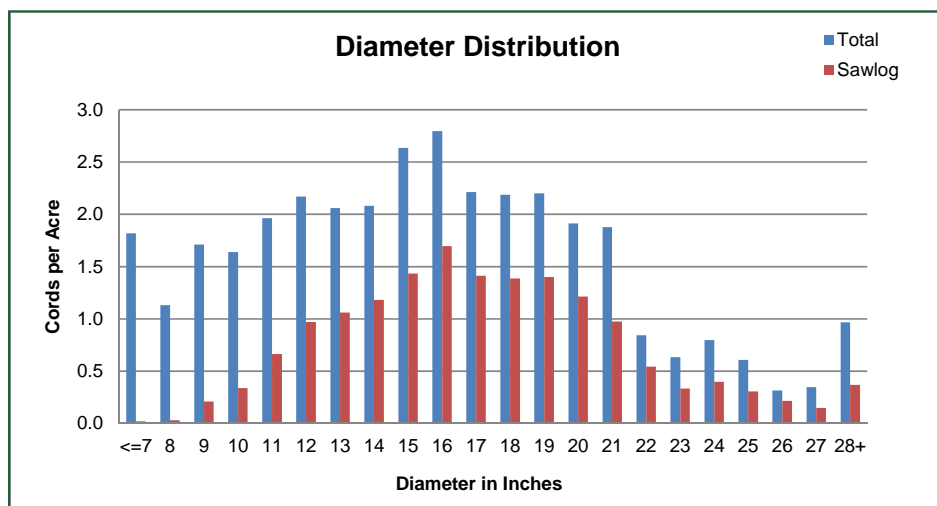
Species Composition:

A species composition nearly evenly split prevails with hardwoods at 52% and softwoods 48% of total volume. Total species composition offers a favorable mix and is led by white pine (30%), and followed by sugar maple (19%), hemlock (16%), red maple (8%), the birches (6%), oak (6%), ash (5%) and the balance held by common associates. Sawlog volume is dominated by pine, sugar maple and hemlock, with a noticeable showing of oak, yellow birch, red maple and ash.



Diameter Distribution:

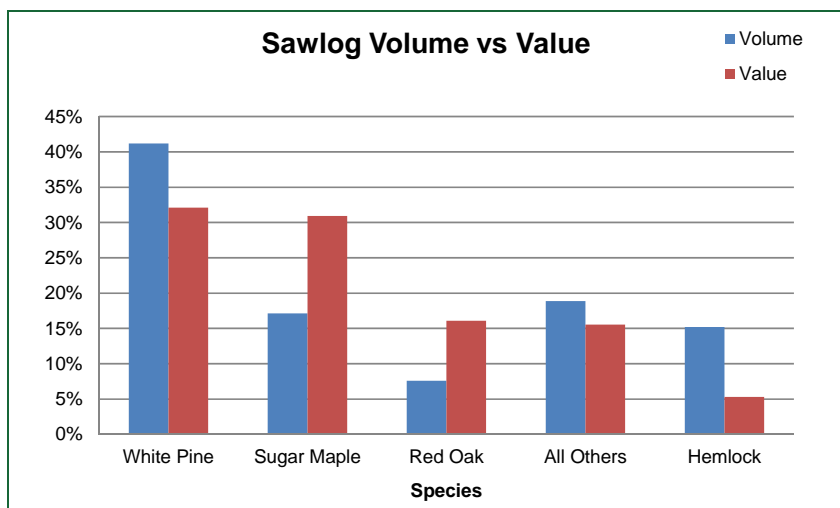
Average diameter for all products combined is 15.5", with the sawlogs well above average at 17", due to the influence of the mature white pine. Average sawlog diameters for key species include sugar maple at 14.5", red oak at 17.5" (nearing maturity), white pine at 18.5" (mature), and hemlock at 15.5" (financially mature). Generally, the forest resource became established roughly 75 years ago with the majority of the overstory consisting of sawlog-sized stems. Forestry activities over the past decades have created various other age classes, accounting for the advanced saplings and pole-sized growing stock.



Sawlog Value & Stocking:

Sawlog value is largely dominated by white pine (32%), sugar maple (31%), and red oak (16%), with the balance held by miscellaneous hardwoods and hemlock.

The 2015 inventory data indicate a forest-wide commercial acreage of 1,091, with total basal area at 102 ft²/acre and acceptable growing stock basal area at 65 ft²/acre, indicating high stocking of both total volume and acceptable quality stems.



Bear Notch Forest

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

West Fairlee, Vermont
May 2015

1,148.6 GIS Acres
1,090.9 GIS Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
White Pine	2,773	110.00	150.00	125.00	346,600
Sugar Maple	773	325.00	425.00	375.00	289,700
Red Oak	407	300.00	400.00	350.00	142,500
Hemlock	1,353	35.00	60.00	45.00	60,900
Sugar Maple Pallet	745	50.00	110.00	75.00	55,900
White Ash	248	130.00	190.00	165.00	40,900
Spruce/Fir	252	100.00	160.00	130.00	32,700
Red Maple	222	100.00	180.00	130.00	28,800
Red Oak Veneer	39	600.00	900.00	650.00	25,400
Yellow Birch	102	175.00	300.00	220.00	22,400
White Pine Pallet	891	10.00	50.00	25.00	22,300
Hardwood Pallet	472	25.00	60.00	45.00	21,200
Red Oak Pallet	230	50.00	90.00	75.00	17,300
White Birch	107	75.00	180.00	110.00	11,800
Sugar Maple Veneer	7	1,000.00	1,800.00	1,400.00	10,000
Yellow Birch Pallet	128	25.00	75.00	55.00	7,000
Black Cherry	25	150.00	300.00	200.00	5,000
Aspen	95	25.00	70.00	50.00	4,700
Yellow Birch Veneer	4	600.00	1,000.00	750.00	3,100
Beech	22	25.00	60.00	45.00	1,000
Pulpwood - Cords					
Hardwood	12,481	8.00	20.00	15.00	187,200
Other Softwood	3,836	4.00	12.00	6.00	23,000
Hemlock	3,184	4.00	12.00	6.00	19,100
Spruce/Fir	347	4.00	12.00	6.00	2,100

Totals					
Sawtimber Total	8,893	MBF			\$1,149,200
Sawtimber Per Acre	7.743	MBF			\$1,001
Sawtimber Per Comm. Acre	8.152	MBF			\$1,053
Cordwood Total	19,848	Cords			\$231,400
Cordwood Per Acre	17.3	Cords			\$201
Cordwood Per Comm. Acre	18.2	Cords			\$212
Total Per Acre					\$1,202

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$1,225,000	\$1,565,000	\$1,380,600

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

Based on a early 2015 inventory by Fountains. % Error: Sawlog Volume 11.1%, Total Volume 8.0%, at 95% Confidence Level

The volumes and values are not a liquidation value.

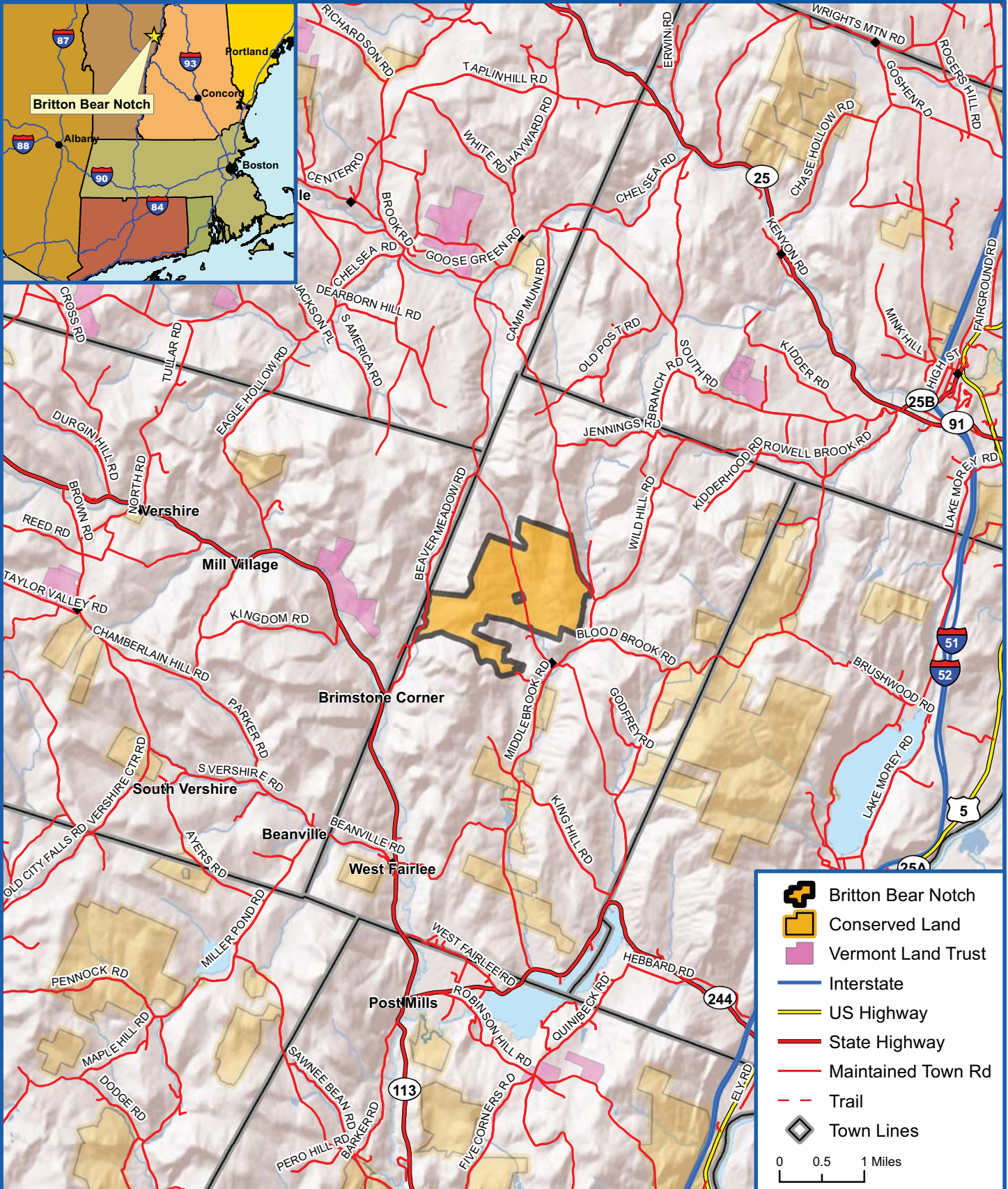
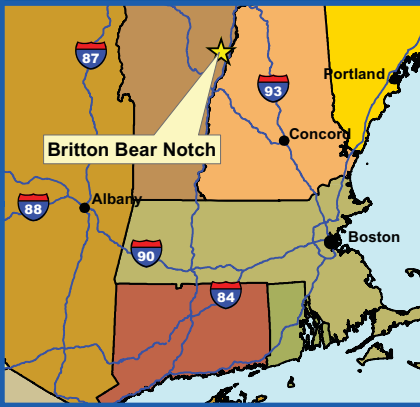
Prices are averages for the area and are adjusted to reflect, access, quality and operability of the site.

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.

Locus Map

Britton Family, Bear Notch Tract

1,141 GIS Acres
West Fairlee, Vermont



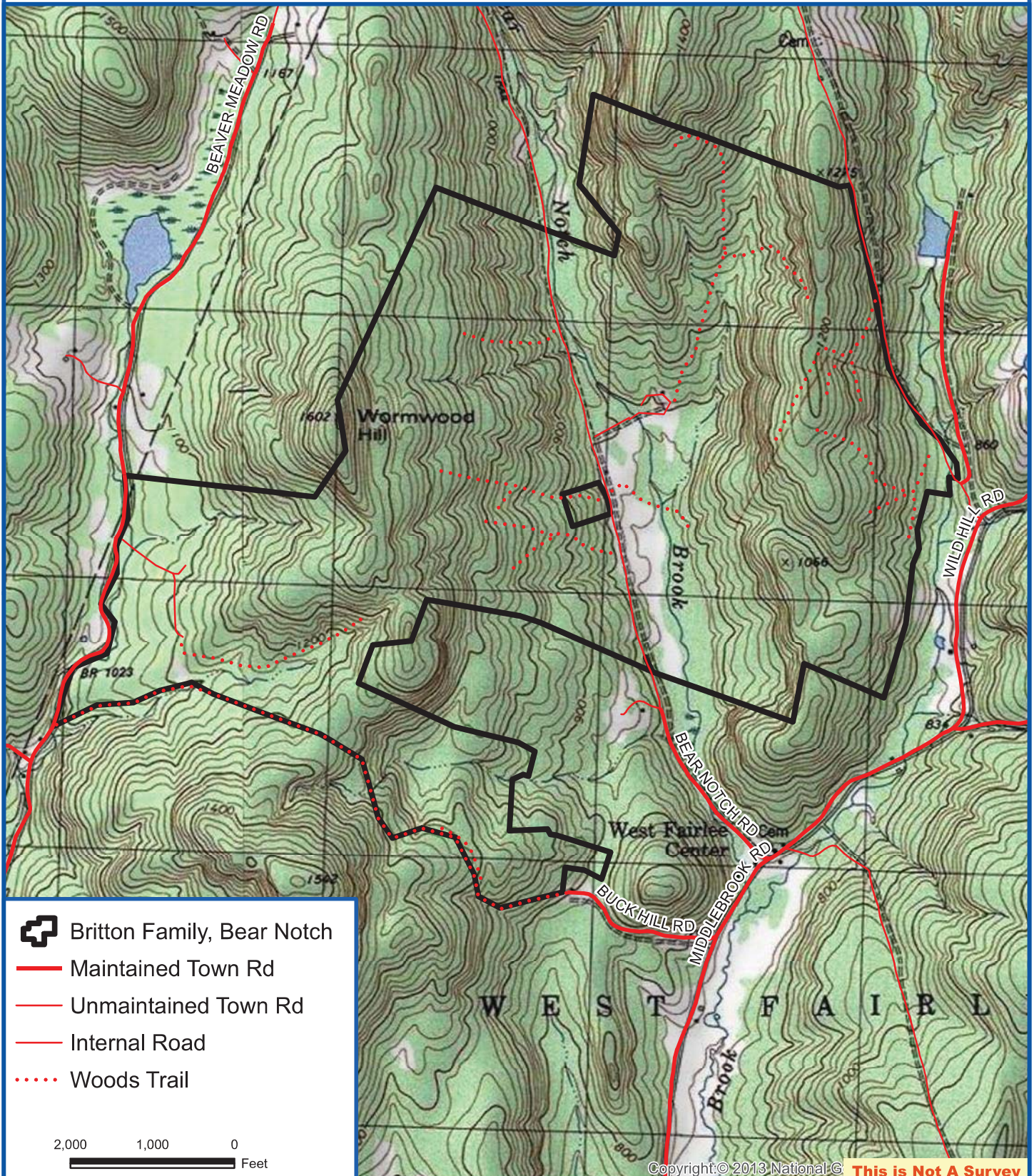


Britton Family, Bear Notch Tract

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1,148.6 GIS Acres

West Fairlee, Vermont



Map produced from the best available information including town tax maps, hand held GPS data, aerial photography and reference information obtained from VVGI, Vermont Land Trust 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.

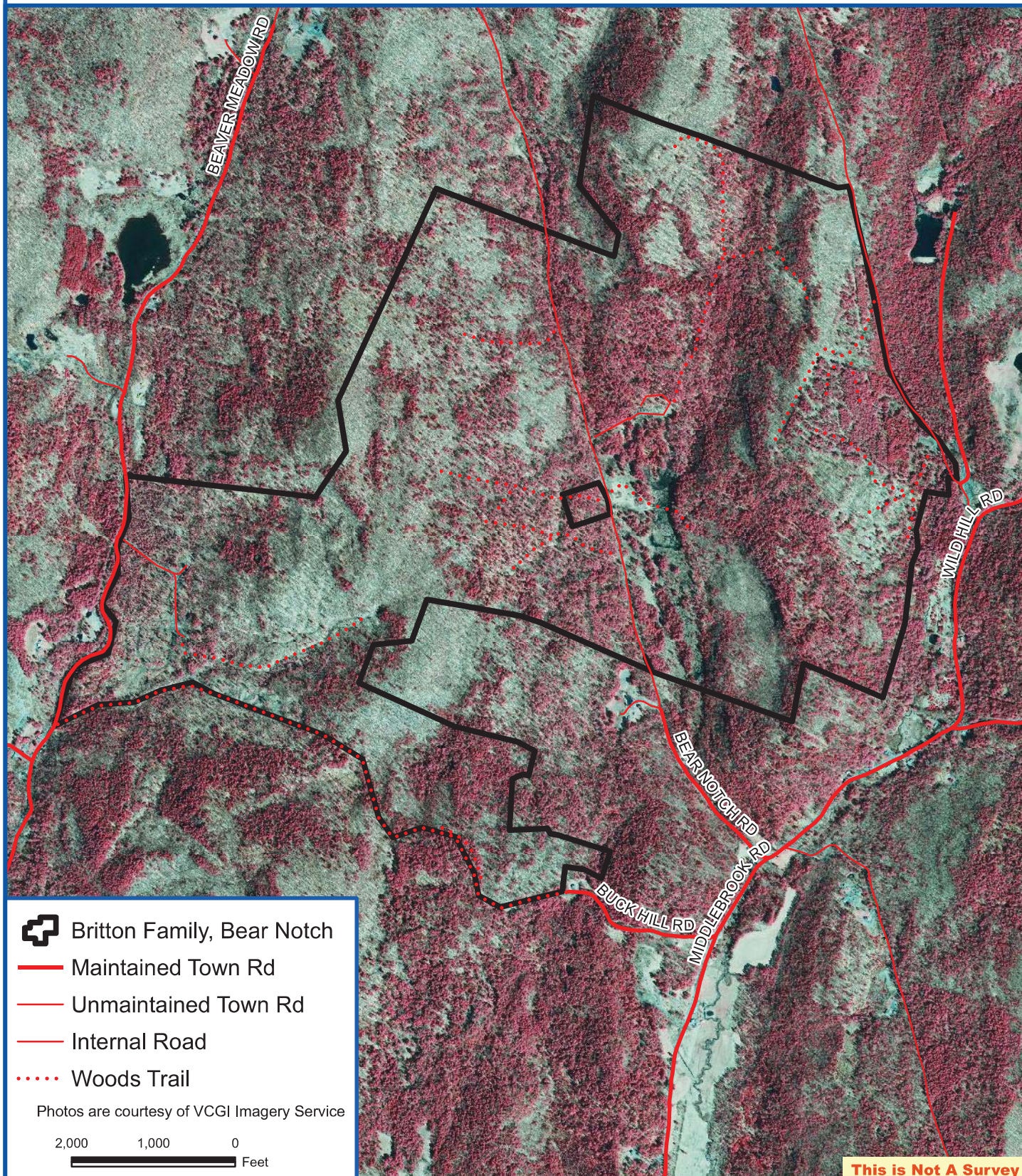


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