

DEEP GIBOU FOREST

A conservation easement-encumbered timberland property with exceptional maple and yellow birch stands, comprehensive access, roadside electric power and $\pm 113,000$ potential maple taps that flow into existing access points.



***2,779 \pm GIS Acres
Montgomery & Belvidere, Vermont***

\$1,910,000



INVESTMENT OVERVIEW

Deep Gibou Forest is a long-term timber and/or immediate sugarbush opportunity with attractive species composition, productive soils, secure access and excellent potential for asset appreciation from the timber resource. The ownership, Atlas Timberlands Partnership, is a collaboration between two well-known 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:

- Species dominated by sugar maple (43%);
- Middle-aged, fully-stocked overstory, well-positioned for asset appreciation;
- Excellent access with power nearby;
- Sugarbush opportunity with $\pm 113,000$ Gross potential taps from stems 9" and greater on north-facing slopes with good sap-flow conditions to access locations;
- Average tap/acre of 48, with many areas offering the possibility of 70-80 taps/acre.



Well stocked for a maple sugaring operation

LOCATION

The majority of the forest lies in the northern Vermont town of Montgomery. Regionally, the land's western boundary occupies the northern end and ridgeline of the Cold Hollow Mountains, a range that geologically is the boundary between the agricultural lands in the Champlain Valley to the west and vast forestland to the east, including the Green Mountain Range.

Locally, homes are widely scattered along the Gibou, Deep Gibou and West Hill Roads.

The small town of Montgomery Center is located 4 miles to the northeast. The Jay Peak Ski resort is 8 miles further to the east along Route 242. Richford and the Canadian border are 17 miles to the north. Montreal, Canada is a 1.5-hour drive, while Burlington, Vermont is a 1.25-hour drive.

Nearby state roads offer ideal access to regional and cross-border forest product manufacturing facilities.



Cold Hollow Range - the land rises to the ridgeline and includes all terrain in the foreground

ACCESS

The property offers excellent access to each of the land's two main watersheds. The eastern half of the land has frontage along Deep Giboou Road, a town-maintained road. From this access point, a 1.3-mile internal road runs to the center of this eastern management unit. Part of the initial section of this road runs across an adjacent landowner, for which a full right-of-way exists.

Access to the western half of the property is provided by a non-maintained Class IV graveled road. This road ends $\pm 3,000'$ into the property from the boundary line, at the base of the Cold Hollow Mountains.

Well-developed woods trails run throughout the property, facilitating future management of the forest.



Access road on western side of the property. The road base is from gravel deposits on the property.

SITE DESCRIPTION

The property's terrain is variable with moderate slopes occupying its central and northeastern areas. The western and extreme eastern areas are defined by steep slopes, which are still largely operable, with the exception of 407 acres along the western boundary. This area has been defined as an Ecological Protection Zone and is off limits to any forest management (no timber data was recorded in this area). Generally, conditions for forest operations are very good within the acreage delineated for forest management.

Soils are mostly well drained, with the exception of various wetlands near each of the internal access roads and a high elevation wetland at the land's southern end (Wetland Protection Zones making up 84 total acres).

While the various streams on the land originate on the property and at the top of their watersheds, these streams can run fast and swell during rainy periods and snow melt.



West Hill Brook on the level terrain near the access road.

Elevation ranges from 2,940' ASL (Above Sea Level) along the Cold Hollow Range to 1,280' ASL in the northeast section of the land near Deep Gibou Road.

TIMBER RESOURCE

Timber data in this report are based on a monumented and comprehensive timber inventory completed in the summer of 2016 by the ownership's forest consultant, M.D. Forestland Consulting, LLC. 427 inventory plots were sampled (1 plot per 5.6 commercial acres), covering a 420' x 420' grid and using a 15-factor prism. Sampling statistics are $\pm 6.0\%$ standard error for sawlog products and $\pm 3.5\%$ for all cordwood products at the 95% confidence interval, figures well within industry standards. After applying growth for 2017-2019 using regional FIA data averages, the timber data reveal a total sawlog volume of 9,917 MBF International $\frac{1}{4}$ " scale (4.3 MBF/commercial acre) with 41,746 pulpwood cords (18.0 cords/commercial acre). Combined total commercial per acre volume is 26.6 cords, modestly above the regional average. Stumpage values were assigned to the volumes in June of 2019, producing a property-wide Capital Timber Value (CTV) of \$2,219,500 (\$832/total acre). See the Timber Valuation in this report for details.

Species Composition:

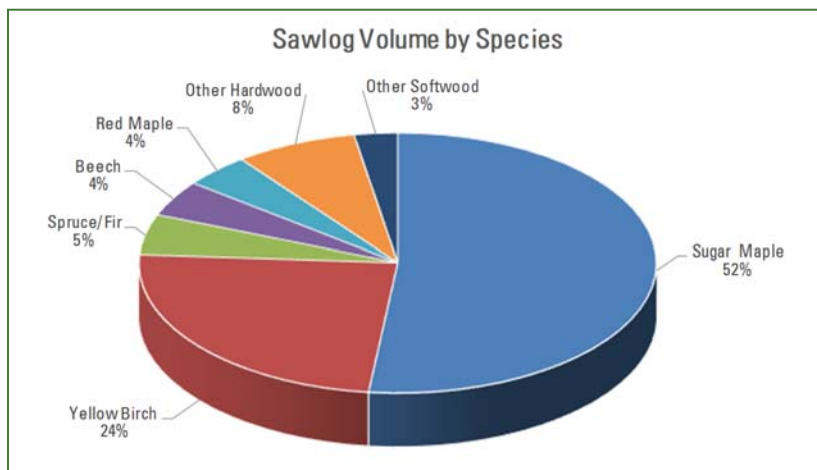
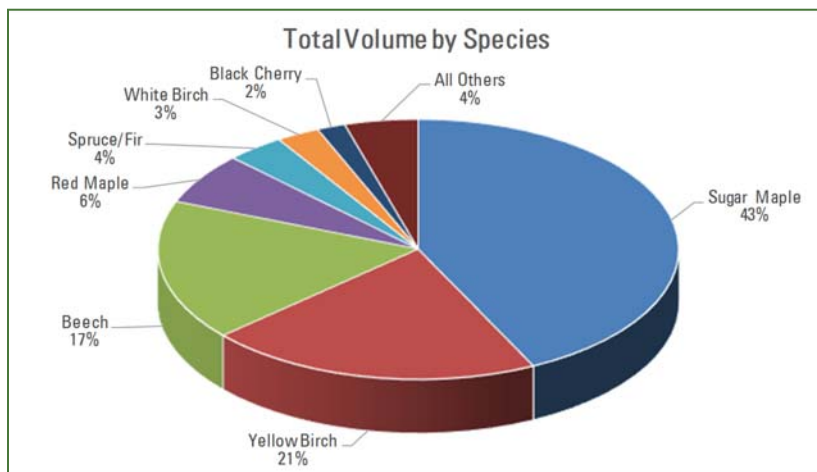
A species composition dominated by hardwoods prevails, with hardwoods at 95% and softwoods at 5% of total volume. Species composition for all products combined offers a favorable mix and is led by sugar maple (43%), followed by yellow birch (21%), American beech (17%), red maple (6%), with other common hardwoods and softwoods comprising the balance. The sawlog volume breakdown consists largely of sugar maple (52%) and yellow birch (24%). This species composition is well suited to a long-term timber investment and/or sugarbush, with solid markets regionally and into Quebec for the products growing on the land.

Stocking and Stem Quality:

Forest density can generally be considered fully stocked, with the average Basal Area (BA) at 98 ft² on 185 stems/acre. Acceptable growing stock represents 64 stems/acre. Stem quality is generally average for the region, with highest quality stems spread throughout the diameter distribution range.



Maple stand situated on an upper elevation bench.



TIMBER RESOURCE (continued)

Sawlog Value/ Thinning History:

Sawlog value is largely dominated by sugar maple (60%) and yellow birch (23%), with the balance comprised of common associates.

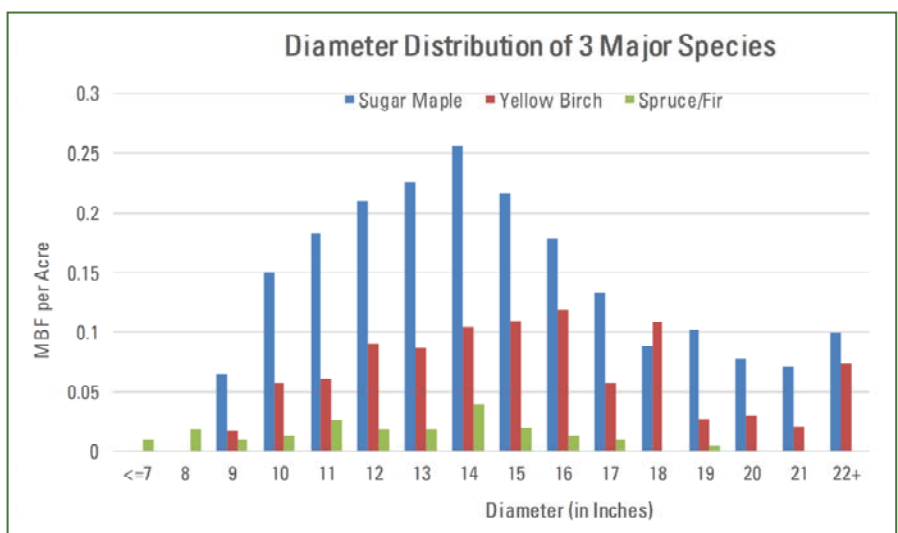
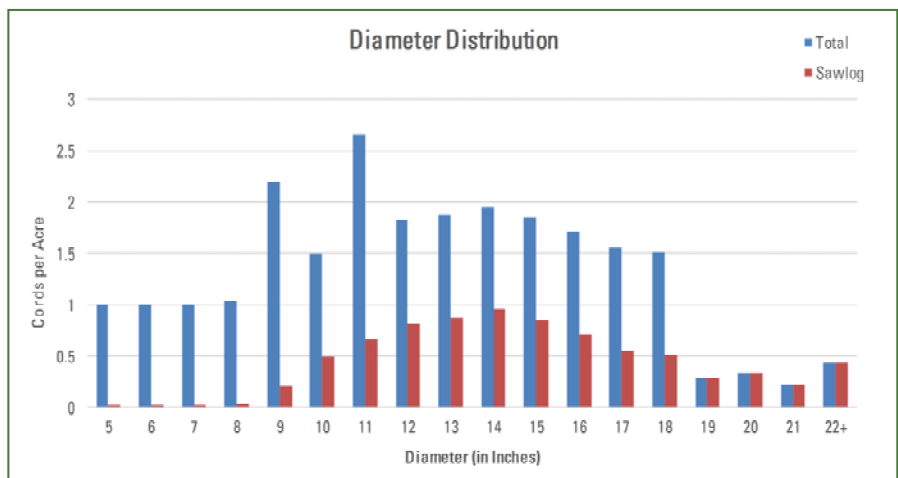
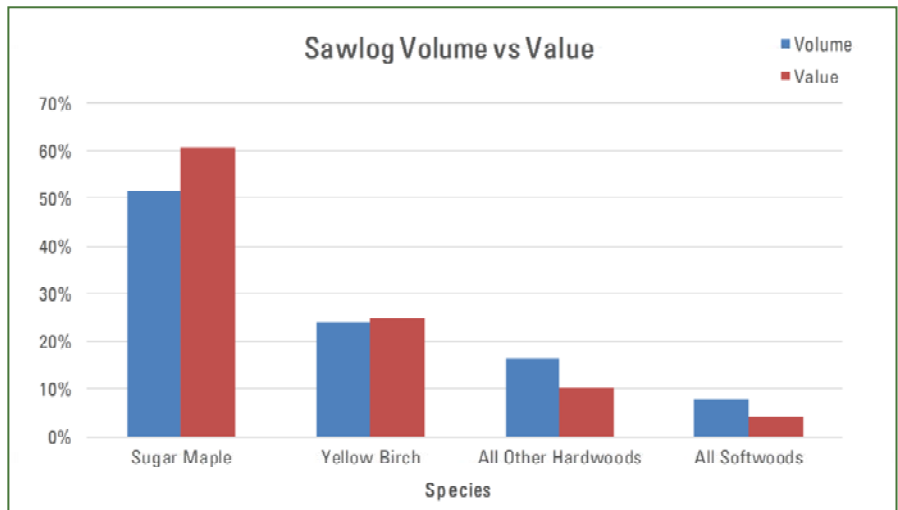
Since the tenure of the current conservation group owner-partnership began in 1997, thinning and small/large group cuts were conducted at various intervals with the most recent activity in 2005 in the northeast quadrant of the land.

Diameter Distribution:

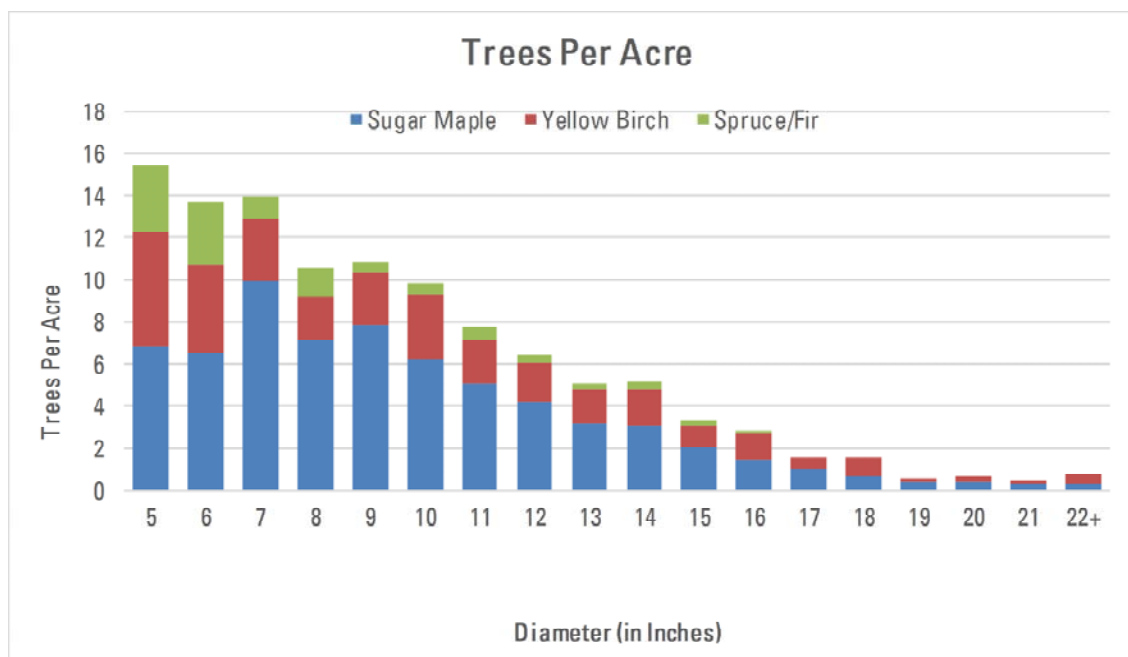
Average diameter for all products combined is 12.5", while the average sawlog diameter is nearly 14.5". Generally, four size classes predominate, with a pre-pole class (5"-6" stems) accounting for 9% of stocking, pole-sized stems (7"-10" stems) 28%, small sawlog class (11"-14" stems) 32%, and a large sawlog class (15"+ stems) 31%.

As with most forests that have seen harvesting within the past 20 or more years, the presence of an advanced sapling to small pole-sized "growing stock" age class (5"-10" diameters) can be an important component of asset appreciation and an increasing source of future forest stocking. The growing stock on the forest holds 37% of total stocking (by basal area). The balance of stocking on this forest exists primarily as larger diameter trees (sawlog-sized stems 11"+) with sugar maple and yellow birch of this size class making up 40% of total stocking. American Beech makes up 11% of the volume within this size class, a common issue on well drained upland soils however past management has reduced this beech volume (but beech will persist as a regeneration challenge well into the future).

Average diameter for the three main species are: sugar maple 14.5", yellow birch 15.0" and spruce/fir 12.5".



TIMBER RESOURCE (continued)



SUGARBUSH OPPORTUNITY

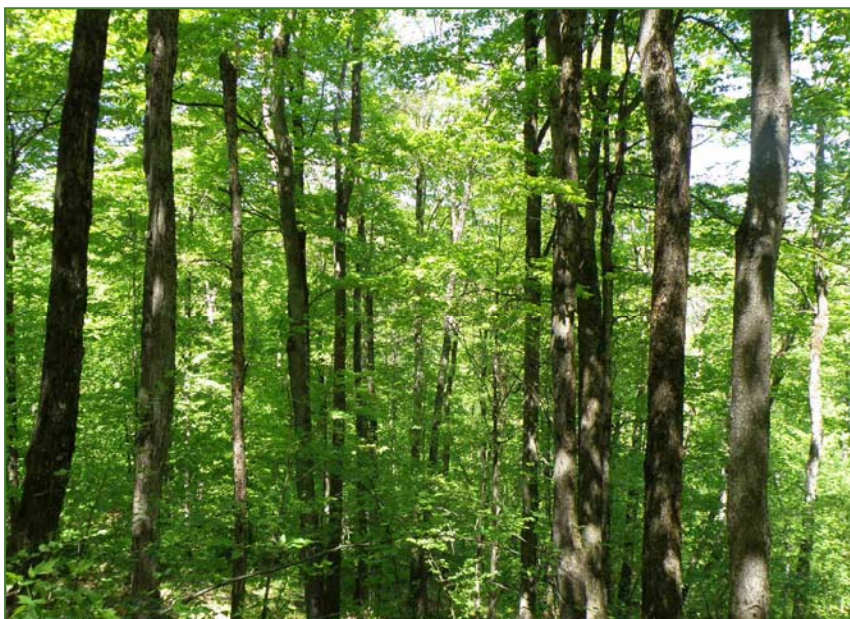
The property offers an exceptional potential sugarbush opportunity, given the high maple stocking and terrain which slopes downhill to two access points. The timber data indicate a total gross potential tap count of 112,655 taps, with roughly 87% of the taps from sugar maple and the balance from red maple. Trees 9" and greater were considered, providing an average of 49 taps/acre, covering the property's commercial acres. Also, the timber data indicate that an additional $\pm 82,000$ taps may become available in the coming decades from the maple resource within the 5-8" diameter class.

Unit	acres	Average Taps /ac	Total Taps	Inventory plots
A	1,380	48	66,216	256
B	773	53	40,990	139
C	105	40	4,220	19
D	88	14	1,229	13
Totals	2,346	48	112,655	427
EPZ	408			
NE Wetland	26			
Total tract	2,779			

Note that the tap estimate is broken down into four watershed areas (A-D). Areas A and B are considered to be an exceptional sugarbush, given the level of taps/acre and slope leading to the access roads.

Electric power runs along Deep Gibou Road roughly 1,000' from the eastern watershed and $\pm 4,000'$ from the western watershed (see property maps for location of power poles).

Good stocking and areas with high maple concentrations offer the possibility for sugarbush establishment.



CONSERVATION EASEMENT

The conservation easement on the property will be held by the Vermont Land Trust (VLT), a Vermont-based organization and 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 solid reputation this land trust has established regarding the easement lands under its jurisdiction.

A principal objective of the easement’s commercial acreage is to maintain, grow and harvest forest resources and products on a sustainable basis. 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 are limited to sustainable levels, with target diameters set for each species;
- Ecological Protection Zones (EPZs - 407 acres), are “No Touch” and situated mostly at the higher elevation and steep terrain along the Cold Hollow Range;
- Wetland Protection Zones (WPZs - 84 acres), permit limited harvesting/sugaring with special consideration to maintaining water quality;
- One camp structure of 800 ft² is permitted.

The maps provided in this report designate the WPZ and EPZ areas. Copies of the easement are available upon request.

ACREAGE, TAXES & TITLE

Property taxes in 2018 were \$6,672.05. The property **IS** enrolled in the State of Vermont’s Use Value Appraisal (UVA) program.

The property is owned jointly by Vermont Land Trust and The Nature Conservancy. Total Grand List acreage is 2,820, while the GIS acreage is ±2,779; the latter is believed to be more accurate and is the basis for the timber data and for setting property asking price. All boundaries appear to be well marked.

Above: Maple stand in northeast corner of property.

Right: Wetland along eastern access road.



The Listing Broker for this property is the exclusive broker representing the seller's interest in the marketing, negotiating and sale of this property. The Listing Broker 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

Deep Gibou Tract

Timber Valuation

Prepared By

FOUNTAIN FORESTRY INCORPORATED

Montgomery & Belvidere, Vermont
September 2019

2,779 Acres
2,315 Commercial Acres

Species	Volume	Unit Price Range			Total Value
	MBF/CD	Low	High	Likely	Likely
Sawtimber - MBF (International 1/4")					
Sugar Maple	2,158	300.00	400.00	385.00	830,900
Yellow Birch	1,437	150.00	275.00	200.00	287,500
Sugar Maple Pallet	2,923	50.00	100.00	75.00	219,200
Yellow Birch Pallet	903	30.00	75.00	50.00	45,200
Spruce/Fir	508	90.00	130.00	110.00	55,900
Pallet / Grade 3	881	30.00	60.00	40.00	35,200
Black Cherry	180	165.00	185.00	175.00	31,600
Red Maple	237	150.00	225.00	200.00	47,300
White Ash	131	200.00	300.00	250.00	32,700
Yellow Birch Veneer	38	550.00	650.00	600.00	22,700
White Birch	160	60.00	100.00	80.00	12,800
Sugar Maple Veneer	14	800.00	1,000.00	900.00	12,600
Hemlock	181	30.00	60.00	40.00	7,200
White Pine	33	115.00	125.00	120.00	4,000
Red Pine	57	30.00	75.00	60.00	3,400
Beech	32	30.00	60.00	40.00	1,300
Aspen	34	30.00	50.00	35.00	1,200
Basswood	5	30.00	75.00	50.00	200
Black Ash	4	65.00	85.00	75.00	300
Pulpwood - Cords					
Hardwoods	39,981	12.00	16.00	14.00	559,700
Spruce/Fir	1,224	4.00	6.00	5.00	6,100
Hemlock	465	4.00	6.00	5.00	2,300
Pine	76	2.50	3.50	3.00	200

Totals			
Sawtimber Total	9,917 MBF		\$1,651,200
Sawtimber Per Acre	3.569 MBF		\$594
Sawtimber Per Comm. Acre	4.284 MBF		\$713
Cordwood Total	41,746 Cords		\$568,300
Cordwood Per Acre	15.0 Cords		\$204
Cordwood Per Comm. Acre	18.0 Cords		\$245
		Total Per Acre	\$799

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$1,981,000	\$2,406,000	\$2,219,500

BASED ON SUMMER 2016 INVENTORY CRUISE BY M. D. FORESTLAND CONSULTING

Volumes have been grown forward for 2017-2019 at growth rates in line with FIA data with certain adjustments.

Volumes are based on 427 plots taken on a 420' x 420' grid covering 2,371.5 commercial acres

Statistical Error: 6.0% for all sawlog products and 3.5% on all cord products at the 95% confidence interval

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

The volumes and values are not a liquidation value.

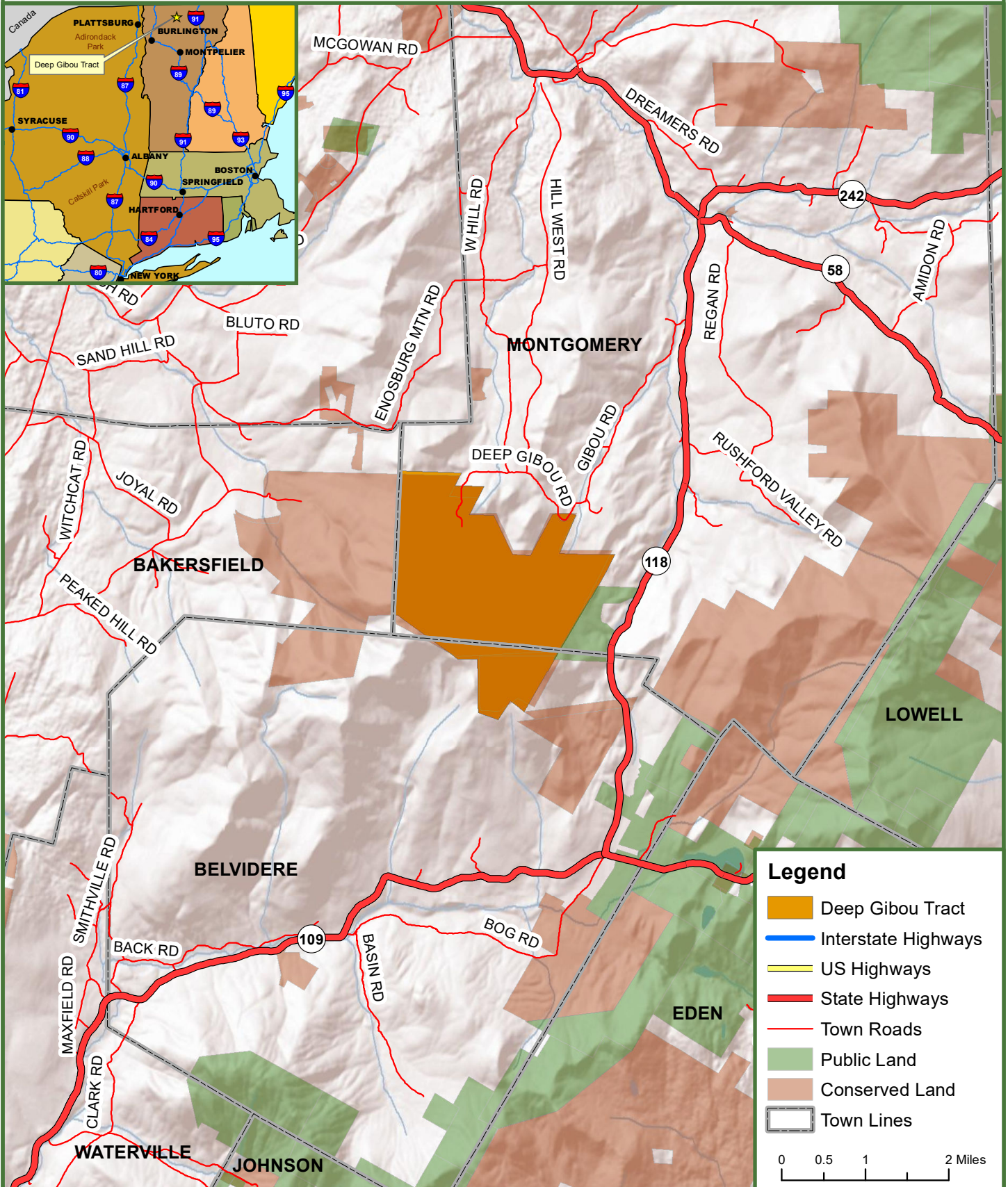
Prices are averages for the area and are adjusted to reflect, access, quality and operability of the site.

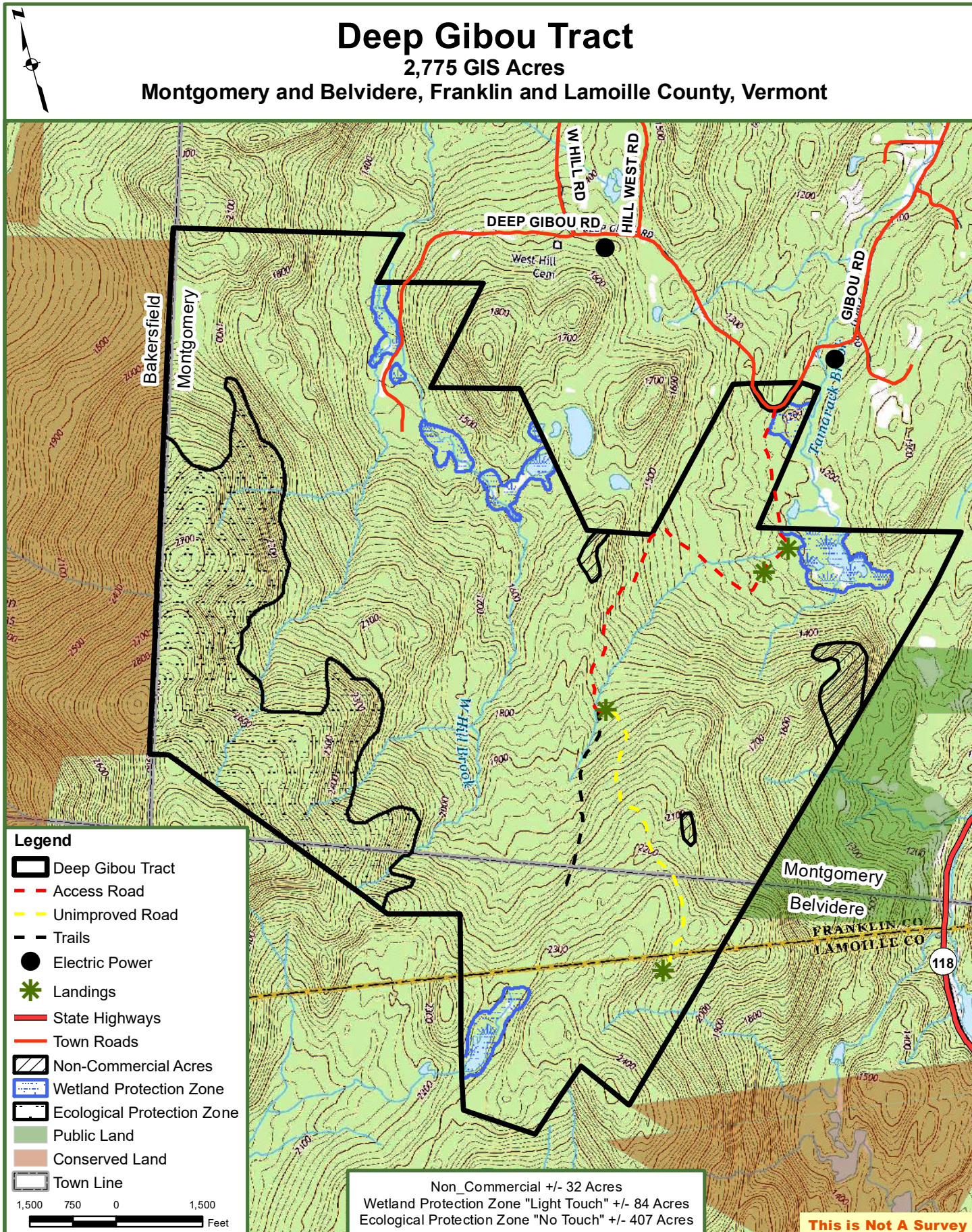
Locus Map

Deep Gibou Tract

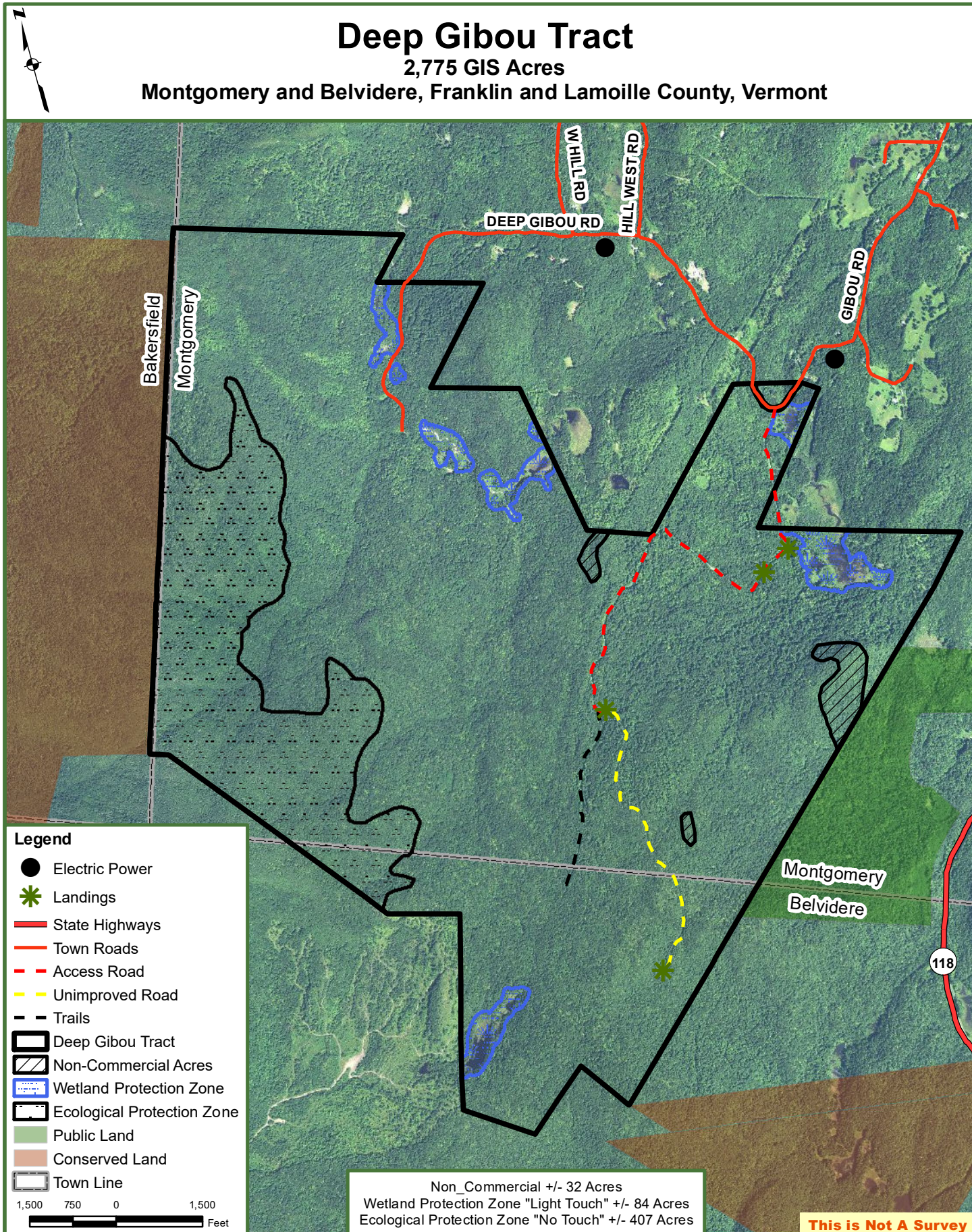
2,775 GIS Acres

Montgomery and Belvidere, Franklin and Lamoille 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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Atlas Timberland Partnership Maple Tap Analysis Gibou Tract Tract Acres: 2779

