

FREESTONE HILL FOREST

Offering a solid, long-term timber investment opportunity, developed access and a varied landscape, this property is well suited to camp development and recreational pursuits.



***±621 Town-Listed Acres
Bridgewater, Windsor County, Vermont***

Price: \$801,000

INVESTMENT OVERVIEW

Freestone Hill Forest represents an excellent timber investment opportunity with attractive species composition, well-drained soils on sloping terrain and diverse diameter distribution, including maturing stems, ensuring a regular, periodic flow of income from future forest management activity.

The ownership, The Conservation Fund (TCF), is a non-profit conservation organization whose Mission Statement is “TCF, working with public, private and nonprofit partners, protects America’s legacy of land and water resources through land acquisition, sustainable community and economic development, and leadership training, emphasizing the integration of economic and environmental goals”. Their goal in divesting of this property is to raise funds to further their forestland conservation work on new projects.



High-quality maple stands are typical of the forest resource.

Investment highlights include:

- Long-term timber investment opportunity with high-quality timber resource;
- Ideal species composition, dominated by sugar maple, yellow birch, ash and red spruce;
- Developed access, well suited to future forest management activities;
- Standing timber value representing 93% of the asking price;
- Attractive location with recreational opportunity supported by various sites to build a camp;
- Option Agreement held by the seller to acquire a conservation easement on the land, creating an income opportunity for the new owner within a 10-year period (see details later in this report).



Looking west down the Ottauquechee River Valley with the property slopes (Stand 1) on both sides of the river.

LOCATION

Freestone Hill Forest is located in a mountainous region of central Vermont, which is, surprisingly, sparsely developed, given its close proximity to some of the state's most popular destinations. Known as the Chateauguay-Notown Region, this scenic area has a rich working landscape heritage, as evidenced by the numerous stone walls and cellar holes that cover the hillsides. In the late 19th century, there was even a brief gold rush episode. Now the area is largely forested and hosts the Appalachian Trail.

The Chateauguay-Notown Region covers nearly 60,000 acres and is bounded by Route 12 to the east, Route 4 to the south, Route 100 to the west, and Route 107 to the north. The property is located in the area's south-central section. Because of its undeveloped nature, the region has been the focus of many conservation groups and individuals who have worked to protect its unique landscape. To date, over 30% of the area has been protected from development by various means (see location map for designation of protected lands in the region). The region's scenic and natural significance has also made it a coveted place for investment.

The township of Bridgewater, the home of Freestone Hill Forest, largely falls within the Chateauguay-Notown Region. The majority of Bridgewater's population and residences are within the small village of Bridgewater along Route 4 (5 miles from the property). Bridgewater was historically a woolen mill village; today, it is an artist and tourist community that is still populated by well-settled, year-round residents as well as a new population of second home dwellers. Further west along Route 4, the hamlets of Bridgewater Corners and West Bridgewater each offer a general store for locals and the many travelers along this popular east-west corridor. The village of Woodstock, a renowned all-season tourist destination, is 11 miles east of the property, while Killington Mountain Resort is 9 miles to the west.

Route 4 connects Bridgewater to major metropolitan areas via Interstate 91 to the east (Boston is 2.5 hours southeast) and Interstate 87 in New York to the west (New York City is 4.5 hours southwest).



Looking down Baker Hill Road's Cold Brook Hollow, the property is to the left of the Cold Brook drainage, left of the small meadows in view, occupying the foreground and ridge to the left.



From above the property with a drone, looking south down the Chateauguay River Valley to Bridgewater Center, this mountainous area is sparsely settled and highly scenic.

ACCESS

The southern half of the property is accessed by Baker Hill Road which is a Class IV road, unmaintained by the town, that is well suited to future forest management activities. This dirt road runs along a narrow valley paralleling Cold Brook. There is $\pm 1,320'$ of frontage along the road. The road then heads off the property before returning back to provide access to the northeastern section of the land.

The northern side of the property is accessed by Chateaugay Road, a town-maintained Class III road. There is $\pm 3,120'$ of frontage on both sides of this road. An established driveway access runs off the road on each side of the frontage.

Forestry trails lead from the various road frontage points, covering the entire property.



Chateaugay Road frontage, property on both sides of road.

SITE DESCRIPTION

The property is divided nearly in half by a ridge that runs west to east. The southern portion of the land, which is accessed by Baker Hill Road, encompasses Freestone Hill (elevation 2,084' ASL (above sea level)). Other than some steeper slopes along the road frontage, the terrain on this side of the property is moderately sloping.

The northern half of the land consists mostly of steeper slopes that rise to the height of land on each side of Chateaugay Road. While the slopes are fairly steep, the soils are highly productive and well drained, perfectly suited to the development of high-quality hardwood sawlogs.

Overall, the land's well-drained soils produce some of the best sugar maple in the region. There are no notable wetlands on the property given its steadily sloping terrain.

At the land's northern end, the headwaters of the Ottauquechee River, a clear water stream with boulders and deep pools, runs through the property. This end of the land offers the greatest opportunity for camp construction (with appropriate setbacks from the stream and approval from the seller per the Option Agreement) given the existing established driveways off Chateaugay Road. There is no electric power along this road; the widely scattered homes in the area (some year-round and some seasonal) are off grid.



Thinned stand, woods trail & view to northern slopes beyond.



Ottauquechee River frontage at land's northern end

TIMBER RESOURCE

Timber data in this report are based on a timber inventory, conducted in the fall of 2018 by the ownership’s forest consultant, Redstart Natural Resource Management. Stumpage values have been assigned by Redstart. Upon adding growth for the 2019 and 2020 growing seasons, the data reveal a total sawlog volume of 2,280 MBF International ¼” scale (3.7 MBF/acre) and 9,047 pulpwood cords (14.6 cords/acre). Combined total per acre volume is 21.9 cords, a figure in line with the regional average. Stumpage values were assigned to the volumes in March of 2019 by Redstart, producing a property-wide Capital Timber Value (CTV) of \$744,000 (\$1,198/total acre). See the Timber Valuation and Valuation table in this report for details.

Species Composition:

A species composition dominated by hardwoods prevails, with hardwoods at 94% and softwoods at 6% of total volume. Species composition for all products combined offers a favorable mix led by the sugar maple at 52% of total volume, followed by yellow birch (15%). Other common northern hardwoods and red spruce as present as associates and make up the balance. The sawlog volume breakdown consists largely of species with historically strong demand, dominated by sugar maple, white ash, yellow birch and red spruce (see the graph below).

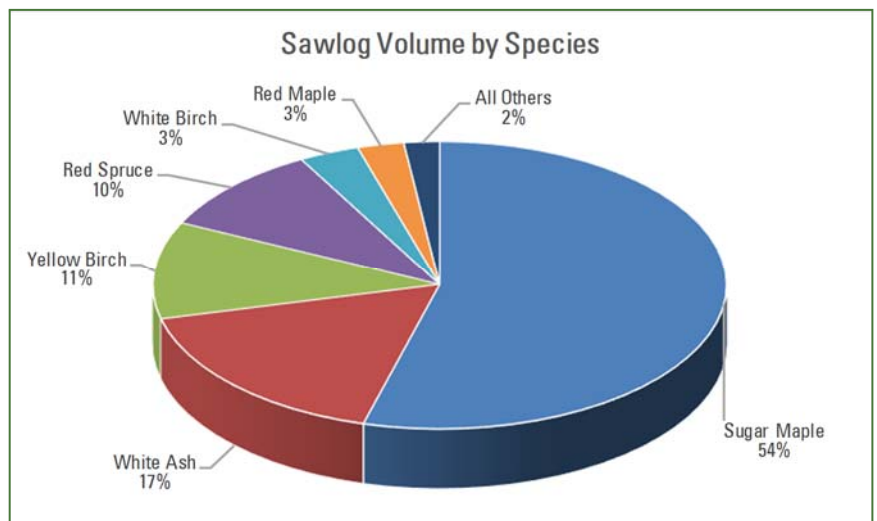
Stocking and Stem Quality:

Overall, forest stocking is variable, with stocked to overstocked conditions in previously untreated units and ideally-stocked conditions in areas more recently thinned. Natural regeneration has become fully established in areas that were previously thinned well over a decade ago. Average Basal Area (BA) is 90 ft² on 165 stems/acre.

Stem quality for maple, ash and yellow birch (the primary species) in all age classes is exceptional, providing for robust asset appreciation in the coming decades.



Above: Thinned maple stand at land’s northern end.
Below: Maple sawlogs in stands off the Baker Hill Road.



TIMBER RESOURCE (continued)

Sawlog Value:

Sawlog value is largely dominated by sugar maple (62%), followed by other species with a long history of strong demand from manufacturing facilities situated locally, regionally and across the boarder in Quebec, Canada (all within trucking distance from the property).

Diameter Distribution:

Average diameter for all products combined by volume is 14", while the average sawlog diameter is 15.5". Average diameters for the three major species are sugar maple 16", yellow birch 15.5" and white ash 15". Financial maturity for most hardwood sawlog species is 18-24", therefore many of the stands on this property are within 20-35 years of generating considerable income.

Forest Stands & Silvicultural History:

The property's forest management plan has delineated 4 forest stands based on forest type.

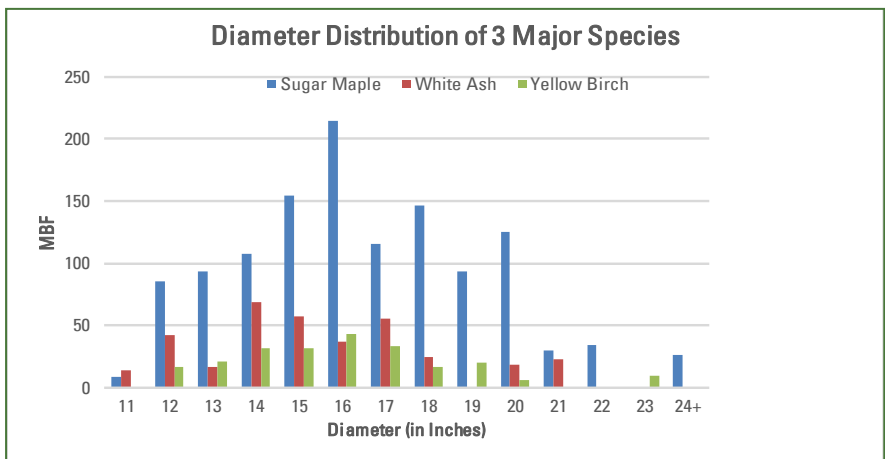
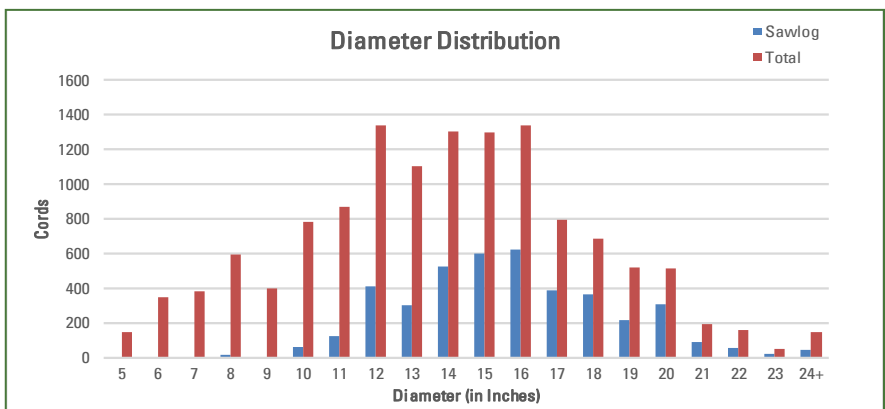
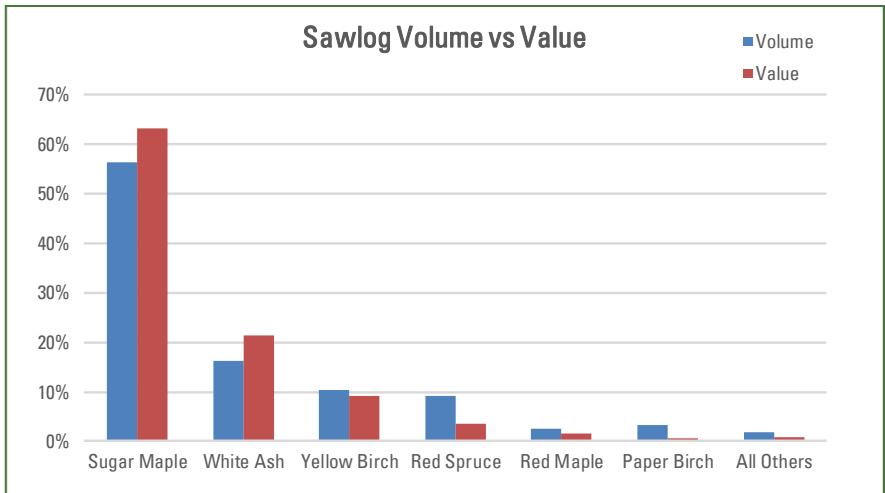
During the ownership's tenure, forestry operations were conducted during 2016-18 in the southern section of Stand 1 covering ±115 acres. This thinning activity is an outstanding example of a classic thinning from below, where the largest and best quality trees were retained.

The management plan calls for thinning in 2023 on the remaining section of Stand 1 (north of the road), and in Stands 2 and 3, covering a total of 430 acres. This silvicultural activity will produce income for the new owner.

Sugarbush Potential:

The timber data reveal a gross tap count of 32,998 (53 taps/acre). Assuming that 75% of the gross taps are suitable for use in a sugarbush, net taps are estimated to be ±25,000. 92% of the taps are sugar maple.

The tap density appears to be suitable for a commercial operation; however, due to various watersheds, it will be necessary to have 2 or more collection sites.



Tap Estimate from Timber Data

Commercial Acres	621		
DBH Class	Stems/ac	Taps/stem	Total Taps
9-14"	33.4	1	33.4
15-20"	9.1	2	18.3
>21"	0.5	3	1.4
Total Gross Taps/ac			53.1
Total Taps			32,998

Timber Volume and Valuation

Freestone Hill Forest

Prepared by Redstart Natural Resource Management

Total Acres: 621		Productive Acres: 621		
Product	Volumes (MBF)	Stumpage/MBF	Total Value	
Sugar Maple	1,170.1	\$325	\$380,279	
White Ash	362.6	\$385	\$139,596	
Yellow Birch	236.9	\$250	\$59,226	
Sugar Maple Veneer	14.1	\$2,000	\$28,277	
Red Spruce	211.2	\$110	\$23,236	
Red Maple	57.8	\$170	\$9,820	
Sugar Maple Pallet	101.7	\$40	\$4,066	
Paper Birch	72.9	\$50	\$3,646	
Black Cherry	11.0	\$300	\$3,303	
White Pine	11.5	\$110	\$1,262	
American Basswood	14.8	\$40	\$592	
Paper Birch Veneer	4.9	\$120	\$582	
White Ash Pallet	5.6	\$40	\$226	
American Beech	5.3	\$40	\$212	
TOTALS	2,280		\$654,000	
Total MBF/Acre	3.7			
Product	Volumes (Cds)	Stumpage/Cord	Total Value	
Hardwood Pulp	8,955.3	\$10.00	\$89,553	
Softwood Pulp	92.0	\$2.00	\$184	
TOTALS	9,047		\$90,000	
Total Cords/Acre	14.6			
Total Per Acre Value	\$1,198	Total Value	\$744,000	
Total Volume/ac	21.9			

Timber inventory conducted by seller's consulting forester, Redstart Natural Resource Management, in the Fall of 2018. The data was processed using the Forest Metrix program. Stumpage values set by Redstart.

Volumes have been grown forward two (2) seasons using FIA growth rate data to create a weighted average growth rate for Orange, Rutland, Washington and Windsor Counties

Volume data were taken on 98 plots using a 15-factor prism

Statistical Error for all sawlog products is 15.5% and for all cord products is 11.5% at the 95% Confidence Level

CONSERVATION EASEMENT OPTION

The seller is retaining an option over the next 10 years to acquire a conservation easement covering the property from the new owner. This option will allow the seller to purchase a conservation easement at a value of 75% of the fair market value of the conservation easement (based on appraised value), at the time the option is exercised. This option offers the new owner an active partner who will work to secure the necessary funding to purchase the easement, providing an alternative revenue source during their ownership tenure.



The property's high ground with the central drainage in view.

During the 10-year option term, the owner shall maintain the land's enrollment in the Use Value Appraisal program in good standing and not develop or subdivide the land unless mutually agreed upon with the option holder.

A copy of the Option Agreement is available upon request.

ACREAGE, TAXES & TITLE

The property is owned by The Conservation Fund. There are no known rights-of-way through the land other than town road rights. Property taxes for 2019 were \$1,893.69. The entire property is enrolled in the State of Vermont's Use Value Appraisal (UVA) program. The current approved plan was developed in 2019. Grand List acres is 621. GIS mapped acreage is 604.



Easterly view down Chateaugay Road with property's slopes on both side of the road.

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.

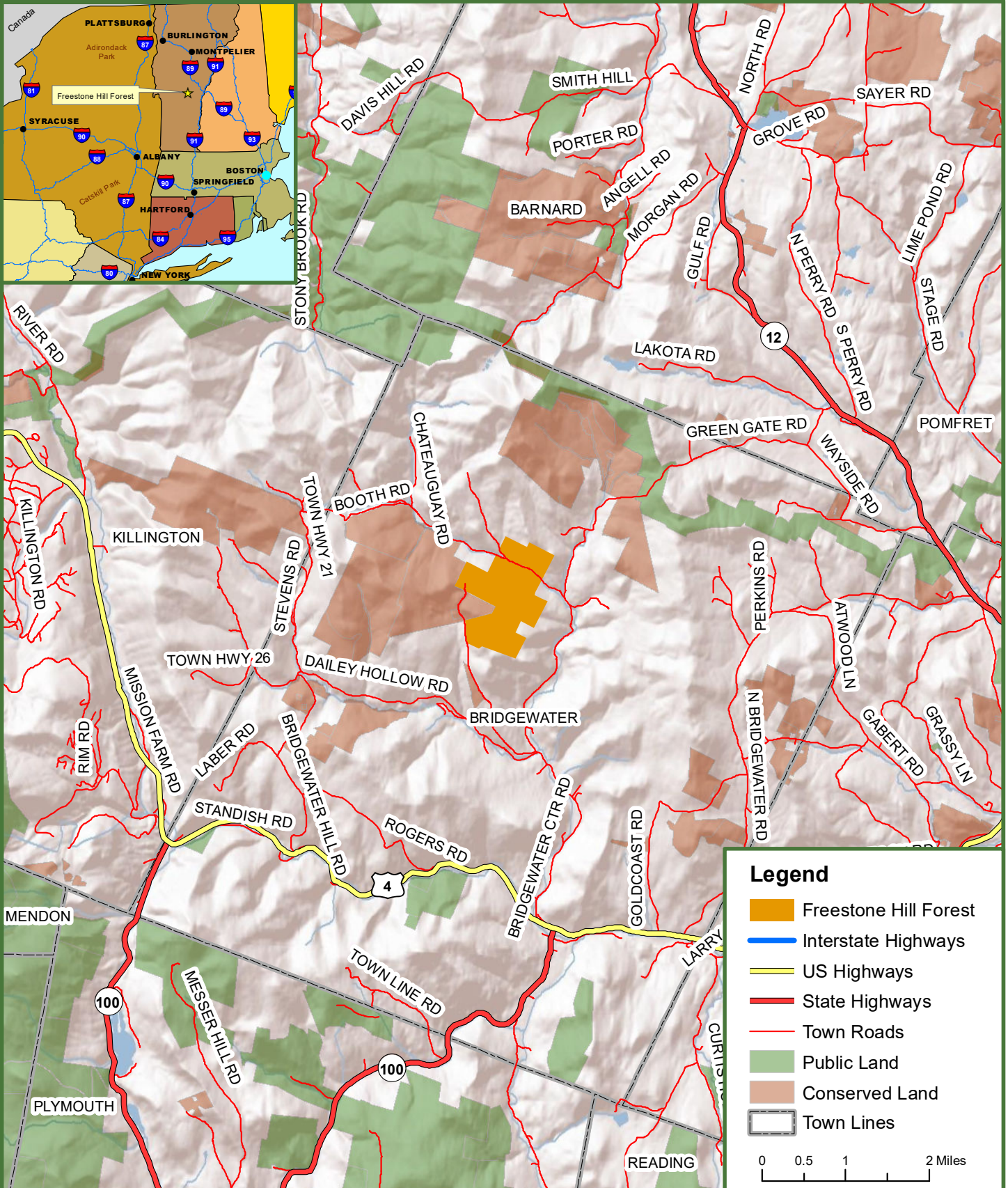


Locus Map Freestone Hill Forest 621 Grand List Acres



**Fountains
Land**
AN F&W COMPANY

Bridgewater, Windsor County, Vermont



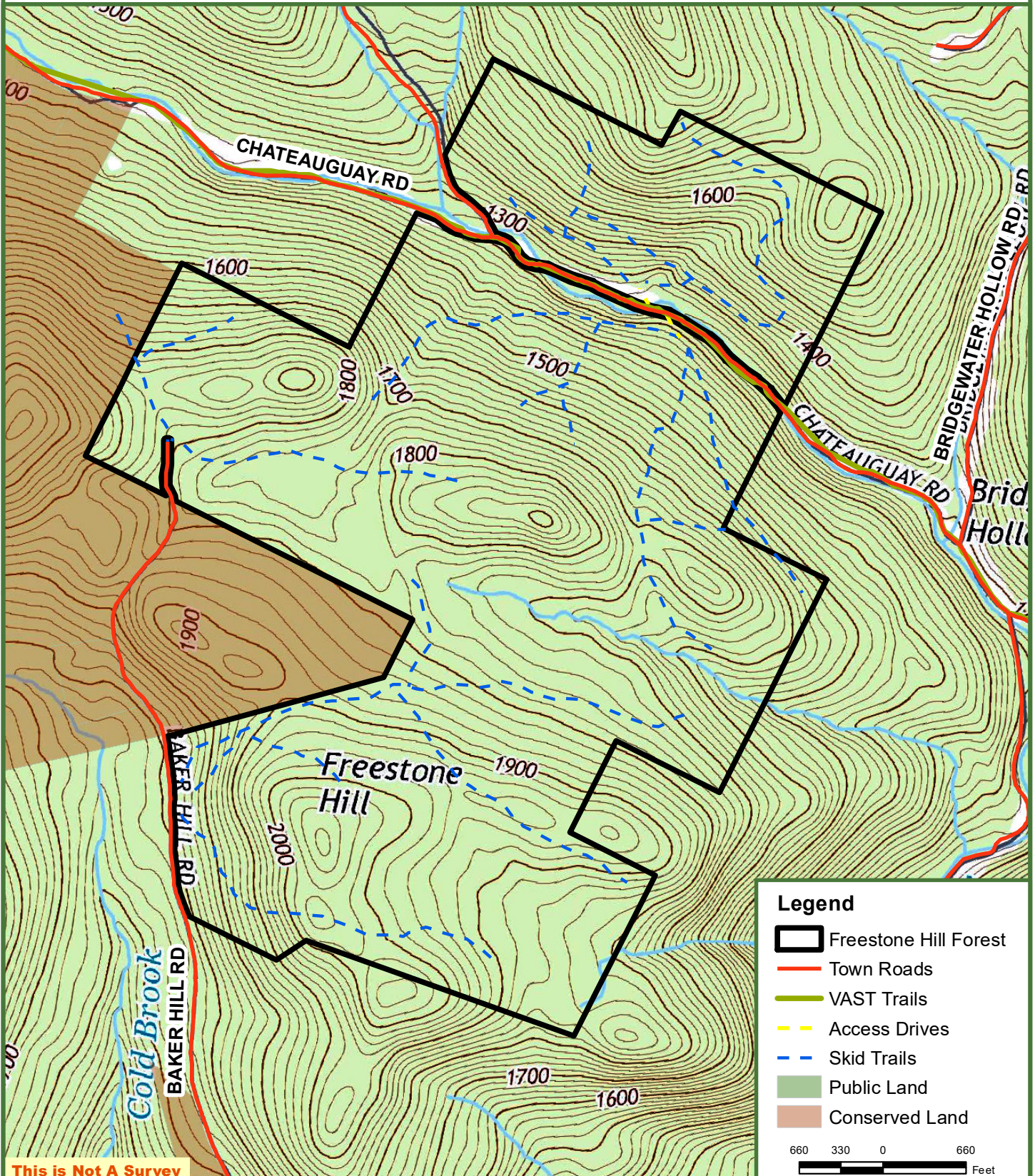


Freestone Hill Forest

621 Grand List Acres
Bridgewater, Windsor County, Vermont



**Fountains
Land**
AN F&W COMPANY



This is Not A Survey

Map produced from the best available information including property survey, town tax maps, hand held GPS data, aerial photography and reference information obtained from publicly available GIS sources. Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

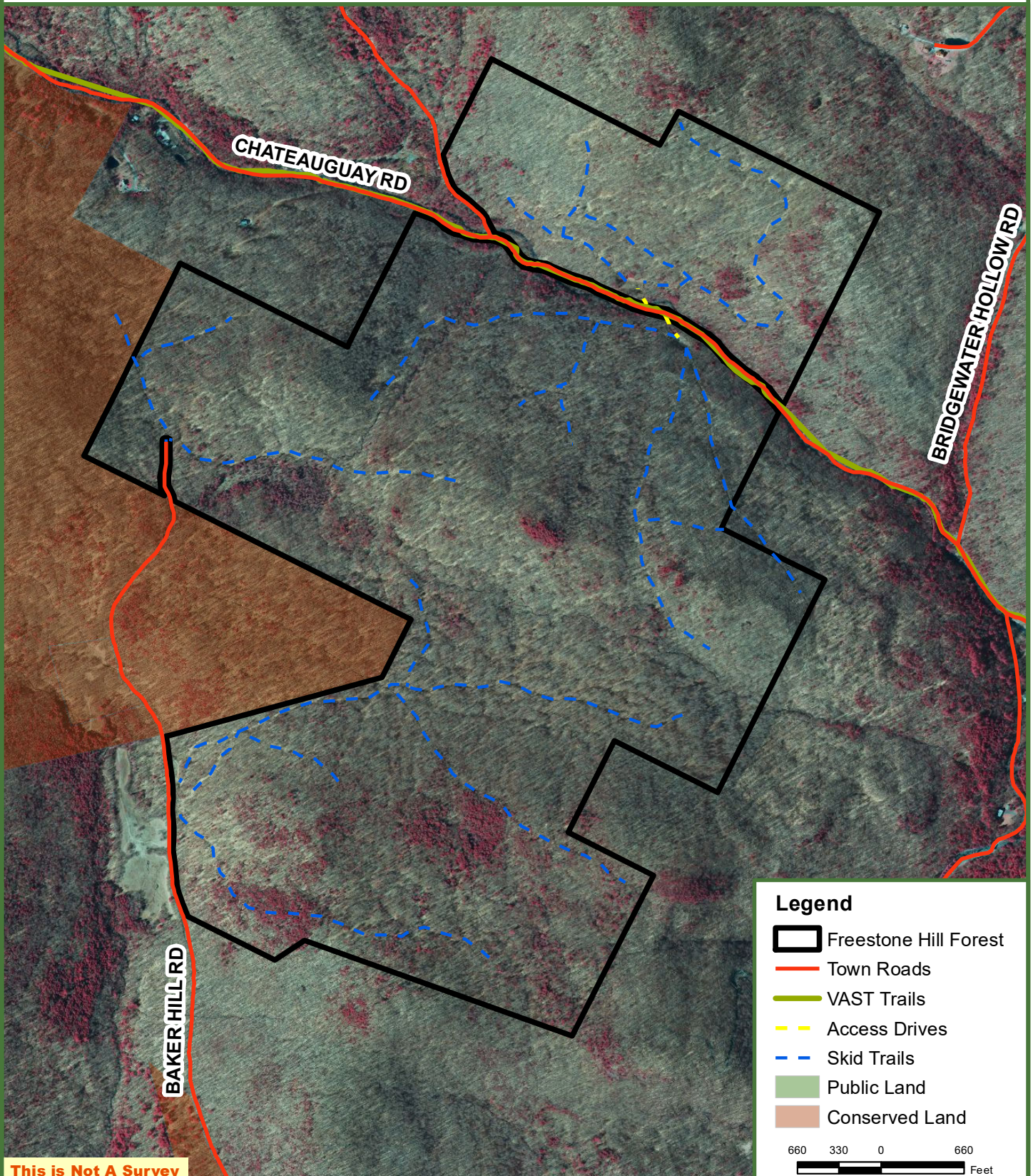


Freestone Hill Forest

621 Grand List Acres
Bridgewater, Windsor County, Vermont



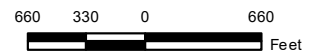
**Fountains
Land**
AN F&W COMPANY



This is Not A Survey

Legend

- Freestone Hill Forest
- Town Roads
- VAST Trails
- Access Drives
- Skid Trails
- Public Land
- Conserved Land



Map produced from the best available information including property survey, town tax maps, hand held GPS data, aerial photography and reference information obtained from publicly available GIS sources. 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
[] Declined to sign

Michael Tragner
Printed Name of Agent Signing Below

Printed Name of Consumer


Signature of Agent of the Brokerage Firm Date

Signature of Consumer Date
[] Declined to sign