

ELMORE POND FOREST

Protected by a Vermont Land Trust easement, this forest offers an exceptional long-term timber investment opportunity with high stocking of preferred hardwood species, positive cash flow from forest thinning activity, and sugarbush potential.



**1,943 ± GIS acres
Elmore, Lamoille County, Vermont**

New Price: ~~1,790,000~~ \$1,600,000

INVESTMENT OVERVIEW

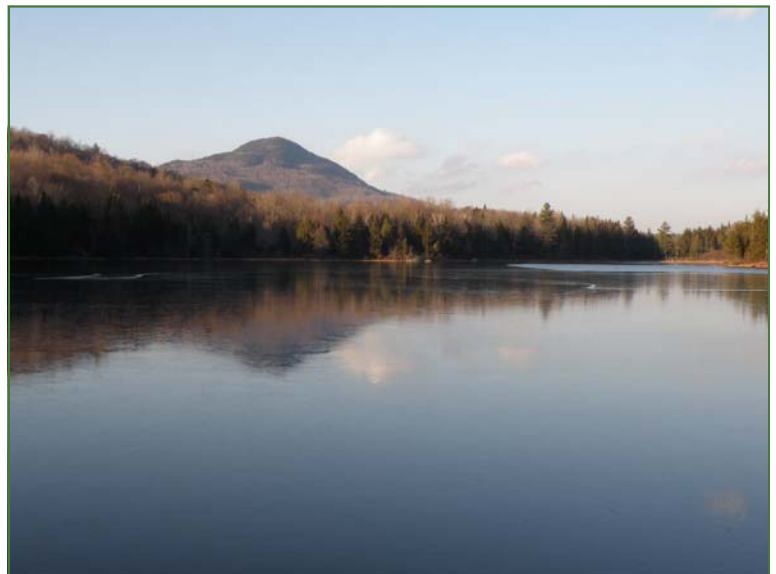
The property represents an exceptional timber investment opportunity with attractive species composition, a maturing yellow birch age class, and high volumes, providing the next ownership a clean canvas to develop a personal stewardship plan. The ownership, Atlas Timberlands Partnership, is a collaboration between two 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:

- Pure timber investment, where existing conservation easement sets asking price at 73% of capital timber value;
- Present ownership history of conducting careful silvicultural operations with focus on improving overall forest conditions;
- High stocking with an average of 30.7 cords per acre, offering immediate cash flow from silvicultural operations;
- Good internal access off state paved road;
- Possible sugarbush opportunity;
- Scenic property with 24-acre pond.



Many stands are dominated by sugar maple with a wide range of diameters including stems advancing to maturity.



View of Elmore Mountain to the north from the scenic Little Elmore Pond, whose western shoreline is encompassed by the property.

LOCATION

Elmore Pond Forest is located west of, and along, Route 12 between Montpelier and Morrisville in Elmore, Vermont. A hilly, rural town, Elmore is known for its popular lake, mountain, and State Park of the same name, all just north of the property. A landscape of scattered valley farms, widely dispersed hillside homes and working forests define the town, with a classic Vermont country store, post office, town hall and lakeside camps occupying its small village center.

Route 12 runs north-south through the town, providing access to the state capital of Montpelier and Interstate 89, 17 miles to the south. Nine miles to the north of the property's frontage on Route 12 is Morrisville and Routes 15 and 100. These major roads provide transportation corridors to regional and Canadian forest product mills from the property.

The landscape west of Route 12 is characterized by the high-elevation Worcester Range, a 15-mile long, north-south series of mountains. Most of this range is part of the C.C. Putnam State Forest and the Elmore Pond property is one of the few, large, private tracts along its ridgeline and eastern slopes.

ACCESS

The property has roughly 2,000' of frontage along Route 12 with an existing access point suitable for crossing the North Branch of the Winooski River. The abutments of a former river crossing are in place and seem sound; however, the steel support beams will need to be updated or a temporary bridge installed to support truck access onto the property.

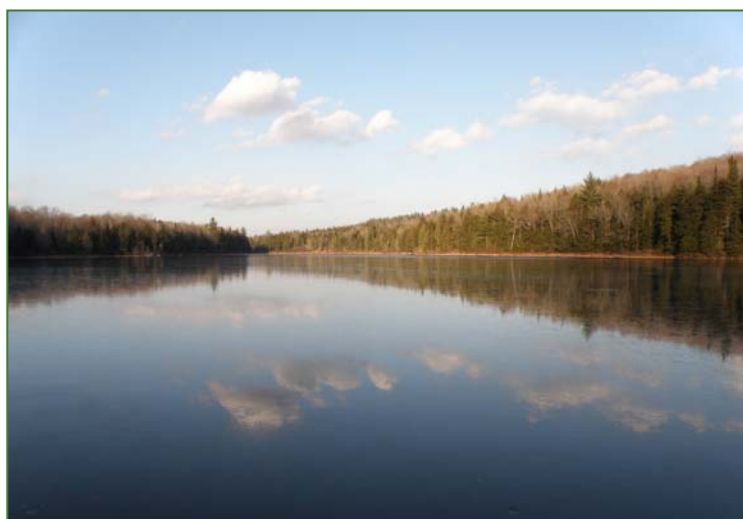
Once over the river (a span of roughly 25'), a log road constructed 22 or more years ago extends nearly 2.3 miles along the eastern end of the property to Little Elmore Pond (see location on attached maps). This road has since grown in with trees along the ditches; however, the road base is quite good. With some brush work, replacement of culverts, another small bridge and some ditch work (\$50k cost estimate), the road is well-suited to further truck traffic.



The North Branch of the Winooski River parallels the Route 12 road frontage.

SITE DESCRIPTION

The property spans nearly 4 miles from north to south and, in some areas, stretches 0.8 miles across. This considerable footprint runs parallel to the northern end of the Worcester Range, with some sections of the land's upper elevations encompassing the ridgeline. An eastern aspect predominates, with the highest elevations in the western section. The height of land is 2,520' with less than 5 acres sitting above 2,500'. From here, nearly all of the terrain falls easterly to the headwaters of the North Branch of the Winooski River, where elevation is 1,220'. The terrain can be characterized as moderate to steeply sloping with ledge-runs between benches of moderate to gently-sloping areas. Soil quality within the commercially designated terrain is generally average. Lyman-Tunbridge is the primary soil type and is well-suited to the hardwood resource that dominates the forest.



Little Elmore Pond, 24 acres in size, comprises a portion of the eastern boundary of the property, providing a serene recreational amenity along its western shore.

While the many ledge-runs create access challenges to the mid and upper slopes (a situation which has been accounted for when assigning stumpage prices used to establish CTV), nearly the entire property has previously experienced some form of forest management. As such, skidding access to the mid and upper slopes classified as commercial acreage contains established trails, ensuring full access for the ownership.

The entire western half of the shoreline of scenic and tranquil Little Elmore Pond lies along the property boundary. Its 24 acres of open water, with maximum depth of 15' and a fisheries population that includes brook trout, provide an appealing recreational amenity. The pond is easily accessible from the main truck road. Additionally, roughly 2,000' of frontage along the North Branch of the Winooski River provides further recreational opportunity.

TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory, conducted in November 2015 by the ownership's forest consultant, M.D. Forestland Consulting, LLC. 234 points were sampled (1 plot per 7.2 commercial acres), covering a 545' X 545' grid and using a 15-factor prism. Sampling statistics are $\pm 6.7\%$ standard error for sawlog products and $\pm 4.4\%$ for all products combined at the 95% confidence interval, figures well within industry standards. Upon growth for 2016-17, these data reveal a total sawlog volume of 10,301 MBF International $\frac{1}{4}$ " scale (6.2 MBF/commercial acre) with 30,864 pulpwood cords (18.4 cords/commercial acre). Combined total commercial per acre volume is 30.7 cords, a figure well in excess of the regional average. Stumpage values were assigned to the volumes in March of 2018, producing a property-wide Capital Timber Value (CTV) of \$2,181,700 (\$1,123/total acre). See the Timber Valuation in this report for details.

Species Composition:

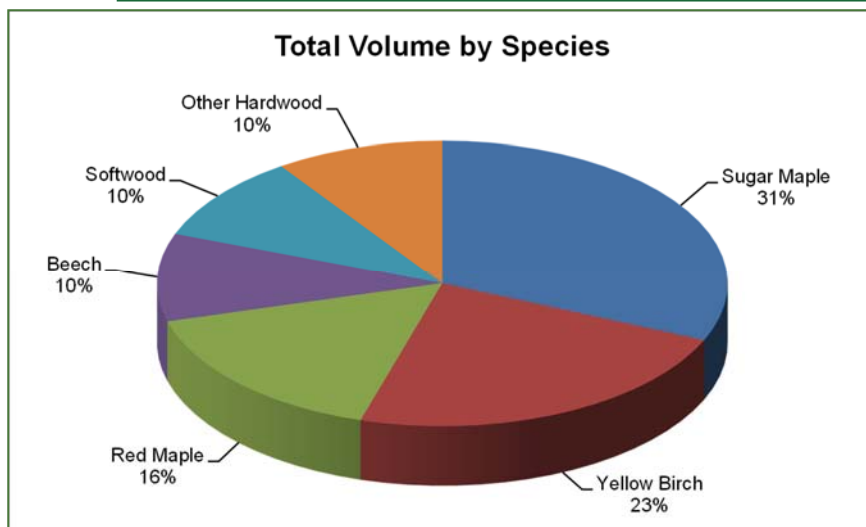
A species composition dominated by hardwoods prevails, with hardwoods at 90% and softwoods at 10% of total volume. Species composition for all products combined offers a favorable mix and is led by the maples (47%), followed by yellow birch (23%), beech, softwood and other hardwood (each 10%). The sawlog volume breakdown consists largely of species with historically strong demand, dominated by the maples, and yellow birch.

Stocking and Stem Quality:

Overall, forest stocking is high with overstocked conditions prevailing, where the average Basal Area (BA) is 106 ft² on 192 stems/acre. The Acceptable Growing Stock BA is 58.2 ft² on 98 stems/acre representing near full utilization of growing space by current and future high-quality crop trees. These numbers indicate a forest resource with overall good stem quality.



The primarily hardwood timber resource is highly stocked, with significant asset appreciation potential.



TIMBER RESOURCE (continued)

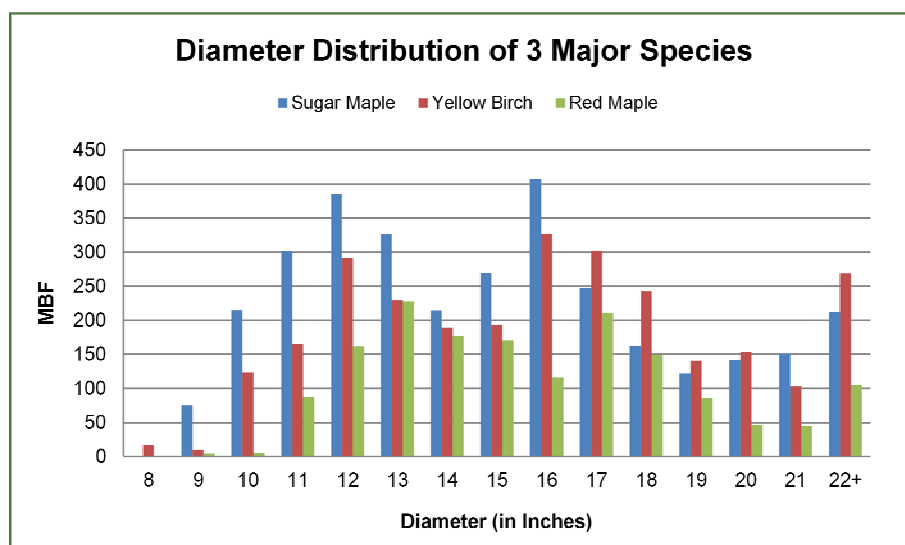
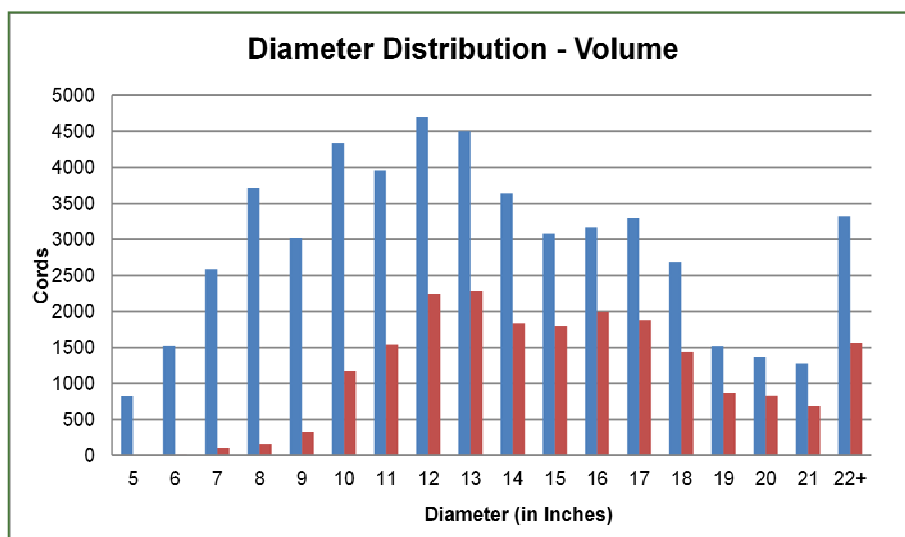
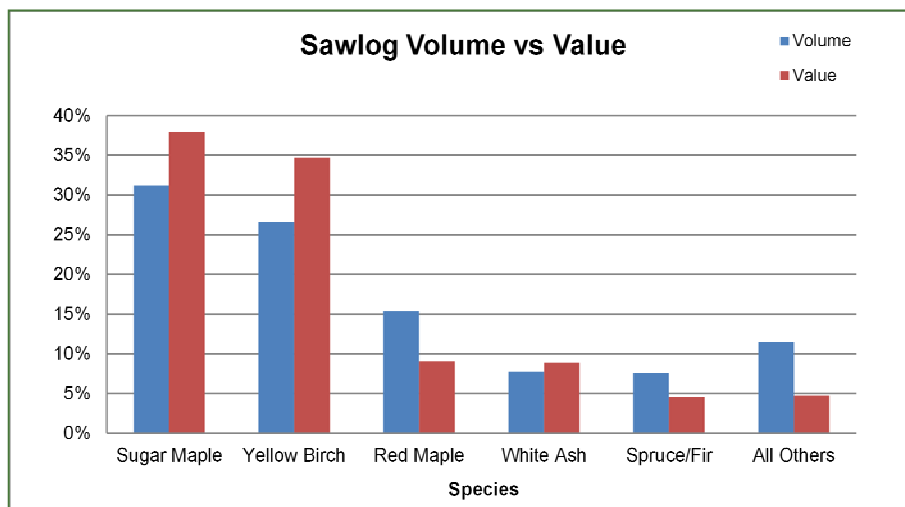
Sawlog Value:

Sawlog value is largely dominated by sugar maple (38%) and yellow birch (35%), followed by red maple (9%), white ash (9%) and spruce/fir (5%), with the balance held by mostly miscellaneous hardwoods. Notable of the yellow birch sawlog product class is the high veneer percentage, accounting for 11.2% of the yellow birch sawlog volume. This high amount of yellow birch veneer is the result of the last forest operation (22 or more years ago) where yellow birch was not a preferred species and, thus, much of its volume was passed over. This larger-diameter, high-quality volume represents a considerable cash flow and/or asset appreciation opportunity.

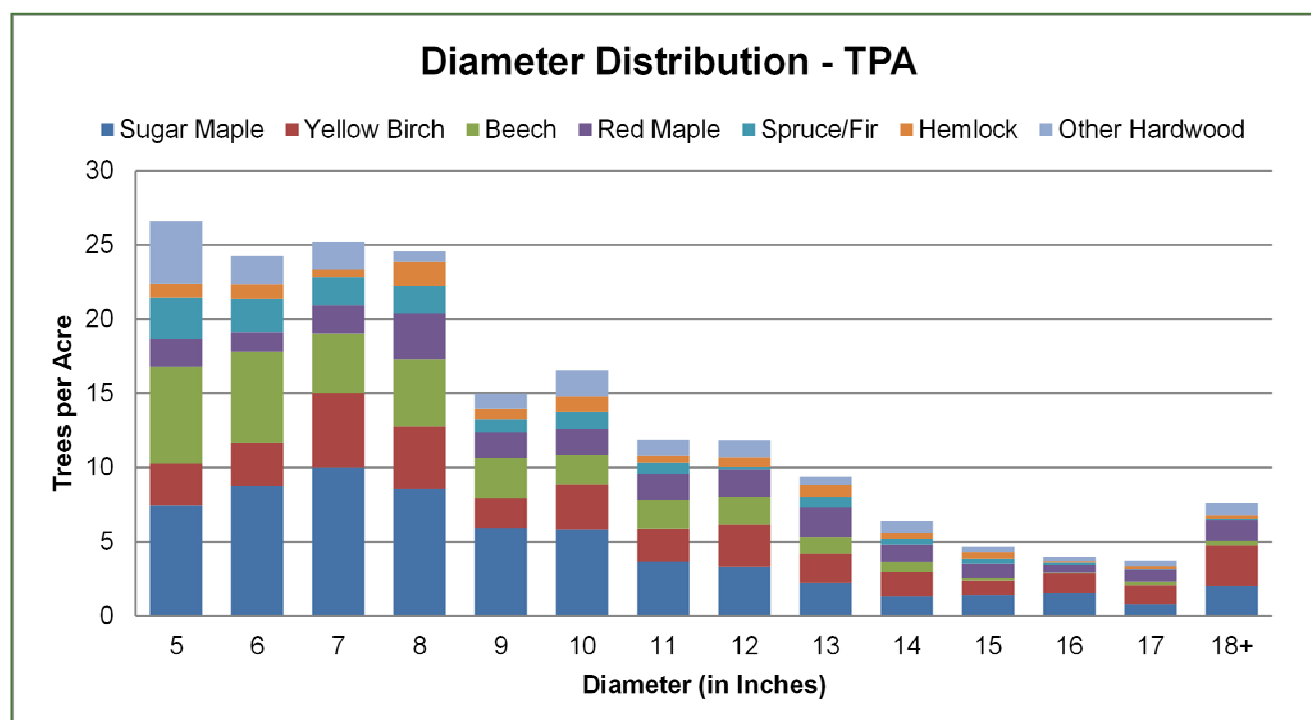
Diameter Distribution:

Average diameter for all products combined is 13.0", while the average sawlog diameter is nearly 15", well above average given the hardwood-dominated forest types. Average diameters for the three major species are sugar maple 15", yellow birch 16" and red maple 14.5".

One striking attribute of the forest is the abundant advanced sapling to pole-sized growing stock (5-10" diameters), which resulted from harvesting in the late 1970s to mid-1990s. This growing stock holds 30% of total volume (69% of total stems/acre) and represents a considerable asset appreciation scenario as this pulpwood size class grows into sawlogs (ingrowth) over the next 10-20 years. Further, this growing stock consists primarily of desirable species (led by maple and yellow birch), with nearly 50% of its TPA comprised of acceptable growing stock (see the graph at the top of the next page). While beech is a component of this growing stock, it can be controlled, given the strong presence of existing desirable species within this size class.



TIMBER RESOURCE (continued)



SUGARBUSH OPPORTUNITY

The property offers a potential sugarbush opportunity, given the high level of maple stocking, slope factor, and access. The ownership's consultant conducted a maple tap analysis using the timber data on the commercially operable acreage and delineated by watershed compartment. This analysis indicates a total maple potential tap count of 60,991 taps, with roughly 64% of the taps from sugar maple with the balance from red maple. Trees 10" and greater were considered, providing an average of 36 taps/acre property-wide. A tap analysis map is provided in the maps section of this report.

Nearly all of the terrain slopes toward the access road, facilitating sap flow and reducing the need for pumping. The closest electric power is off the end of Micklin Road to the northeast, roughly 3,500' from the internal access road end point at Little Elmore Pond.

For additional information about timber and other aspects of this property, please contact the listing broker on the front of this report.

Potential Tap Count by Watershed

Sub Watershed	Acres	Total Taps	Ave. Taps/ac	Timber Inventory Plots
1	386	16609	43	56
2	1024	35931	35	143
3	286	8451	30	40
Total	1696	60991	36	239



Most of the property slopes towards the access road, facilitating sap collection.

CONSERVATION EASEMENT

The conservation easement on the property will be held by the Vermont Land Trust (VLT), 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 respected reputation this land trust has established. An underlying 1994 Federal Legacy conservation easement under jurisdiction of the USFS is also part of the title.



Northern end of property along Worcester Range

A principal objective of the easement is to maintain and process productive forest resources and products. 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 limited to sustainable levels with target diameters set for each species.
- Surface Water Protection Zones (SWPZs), covering 230 acres, permit limited harvesting with special consideration to maintaining water quality;
- Ecological Protection Zones (EPZs), covering 24 acres, do not allow harvesting or tapping (EPZs excluded from timber data).

Copies of the easement and baseline documentation are available upon request.

ACREAGE, TAXES & TITLE

Property taxes are 6,051. The property is enrolled in the State of Vermont’s Use Value Appraisal (UVA) program. The property is owned by the Atlas Timberlands Partnership whose deeds are recorded in the Town of Elmore in Book 44, Page 24. Parcel ID # is 07/00/18.000. Total Grand List acres is 2,048.5 while the GIS acreage is 1,943; the latter is believed to be more accurate and the basis for the timber data and for setting property asking price.

Acreage Chart	
Item	Acres
Tax Acres	2049
GIS Acres	1943
Non Commercial Terrain	246
EPZ Outside NC (no touch)	24
Commercial Timber Acres	1674
SWPZ (within comm. timber ac)	230

All buyers **MUST** be evaluated under the conflict of interest (COI) policies of both The Nature Conservancy and the Vermont Land Trust. Conflicts review is performed using each organization’s Disclosure Form available on request. NOTE: All purchase offers must be accompanied by fully executed COI Disclosure Forms.

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.

Elmore Pond Forest

Timber Valuation

Prepared By

F&W Forestry Services, Inc.

Elmore, Lamoille County, Vermont
March 2018

1,943 GIS Acres
1,674 Commercial GIS Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
Sugar Maple	1,580	300.00	400.00	350.00	553,000
Yellow Birch	1,640	200.00	325.00	280.00	459,300
White Ash	704	150.00	300.00	275.00	193,500
Red Maple	869	75.00	200.00	150.00	130,300
Yellow Birch Veneer	184	500.00	850.00	650.00	119,600
Sugar Maple Pallet	1,525	50.00	100.00	65.00	99,100
Spruce/Fir	794	90.00	130.00	120.00	95,300
Yellow Birch Pallet	916	30.00	80.00	40.00	36,600
Sugar Maple Veneer	48	800.00	1,200.00	1,000.00	47,700
Red Maple Pallet	750	30.00	75.00	40.00	30,000
Hemlock	568	30.00	90.00	45.00	25,500
White Birch	131	50.00	165.00	115.00	15,100
Black Cherry	84	175.00	325.00	275.00	23,100
Pallet / Grade 3	357	30.00	75.00	40.00	14,300
Black Cherry Veneer	20	400.00	700.00	550.00	10,800
White Ash Pallet	108	30.00	75.00	40.00	4,300
Beech	25	30.00	75.00	40.00	1,000
Pulpwood - Cords					
Hardwoods	28,549	8.00	20.00	11.00	314,000
Hemlock	1,361	2.00	10.00	4.00	5,400
Spruce/Fir	954	2.00	10.00	4.00	3,800

Totals					
Sawtimber Total	10,301	MBF			\$1,858,500
Sawtimber Per Acre	5.301	MBF			\$957
Sawtimber Per Comm. Acre	6.153	MBF			\$1,110
Cordwood Total	30,864	Cords			\$323,200
Cordwood Per Acre	15.9	Cords			\$166
Cordwood Per Comm. Acre	18.4	Cords			\$193
Total Per Acre					\$1,123

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$1,888,000	\$2,538,000	\$2,181,700

BASED ON SEPTEMBER 2015 INVENTORY CRUISE BY M. D. FOREST LAND CONSULTING, LLC.

Cruise is based on 234 points. Statistical error = 6.7% for sawlogs and 4.4% for all volume at the 95% confidence level.

Volumes for each specie were grown forward 2 years using FIA growth rates for Lamoille, Orleans and Washington Counties

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.



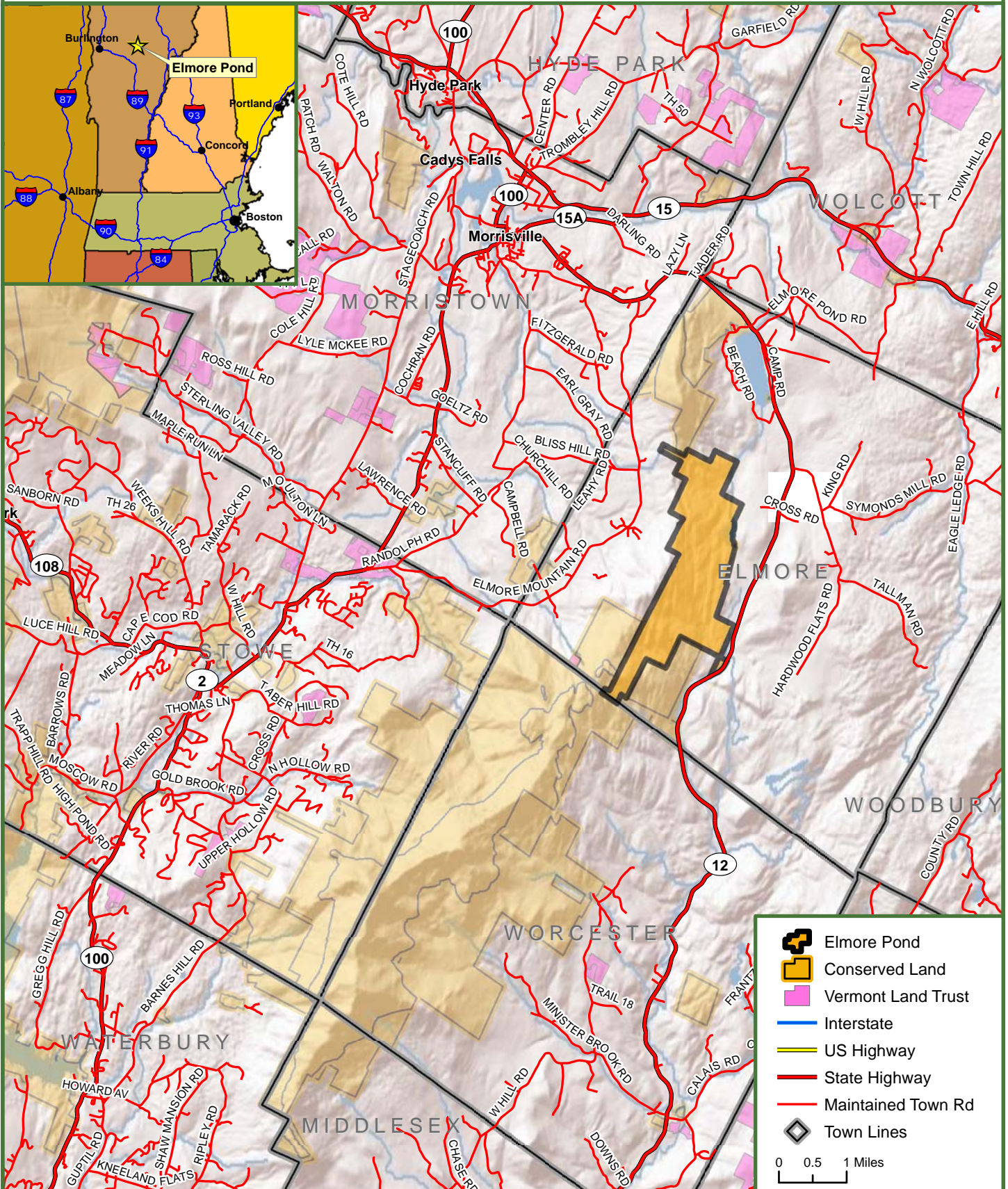
Locus Map Elmore Pond

1,943 GIS Acres

Elmore, Lamoille County, VT



**Fountains
Land**
AN F&W COMPANY



- Elmore Pond
- Conserved Land
- Vermont Land Trust
- Interstate
- US Highway
- State Highway
- Maintained Town Rd
- Town Lines

0 0.5 1 Miles



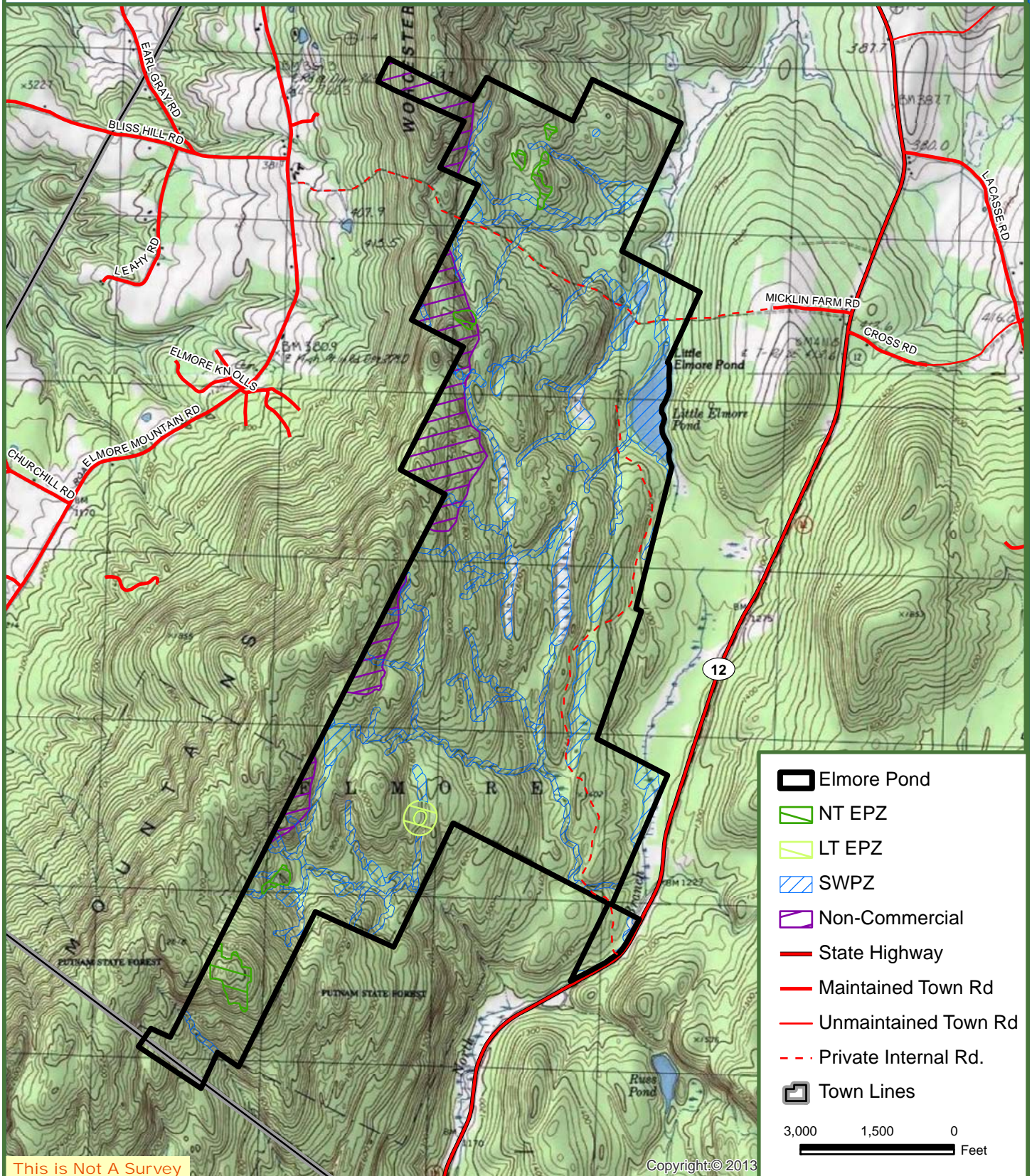
Elmore Pond Forest

1,943 GIS Acres

Elmore, Lamoille 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 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.



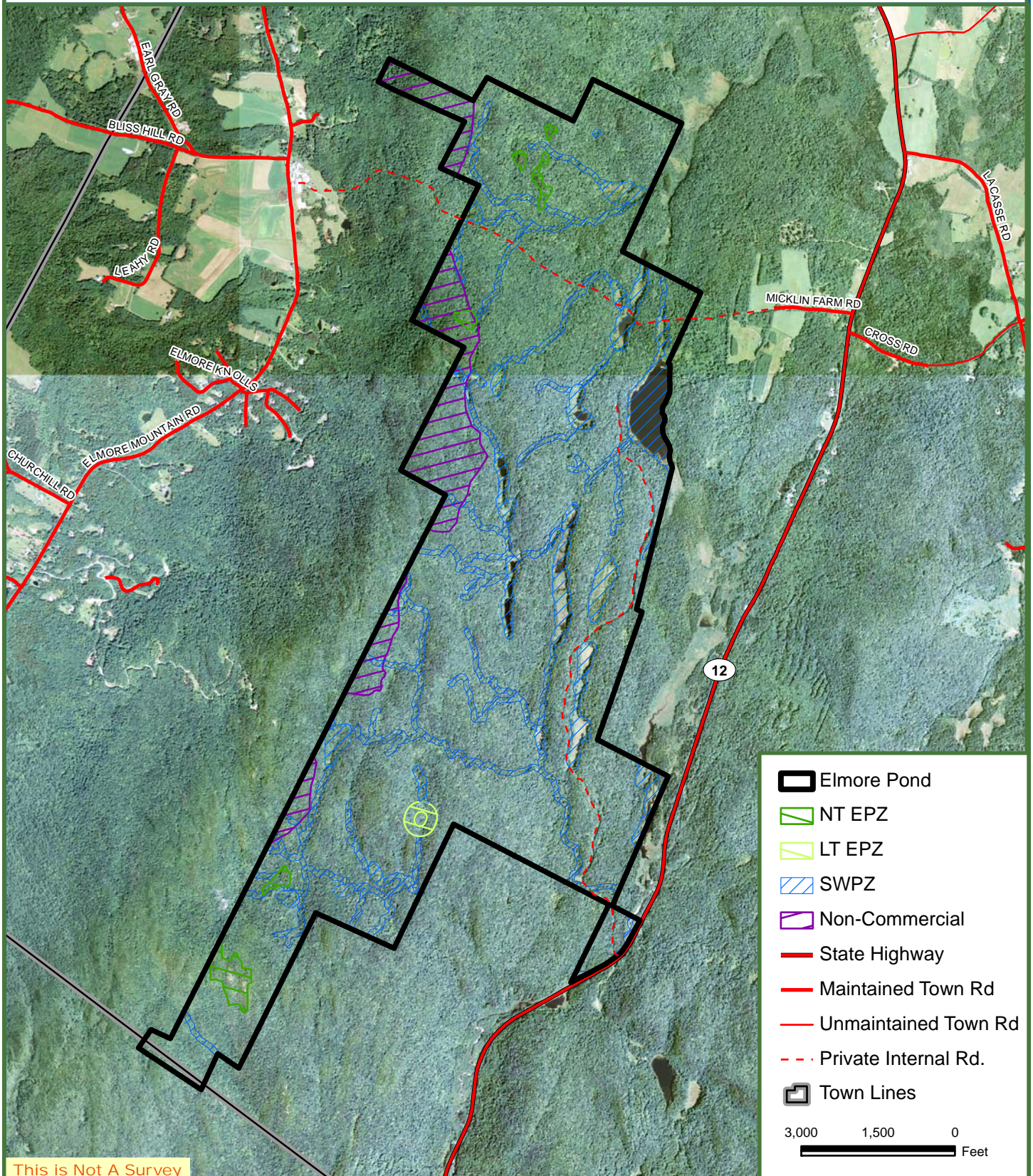
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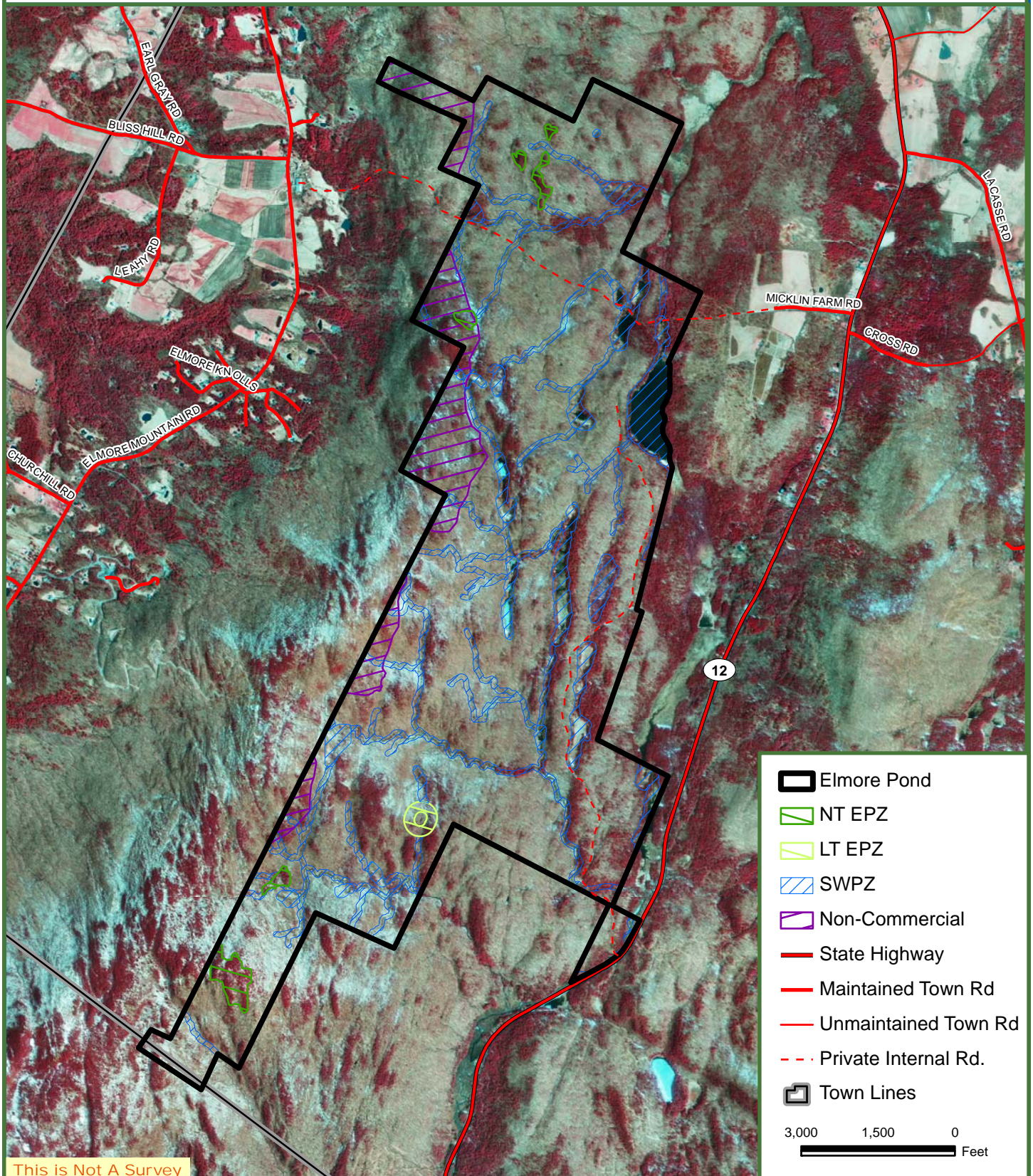
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Atlas Timberland Partnership Maple Tap Analysis

Elmore Tract
Tract Acres;1,952

Tap concentrations
High
Low

Tapable Tree/ac

- 1-15
- 16-40
- 41-65
- 65-100
- 101-190

Inoperable areas

- inoperable wet
- inoperable terrain
- EPZ

03Feb2016

Sub wtrshed	Total Taps	Inventory Plot Count	Average Taps/acre	Acres
1	16,609	56	43	386
2	35,931	143	35	1,024
3	8,451	40	30	286
Total	60,990	239	36	1,696

Note:

Tpa counts are based on plot-level occurrence of Sugar Maple and Red Maple in 2015 cruise data. Only trees 10" and above were included in the analysis.

VCGI



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