

# fountains

## SMITH RIDGE FOREST

*A large timberland investment located in Downeast Maine, featuring young, readily-accessible, well-stocked softwood stands, poised for growth and long-term asset appreciation.*



**3,043 Acres**  
**Dennysville, Washington County, Maine**

**Price: \$935,000**

## LOCATION

The parcel is located in the town of Dennysville, Washington County - part of a region famously referred to as “Downeast” Maine and known for its long, rocky coastline, vast softwood forests, hundreds of lakes and expansive blueberry barrens that occupy the rolling hillsides. For generations, families have earned their living from the land and sea, whether lobstering, logging, wreath-making or raking blueberries. The working landscape continues to define the region as many families still rely on these industries for their livelihoods.

Dennysville is situated along US Route 1, one of America’s first highways, stretching from Key West to northernmost Maine. In Maine, Route 1 shifts between views of the ocean and inland vistas of lakes and forests. The nearest town with basic amenities is Machias, about 15 miles to the south. The larger cities of Ellsworth and Bangor are just over two hours to the southwest and west, respectively. To the east is the Canadian Province of New Brunswick. The province’s two largest cities, St. John and Fredericton, are 2 and 2½ hours away respectively.

## ACCESS

The forest is easily accessed from about 9,300’ of paved road frontage along Smith Ridge Road, just off US Route 1. Internal access to the property for recreational and forest management purposes is provided by an internal road network stretching out for nearly 11 miles, with over 7 miles of gravel surface and over 3 miles of seasonal roads.

There are nearly 3 miles of state-owned recreational rail-bed trail traversing the property. The trail’s presence has no major implications for forest management activities. The road system is well suited for future forestry and recreational activities, including the development of a home or camp site. Electric power is available along the entire frontage on Smith Ridge Road.

The Town of Dennysville has 3,062 tax acres while GIS data calculate 3,041 acres. The maps in this report are based on forest inventory reported acreage totaling 3,043.



**The tract’s expansive softwood resource looking north.**



**Smith Ridge hosts a primarily softwood forest.**



**The gravel road leading from Smith Ridge Road**



## TIMBER

Smith Ridge Forest is a developing resource dominated by softwoods that comprise 82% of the total timber volume. This forest is an excellent candidate for the patient investor seeking a low-risk investment with sound timber fundamentals. There are two distinct age classes preparing for significant “product shifting” in the coming decade as the abundance of smaller, lower value stems approach larger, greater value sizes. As softwood markets are correlated to the housing industry, there is an opportunity to capitalize on the cyclical demand in dimensional lumber markets as the economy rebounds and the resource reaches economic maturity.

### Total Volume:

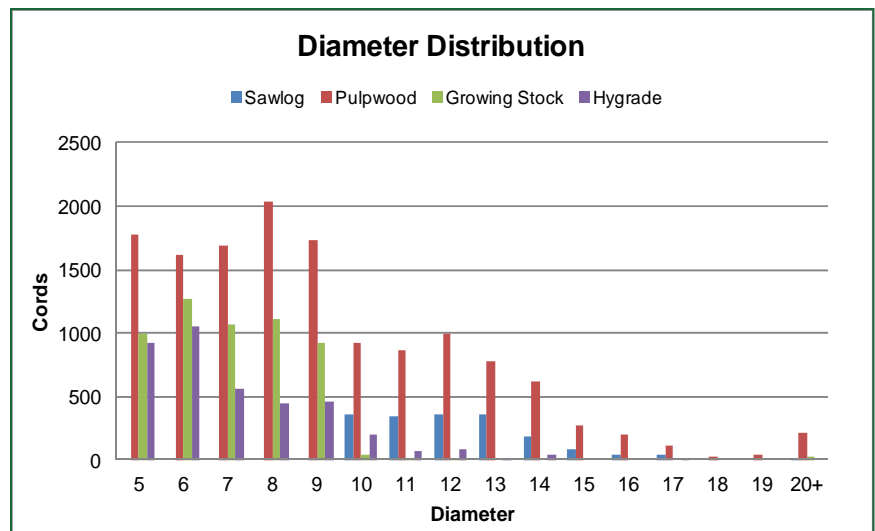
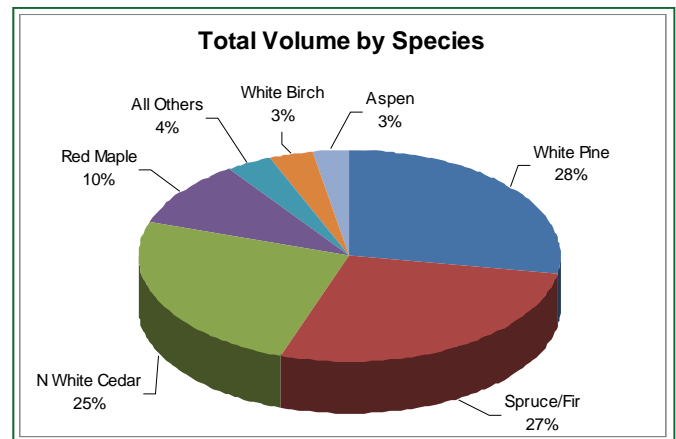
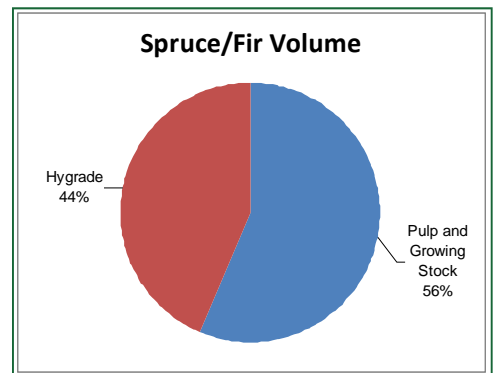
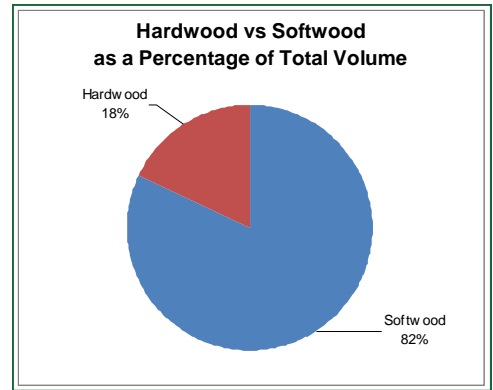
Total sawlog volume is 965 MBF (International 1/4” Scale) with 24,157 total pulpwood cords. Combined total commercial per acre volume is 9.0 cords per commercial acre.

Total volume features a significant softwood resource where species composition is led by white pine (28%), spruce/fir (27%) and cedar (25%). Red maple (10%) is the most abundant hardwood species, with the remaining volume comprised of shade intolerant hardwoods typically associated with mixedwood forests (white birch and poplar).

### Timber Inventory:

Timber information in this report is based on a August 2011 inventory conducted prior to the growing season by the forest manager using a 15 BAF factor prism random point sampling with 348 points taken. All inventory points were monumented in the field and are available for inspection. Data processing was based on commonly known and acceptable algorithms and form class volume tables. Volumes have been adjusted to account for three seasons’ growth using rates provided by the seller. The inventory resulted in a sampling error, in gross cords, of  $\pm 9.35\%$  at the 95% confidence level. Based on the recent timber inventory, capital timber value has been set at \$671,000 (\$220/acre).

Complete timber data, growth rates and other information is available on the Fountains Land website data room located on our website. To obtain a pass code, please contact Patrick Hackley at (603) 435-7428, Ext. 230.



## TIMBER (continued)

In much of Maine, the spruce/fir resource is commonly sold in tree-length form where the entire stem, from the butt log to the top end of the tree (up to 4 inches in diameter) is transported to the mill. The portion of the tree-length stem that meets the small sawlog specification (6" minimum DBH to 4" top; 12' length) is classified as "hygrade" and processed for lumber. As such, hygrade has a higher market value than pulpwood. Even-aged management over the years has resulted in a considerable spruce/fir hygrade component comprising 51% of the total cord volume on Smith Ridge Forest. As these hygrade stems advance into larger sawlog sizes there will be a notable increase in volume and associated value in the coming decade.



**Spruce/fir stands often have a mix of pulpwood and small saw-log (hygrade) size classes like the one above.**

### Stocking:

The timber data reveal a forest-wide basal area of 102 ft<sup>2</sup>/acre with 35% of the total basal area falling in the pole timber category, another indication of the property's product-shifting potential over the next management cycle.

## PROPERTY TAXES & TITLE

Municipal property taxes in 2013 were \$5,324.94 for the subject property referenced as Tax Map 07 Lot 04. The tax parcel is enrolled in Maine's Tree Growth Tax program, a municipal tax that is based on the land's productivity in growing timber rather than its fair market value.

The Tree Growth tax rate is calculated for each county from tree growth rates measured by the U.S. Forest Service. For more information, contact the Maine Forest Service at (207) 287-2791 or go to [www.maine.gov/doc/mfs/woodwise/text/growth.html](http://www.maine.gov/doc/mfs/woodwise/text/growth.html).

The property is subject to a mineral royalty interest held by the Maine Atlantic Salmon Commission whose deed is recorded in the Washington County, Maine Registry of Deeds in Book 2665, Page 349. There is broad consensus that the value of such mineral interests allows for the grantee to conduct surface gravel extraction for on-site road construction and maintenance.

The Maine Atlantic Salmon Commission has a 40' Right-of-Way (ROW) over the property. The right-of-way is depicted on the attached maps and described and recorded in Book 2665, Page 334. Deed and other relevant information are available from Fountains upon request.

The property is owned by Timbervest Partners Maine, LLC whose deed is recorded in the Washington County, Maine Registry of Deeds in Book 3149, Page 344-7.

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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.

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# Smith Ridge Forest

## Timber Valuation

Prepared By

**FOUNTAINS FORESTRY INCORPORATED**

Washington County, Maine  
September 2013

3,043 Acres  
2,919 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
<b><i>Sawtimber - MBF (International 1/4")</i></b>					
Cedar	582	60.00	140.00	110.00	<b>64,000</b>
White Pine	293	100.00	190.00	160.00	<b>46,900</b>
Red Maple	31	40.00	125.00	100.00	<b>3,100</b>
Hardwood Pallet	42	40.00	90.00	50.00	<b>2,100</b>
White Birch	17	80.00	150.00	170.00	<b>2,800</b>
<b><i>Pulpwood - Cords</i></b>					
Spruce/Fir Hygrade	4,181	30.00	55.00	50.00	<b>209,000</b>
Pine-Other Softwood	12,094	6.00	15.00	12.00	<b>145,100</b>
Hardwoods	4,461	12.00	28.00	24.00	<b>107,100</b>
Spruce/Fir	3,092	15.00	32.00	28.00	<b>86,600</b>
Hemlock	330	6.00	15.00	12.00	<b>4,000</b>

<b><i>Totals</i></b>					
Sawtimber Total	965	MBF			<b>\$118,900</b>
Sawtimber Per Acre	0.317	MBF			<b>\$39</b>
Sawtimber Per Comm. Acre	0.330	MBF			<b>\$41</b>
Cordwood Total	24,157	Cords			<b>\$551,800</b>
Cordwood Per Acre	7.9	Cords			<b>\$181</b>
Cordwood Per Comm. Acre	8.3	Cords			<b>\$189</b>
Total Per Acre					<b>\$220</b>

<b>Total Value</b>	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$520,000	\$729,000	<b>\$671,000</b>

BASED EARLY SPRING 2011 INVENTORY DATA SUPPLIED BY THE OWNER

Volumes have been adjusted for 2011-2013 growth.

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

\*Spruce/fir hygrade is recognized by the market as a small sawlog product and therefore is sold at a higher per unit price than pulpwood.

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.



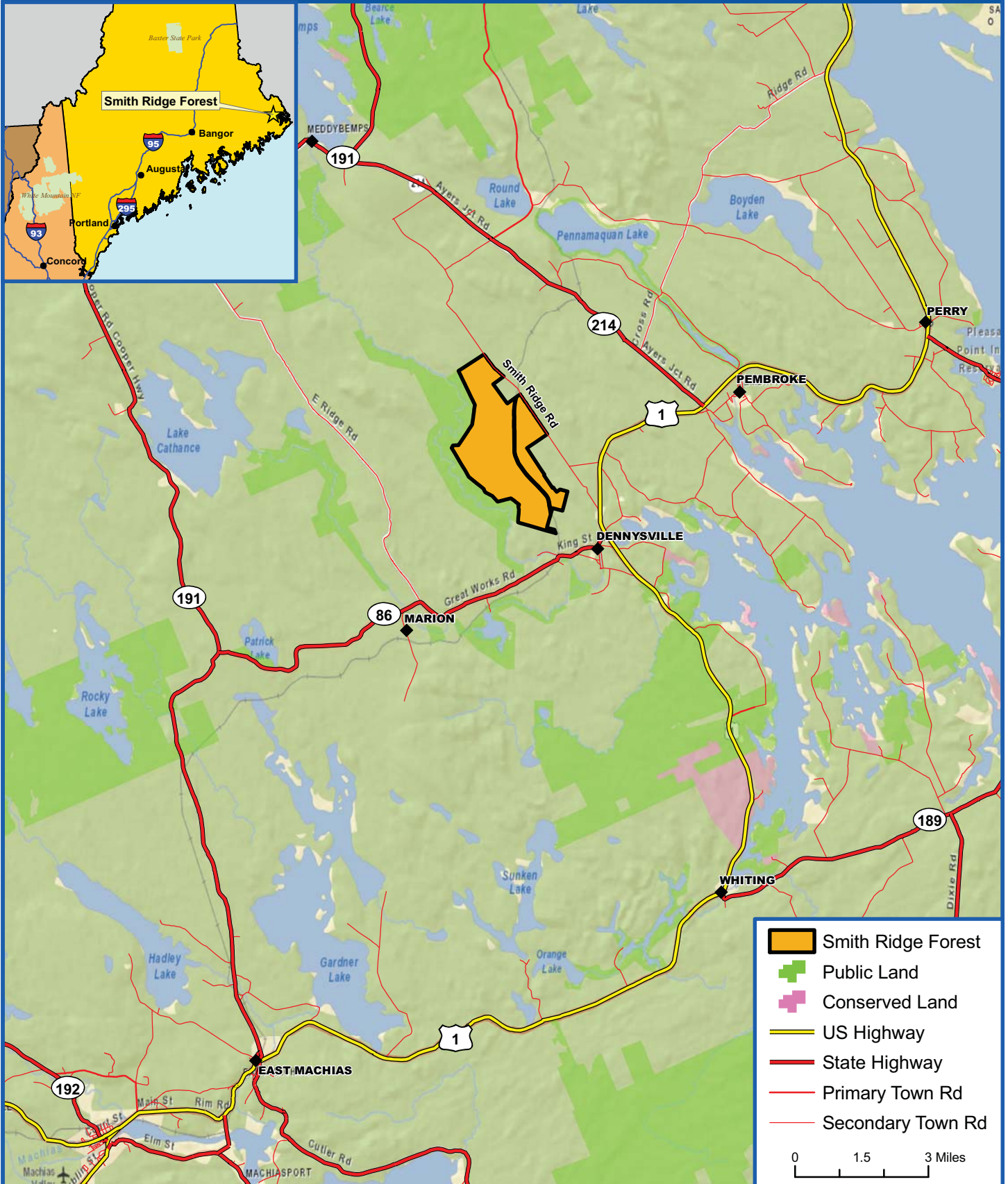
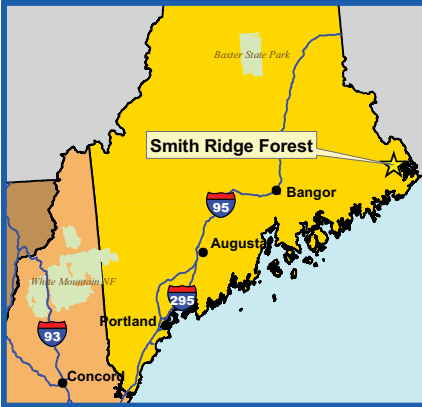


# Locus Map Smith Ridge Forest

3,043 Acres

Dennysville, Washington County, Maine

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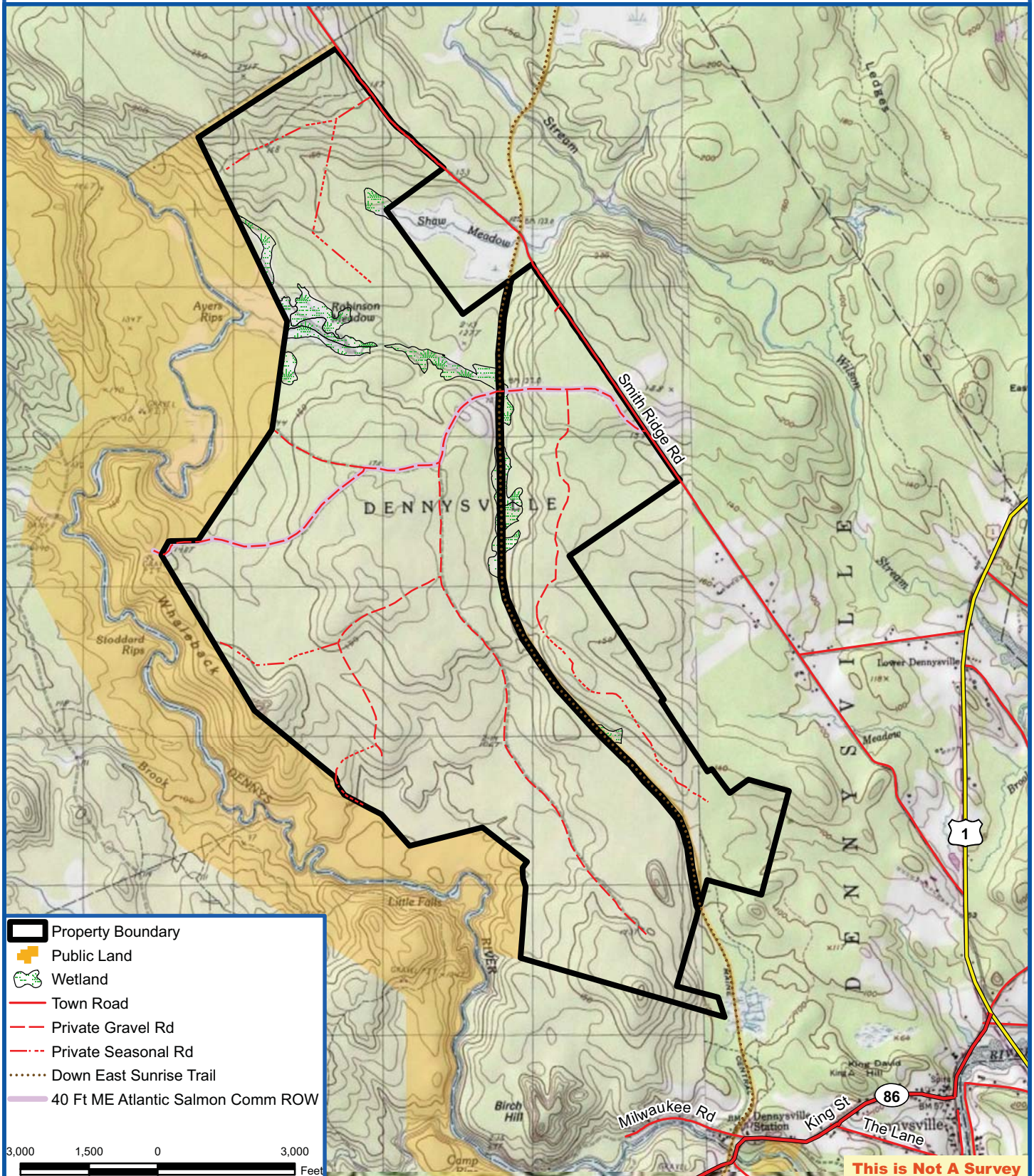




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Map produced from information supplied by Seller, aerial photography and reference information obtained from ME GIS.  
Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

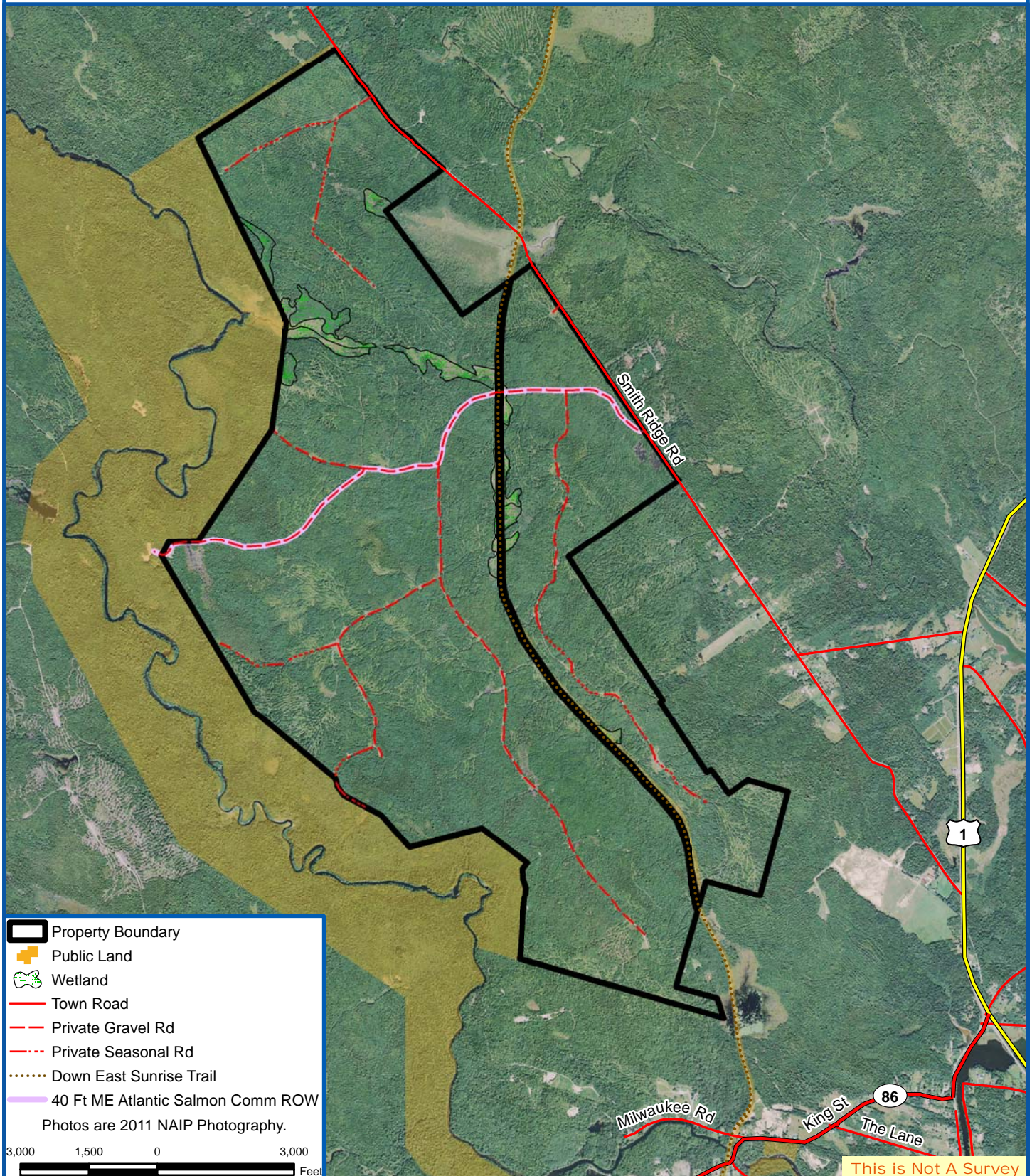




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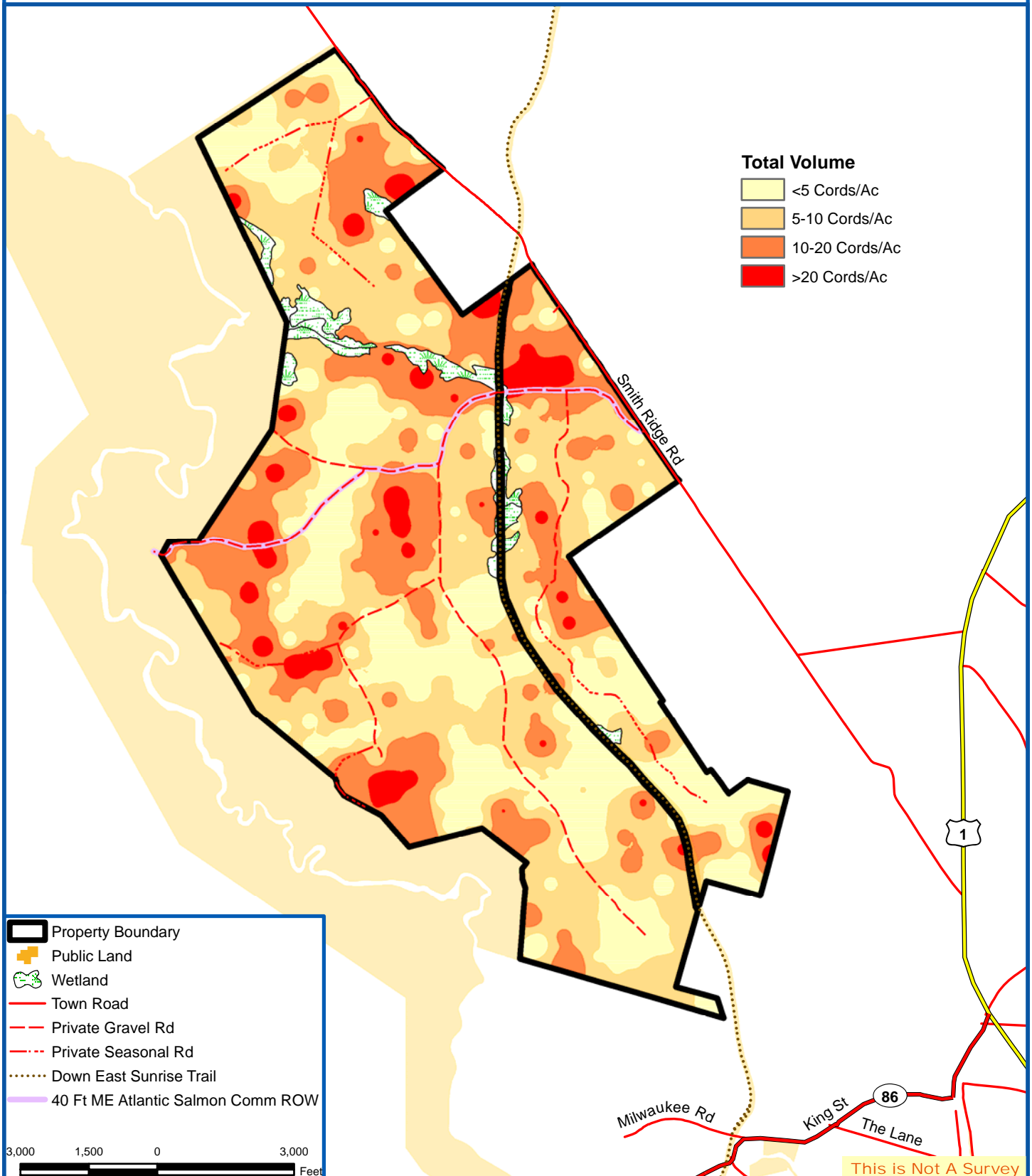




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# MAINE REAL ESTATE COMMISSION

35 State House Station Augusta ME 04333-0035



## REAL ESTATE BROKERAGE RELATIONSHIPS FORM

### Right Now You Are A Customer

Are you interested in buying or selling residential real estate in Maine? Before you begin working with a real estate licensee it is important for you to understand that Maine Law provides for different levels of brokerage service to buyers and sellers. You should decide whether you want to be represented in

a transaction (as a client) or not (as a customer). To assist you in deciding which option is in your best interest, please review the following information about real estate brokerage relationships:

Maine law requires all real estate brokerage companies and their affiliated licensees ("licensee") to perform certain basic duties when dealing with a buyer or seller. You can expect a real estate licensee you deal with to provide the following customer-level services:

- ✓ To disclose all material defects pertaining to the physical condition of the real estate that are known by the licensee;
- ✓ To treat both the buyer and seller honestly and not knowingly give false information;
- ✓ To account for all money and property received from or on behalf of the buyer or seller; and
- ✓ To comply with all state and federal laws related to real estate brokerage activity.

Until you enter into a written brokerage agreement with the licensee for client-level representation you are considered a "customer" and the licensee may not act as your agent. As a customer, you should not expect the licensee to promote your best interest, or to keep any information you give to the licensee confidential, including your bargaining position.

### You May Become A Client

If you want a licensee to represent you, you will need to enter into a written listing agreement or a written buyer representation agreement. These agreements create a client-agent relationship between you and the licensee. As a client you can expect the licensee to provide the

following services, in addition to the basic services required of all licensees listed above:

- ✓ To perform the terms of the written agreement with skill and care;
- ✓ To promote your best interests;
  - For seller clients this means the agent will put the seller's interests first and negotiate the best price and terms for the seller;
  - For buyer clients this means the agent will put the buyer's interests first and negotiate for the best prices and terms for the buyer; and
- ✓ To maintain the confidentiality of specific client information, including bargaining information.

### COMPANY POLICY ON CLIENT-LEVEL SERVICES — WHAT YOU NEED TO KNOW

The real estate brokerage company's policy on client-level services determines which of the three types of agent-client relationships permitted in Maine may be offered to you. The agent-client relationships permitted in Maine are as follows:

- ✓ The company and all of its affiliated licensees represent you as a client (called "single agency");
- ✓ The company appoints, with your written consent, one or more of the affiliated licensees to represent you as an agent(s) (called "appointed agency"); or
- ✓ The company may offer limited agent level services as a disclosed dual agent.

### WHAT IS A DISCLOSED DUAL AGENT?

In certain situations, a licensee may act as an agent for and represent both the buyer and the seller in the same transaction. This is called disclosed dual agency. The possibilities and consequences of dual agency representation must be explained to you by the licensee. *Both the buyer and the seller must consent to this type of representation in writing.*

Working with a dual agent is not the same as having your own exclusive agent as a single or appointed agent. For instance, when representing both a buyer and a seller, the dual agent must not disclose to one party any confidential information obtained from the other party. Also, a dual agent may not be the advocate for either party and cannot negotiate for nor advise as to the price or terms of the transaction.

### THIS IS NOT A CONTRACT

#### **Remember!**

*Unless you enter into a written agreement for agency representation, a licensee is not allowed to represent you!*

It is important for you to know that this form is not a contract. The licensee's completion of the statement below acknowledges that you have been given the information required by Maine law regarding brokerage relationships so that you may make an informed decision as to the relationship you wish to establish with the licensee/company.

To Be Completed By Licensee

This form was presented on (date) \_\_\_\_\_

To \_\_\_\_\_  
Name of Buyer(s) or Seller(s)

by Patrick Hackley  
Licensee's Name

on behalf of Fountains Land Inc  
Company/Agency

MREC Form#3 12/05

To check on the license status of the real estate brokerage company or affiliated licensee go to [www.maine.gov/professionallicensing](http://www.maine.gov/professionallicensing). Inactive licensees may not practice real estate brokerage.