

Draft Environmental Assessment for the Kootenai Forestlands Phase II Conservation Easement



June 2021

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Abbreviations

BMP	Best Management Practices
DNRC	Department of Natural Resources and Conservation
ESA	Endangered Species Act
FLP	Forest Legacy Program
MCA	Montana Code Annotated
MEPA	Montana Environmental Policy Act
FWP	Montana Fish, Wildlife and Parks
MRMP	Multi-Resource Management Plan
SMZ	Streamside Management Zone
SFI	Sustainable Forestry Initiative
TPL	The Trust for Public Land
USDA	U.S. Department of Agriculture
USFS	U.S. Forest Service
USFWS	U.S. Fish and Wildlife Service

1.0 PURPOSE AND NEED FOR ACTION

1.1 PURPOSE AND NEED

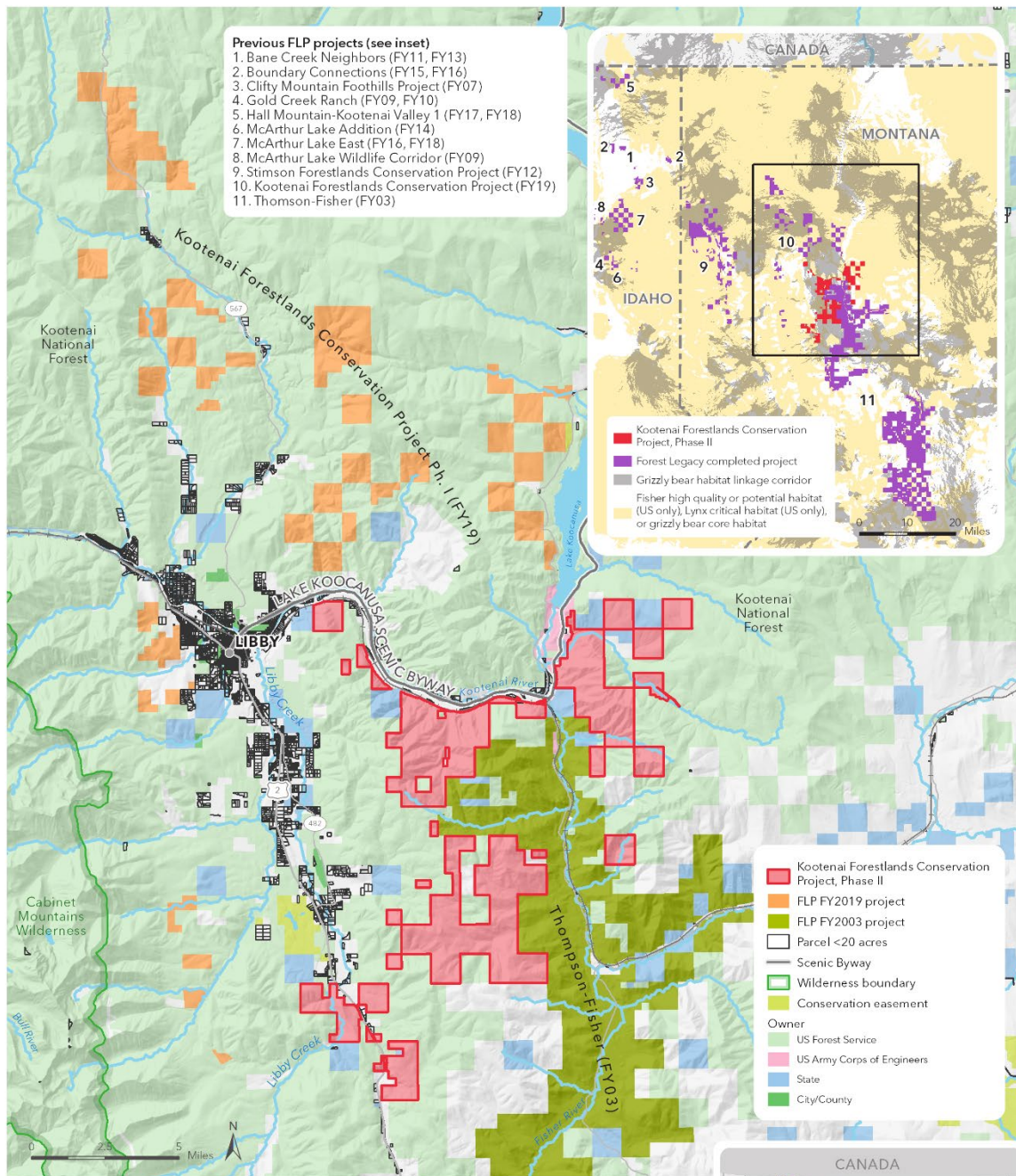
The Montana Department of Fish, Wildlife and Parks (FWP) proposes the purchase of a conservation easement to protect approximately 27,289 acres of important timberland and fish and wildlife habitat in northwestern Montana to the east and south of Libby, MT (Fig. 1). The property is owned by the Stimson Lumber Company (Stimson), one of the oldest continuously operating integrated wood products companies in the United States with roots dating back to the 1850s. The proposed conservation easement, to be held by FWP, would allow Stimson to retain ownership of these timberlands, preclude development, protect important wildlife habitat and key landscape connectivity, and provide permanent public access and associated recreational opportunities.

The proposed project would protect key winter range and a movement corridor for elk, mule deer, white-tailed deer, and moose. In addition, it would protect critical habitat for bull trout, grizzly bear, and Canada lynx, Endangered Species Act listed Threatened species found on the property. The project would also reduce the potential for human-wildlife conflicts that often result when wildlife habitat is developed for residential use, especially conflicts with grizzly bears, black bears, and mountain lions.

The property currently provides over 26,500 days per year of public hunting and angling use which would be secured in perpetuity under this proposal. Completion of this project would build on the success of the nearby Forest Legacy Program-funded 142,000-acre Thompson-Fisher Conservation Easement, the 28,000-acre Kootenai Valleys Conservation Easement, and the 22,295-acre Kootenai Forestlands Phase I Conservation Easement, which was the first phase of this project. Forest Legacy projects in Montana and Idaho have cumulatively helped to conserve over 300,000 acres of working forestlands.

The primary objectives of this conservation easement project include:

- Preserving important fish and wildlife habitat and movement corridors;
- Providing public recreational access; and
- Allowing the property to be sustainably managed for timber production.



Kootenai Forestlands Conservation Project Phase II

LINCOLN COUNTY, MONTANA

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Figure 1. The location of the proposed Kootenai Forestlands Phase II Conservation Easement near Libby, MT. The proximity of this project to completed conservation easements is highlighted.

1.2 FUNDING

The appraised value of the proposed Kootenai Forestlands Phase II Conservation Easement is \$16,300,000, an 83% increase from the preliminary estimate in 2019. Secured funding amounts and sources include: \$400,000 from the National Fish and Wildlife Foundation, \$50,000 from the Montana Fish and Wildlife Conservation Trust, and \$6,000,000 from the U.S. Forest Service (USFS) Forest Legacy Program. The Landowner is likely willing to sell the conservation easement at below market value but given the large increase from the preliminary estimate, the Department is exploring the possibility of securing additional funding from the Forest Legacy Program.

1.3 RELEVANT AUTHORITIES, RELEVANT DOCUMENTS, AND OVERLAPPING JURISDICTIONS

1.3.1 Authorities

Montana Department of Fish, Wildlife & Parks: FWP has the authority under state law (87-1-201 Montana Code Annotated [MCA]) to protect, enhance, and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. In 1987, the Montana Legislature passed HB526 which earmarked hunting license revenues to secure wildlife habitat through lease, conservation easement, or fee-title acquisition (87-1-241 and 242 MCA). The Habitat Montana Program, developed as a result of that legislation, provides direction to the Fish and Wildlife Commission for all of FWP's wildlife habitat acquisition programs (12.9.511 ARM).

Montana State Statutes: Section 76-6-201 MCA authorizes the application of conservation easements to protect "significant open-space land and/or the preservation of native plants or animals, biotic communities, or geological or geographical formations of scientific, aesthetic, or educational interest." Section 76-6-206 MCA provides for the review of proposed conservation easements by local planning authorities to determine compliance with local growth policies. The conservation easement document will be submitted to Lincoln County for review in accordance with this requirement in July 2021.

1.3.2 Relevant Documents

1993 and 2018 Grizzly Bear Recovery Plan: The project area is identified as critical habitat in the USFWS 1993 Grizzly Bear Recovery Plan and in the 2018 Recovery Plan Supplement: Habitat-based Recovery Criteria for the Northern Continental Divide Ecosystem (https://www.fws.gov/mountain-prairie/es/species/mammals/grizzly/20180516_SignedFinal_HBRC_NCDE_Grizz.pdf).

2003 Montana Gray Wolf Conservation and Management Plan: Three wolf packs use this property and one pack consistently dens on it. FWP obtained full authority to manage wolves in Montana upon the federal delisting of the Rocky Mountain gray wolf in May 2011. In preparation of assuming authority, Montana, Idaho, and Wyoming were required to develop conservation and management plans and adopt other consistent regulatory mechanisms in state law. The plan met

that requirement and guides FWP management of the species (<https://fwp.mt.gov/binaries/content/assets/fwp/conservation/wildlife-reports/wolf/mt-wolf-conservation-and-management-plan.pdf>).

2007 MOU and Conservation Agreement for Westslope and Yellowstone Cutthroat Trout in Montana: The project area is occupied habitat for westslope cutthroat trout and a target for recovery efforts per a 2007 Memorandum of Understanding and Conservation Agreement for Westslope Cutthroat Trout and Yellowstone Cutthroat Trout in Montana that was signed by a host of government agencies, non-profit organizations, and other stakeholders (<https://fwp.mt.gov/conservation/fisheries-management/westslope-cutthroat>).

2002 Bull Trout Recovery Plan and 2010 Revised Designation Critical Habitat for Bull Trout: Bull trout are found on the property in the Kootenai River and Libby Creek, which are identified as critical habitat in the USFWS's 2010 Revised Designation Critical Habitat for Bull Trout. This project protects over 14 miles of Critical Habitat along this stream and river. (<https://www.fws.gov/mountain-prairie/es/bullTrout.php>).

2015 State Wildlife Action Plan: The project area supports conservation priorities set forth in Montana's 2015 State Wildlife Action plan. It is located in two geographic terrestrial focus areas identified in the plan as in greatest need of conservation (<https://fwp.mt.gov/conservation/wildlife-management/nongame-wildlife>).

2014 Canada Lynx Conservation Assessment and Strategy, Revised Designated Habitat: The northeast portion of the property is designated lynx critical habitat and the entire property provides a movement corridor for this federally listed Threatened species (<https://www.fws.gov/mountain-prairie/es/canadaLynx.php>).

2010 Montana State Assessment of Forest Resources: This assessment identified "critical landscapes" for identifying where federal funding for private forestry assistance would be most beneficial based on an evaluation of eleven different criteria. The Project is located in an area that was rated as the highest priority for forestland protection in the 2010 Montana State Assessment of Forest Resources (<http://dnrc.mt.gov/divisions/forestry/forestry-assistance/state-assessment-of-forest-resources-and-forest-action-plan>).

1.3.3 Overlapping Jurisdictions

Forest Legacy Program: The USFS Forest Legacy Program (FLP) is one of several national programs established to promote the long-term integrity of forest lands. Specifically, the intent of the FLP is to identify and protect environmentally important private forest lands that are threatened by conversion to non-forest uses. The overall goal of the Montana FLP is to conserve and enhance land, water, wildlife, and timber resources while providing for the continued working of Montana's forestlands and maintenance of natural and public values. The Forest Legacy Program requires acknowledgement of the funding source in the conservation easement and development

of a multi-resource management plan (MRMP) that ensures sustainable forest management into the future.

Lincoln County Growth Policy (2019): The Growth Policy is an official County public document to help the public and elected officials identify goals and objectives, set priorities, and seek solutions to long term issues. The Lincoln County Growth Policy addresses five key focus areas (Economy, Intergovernmental Coordination, Road Funding, Land Use & Development, and Wildland Urban Interface) and proposes goals, policies, and actions for addressing them.

1.4 DECISION TO BE MADE

The decision that must be made is whether FWP *should move forward with the purchase of the proposed Kootenai Forestlands Phase II Conservation Easement on approximately 27,289 acres of Stimson Lumber Company land near Libby, Montana*. Following completion of the draft EA and review of the public comments received, the FWP Region One Supervisor will issue a decision notice that makes a recommendation to the FWP Fish and Wildlife Commission on a course of action. The Commission will make the final decision on which course of action, the Proposed Action or the No Action Alternative as described in Section 2.0 (Alternatives), will be followed.

1.5 EARLY PUBLIC INVOLVEMENT

FWP participated in a tour of the property with the FLP Subcommittee, part of DNRC's State Forest Stewardship Steering Committee, on August 20, 2019. The project received support from the Subcommittee and the full Steering Committee during their annual meeting on August 21, 2019.

FWP released a 30-day preliminary public evaluation notice on October 30, 2020 to solicit public input on the proposed project and requested the public's help in identifying any issues, concerns, or other information that FWP should consider when evaluating the opportunity to conserve this property.

1.6 ISSUES RAISED DURING PUBLIC SCOPING

FWP received 6 comments through the public scoping process with all commenters expressing support for this proposed project. One commenter expressed concern that the recreational opportunities afforded by the conservation easement should not interfere with "wildlife, endangered wildlife, wildlife habitat which should be priorities" and expressed concern with "the incursion of e-bikes, bicycles, snowmobiles, various motorized vehicles" which can interfere with non-motorized activities like hiking, photography, bird watching and cross-country skiing.

FWP response: The terms of the conservation easement allow FWP and/or the landowner to temporarily restrict the public access to the property if wildlife or wildlife habitat is being negatively impacted. The terms of the Multi-Resource Management Plan restrict the

use of motorized vehicles, including motorized bicycles, to open roads only. Hikers, horseback riders, and mountain bikers are allowed behind closed gates, barricades, and earthen barriers. There may still be interactions between mountain bikers and those hiking/walking the property but given that biking use would be allowed on forest roads and not single-track trails, negative interactions should be minimized.

2.0 ALTERNATIVES

2.1 ALTERNATIVE A: PROPOSED ACTION

Under the Proposed Action, FWP would acquire a conservation easement on approximately 27,289 acres of forestland near Libby, Montana owned by Stimson Lumber Company. Stimson would continue to own and manage the land using sustainable forest practices while protecting the valuable fish and wildlife habitat found on the property and continuing to allow compatible public recreation opportunities.

The proposed Kootenai Forestlands Phase II Conservation Easement document addresses the rights each party would retain or receive under this proposal (Appendix C).

Multi-Resource Management Plan (MRMP)

Stimson and FWP have also developed a MRMP (Appendix D), which describes those steps that Stimson must take to conserve environmentally important fish and wildlife habitat including such matters as managing temporary and permanent roads, restrictions on sand and gravel extraction, managing seasonal public use and preserving special habitat features - all while allowing for continued compatible timber and other resource management activities. The MRMP is not incorporated into the conservation easement, but is a separate agreement, required by the conservation easement, which would be signed and acknowledged by Stimson and FWP.

The specific provisions in the MRMP are designed to be more flexible than the binding terms of the conservation easement. As science or management approaches change or if new landowners acquire the land, the MRMP language may also change. However, any changes to the plan must have the mutual consent of Stimson (or subsequent landowners) and FWP.

2.2 ALTERNATIVE B: NO ACTION

If the project is not completed as proposed, Stimson would continue to own the property without any of the restrictions of the proposed conservation easement. They may, at some future time, change their public access policies or decide to develop or sell some or all of this land depending on company priorities and market conditions.

3.0 AFFECTED RESOURCES AND PREDICTED ENVIRONMENTAL CONSEQUENCES

3.1 WILDLIFE AND AQUATIC RESOURCES

The Kootenai Forestlands Phase II Conservation Easement area is high value winter range for elk, moose, white-tailed deer, and mule deer. It is part of a 40-mile migration corridor for mule deer that move between their summer range in the Cabinet Mountains Wilderness, the Stillwater drainage west of Whitefish, and winter range on the project area. Due to the abundance of moose, elk, and mule deer, the project area is home to three wolf packs. One of these packs consistently dens on the property. Sixty percent of the project area is designated as potential fisher habitat, a rare Montana species of concern. The project area is part of a larger network of protected lands in Montana, Idaho, and Washington that have secured habitat for this species and kept it from being listed under the federal Endangered Species Act (ESA). High value pine marten habitat exists on 80% of the property.

The project lands are used by grizzly bear, Canada lynx, and bull trout, all ESA-listed species, which require large, resilient landscapes for their survival. The entire project area is ESA-designated critical habitat and is some of the last intact habitat in the lower 48 states. The Cabinet-Yaak grizzly bear population has less than 75 bears and is currently listed as Threatened. Preserving genetic linkage to neighboring populations by protecting connectivity corridors, such as this property, is critical to their survival and recovery. A scientific study by Proctor et al. (2015) identified 80% of these lands as part of an international network of critical lands connecting this population to four other small grizzly bear populations in British Columbia, Montana, Idaho, and Washington. Bull trout are found on the property in the Kootenai River and Libby Creek, which are identified as critical habitat in the USFWS's 2010 Revised Designation Critical Habitat for Bull Trout. This project would protect over 14 miles of critical habitat along this stream and river.

The property also supports populations of black bear, mountain lion, forest grouse, and turkeys. The 15% of the property that consists of montane grassland is a rare, native habitat in northwestern Montana and makes this conservation project unique in the area. There are 61 Montana fish and wildlife Species of Concern that have documented occurrences or the potential to occur on the property and the immediately adjacent land (Table 1). Bald eagles, which are a Montana special status species, can also be found on the property.

Table 1. Montana species of concern that could potentially occur on, or in the vicinity of, the proposed conservation easement.

Common Name	Scientific Name	Common Name	Scientific Name
Westslope Cutthroat Trout	<i>Oncorhynchus clarkii lewisi</i>	Clark's Nutcracker	<i>Nucifraga columbiana</i>
Bull Trout	<i>Salvelinus confluentus</i>	Great Blue Heron	<i>Ardea herodias</i>
Torrent Sculpin	<i>Cottus rhotheus</i>	Black-backed Woodpecker	<i>Picoides arcticus</i>
Columbia River Redband Trout	<i>Oncorhynchus mykiss gairdneri</i>	Great Gray Owl	<i>Strix nebulosa</i>
Coeur d'Alene Salamander	<i>Plethodon idahoensis</i>	Lewis's Woodpecker	<i>Melanerpes lewis</i>
Western Toad	<i>Anaxyrus boreas</i>	Golden Eagle	<i>Aquila chrysaetos</i>
Northern Alligator Lizard	<i>Elgaria coerulea</i>	Harlequin Duck	<i>Histrionicus histrionicus</i>
Northern Leopard Frog	<i>Lithobates pipiens</i>	Clark's Grebe	<i>Aechmophorus clarkii</i>
Fringed Myotis	<i>Myotis thysanodes</i>	Black Swift	<i>Cypseloides niger</i>
Townsend's Big-eared Bat	<i>Corynorhinus townsendii</i>	Peregrine Falcon	<i>Falco peregrinus</i>
Yuma Myotis	<i>Myotis yumanensis</i>	Horned Grebe	<i>Podiceps auritus</i>
Long-eared Myotis	<i>Myotis evotis</i>	Black Tern	<i>Chlidonias niger</i>
Long-legged Myotis	<i>Myotis volans</i>	American Bittern	<i>Botaurus lentiginosus</i>
Canada Lynx	<i>Lynx canadensis</i>	Boreal Chickadee	<i>Poecile hudsonicus</i>
Hoary Bat	<i>Lasiurus cinereus</i>	Yellow-billed Cuckoo	<i>Coccyzus americanus</i>
Little Brown Myotis	<i>Myotis lucifugus</i>	Bobolink	<i>Dolichonyx oryzivorus</i>
Grizzly Bear	<i>Ursus arctos</i>	Northern Hawk Owl	<i>Surnia ulula</i>
Fisher	<i>Pekania pennanti</i>	Long-billed Curlew	<i>Numenius americanus</i>
Wolverine	<i>Gulo gulo</i>	Trumpeter Swan	<i>Cygnus buccinator</i>
Northern Bog Lemming	<i>Synaptomys borealis</i>	Black-crowned Night-Heron	<i>Nycticorax nycticorax</i>
Western Pygmy Shrew	<i>Sorex eximius</i>	Common Tern	<i>Sterna hirundo</i>
Common Loon	<i>Gavia immer</i>	White-faced Ibis	<i>Plegadis chihi</i>
Flammulated Owl	<i>Psiloscops flammeolus</i>	Gray-crowned Rosy-Finch	<i>Leucosticte tephrocotis</i>
Pacific Wren	<i>Troglodytes pacificus</i>	Black-necked Stilt	<i>Himantopus mexicanus</i>
Cassin's Finch	<i>Haemorhous cassinii</i>	Caspian Tern	<i>Hydroprogne caspia</i>
Evening Grosbeak	<i>Coccothraustes vespertinus</i>	Forster's Tern	<i>Sterna forsteri</i>
Pileated Woodpecker	<i>Dryocopus pileatus</i>	Franklin's Gull	<i>Leucophaeus pipixcan</i>
Brown Creeper	<i>Certhia americana</i>	Brewer's Sparrow	<i>Spizella breweri</i>
Varied Thrush	<i>Ixoreus naevius</i>	Alder Flycatcher	<i>Empidonax alnorum</i>
Northern Goshawk	<i>Accipiter gentilis</i>	American White Pelican	<i>Pelecanus erythrorhynchos</i>
Veery	<i>Catharus fuscescens</i>		

Proposed Action Alternative:

The Proposed Action would protect wildlife habitat on the property in perpetuity while allowing continued sustainable forest management. The conservation easement and associated MRMP would secure existing wildlife habitat values on the property. This alternative would also ensure that the land could never be subdivided for residential development or other uses that would possibly harm wildlife resources.

No Action Alternative:

No immediate impacts would be likely to occur under the No Action Alternative. Stimson would retain ownership and could decide to manage the property differently in the future or sell it out right. Depending on the type of future use of the property, it could result in the loss or degradation of the property's habitat and public recreation values.

3.2 VEGETATION

Forestland dominates the project area. It is a mixed conifer forest with nearly all Montana commercial timber species represented. The Stimson project lands are dominated by montane forest habitats with a unique diversity of mixed conifers including subalpine fir, Douglas-fir, Engelmann spruce, grand fir, lodgepole pine, ponderosa pine, western hemlock, western larch, and western white pine. Limited amounts of cottonwood and aspen occur along creeks and near wetland areas and paper birch occurs on many north-facing slopes. The inventory of standing timber volume and sustainable harvest is likely to significantly increase over the next 10-30 years as young trees that currently dominate the property mature. The timbered stands vary in age from young regeneration to commercial saw timber but most of the existing timber volume is dominated by young stands.

Because of past and ongoing weed management activities by Stimson there are only limited areas where noxious weeds are present; mostly occurring along existing roads on the project lands. Some of the noxious plant species that are present include knapweed, Canada thistle, and houndstongue.

Proposed Action Alternative:

The proposed conservation easement and associated MRMP would allow Stimson to practice sustainable forestry on the property into the future while protecting the rare vegetation communities currently existing on the property. Noxious weed control would remain the legal responsibility of current and future owners of this property.

No Action Alternative:

Under the No Action Alternative, timber management and livestock grazing would continue for the immediate future, but property could be sold for development or some other non-forest management use. Depending on the future use, the current forest and riparian habitats, including the small areas of native grassland, could be severely reduced or eliminated in places to facilitate potential future development.

3.3 SOILS

Lincoln County geography is dominated by mountainous, forest-covered terrain cut by narrow river valleys. The topographic features of Lincoln County are the result of geological activity that began approximately one million years ago. Ice from continental or alpine glaciers covered the Kootenai Valley one or more times. The ice sheet eroded the valley sediments, burying them under glacial materials in some areas and scoured bedrock in others (Lincoln County Growth Policy 2009).

Soil types, as identified by the Natural Resources Conservation Service, that are represented throughout the project lands at greater than 5% occurrence include: rock outcrop complex, glaciated mountain slopes (*Andic Dystrochrepts* – 38%); moraines (*Eutric Glossoboralfs* – 20%); moraines (*Typic Eutroborafls* – 6.5%); and moraines (*Typic Eutrochrepts* – 5.5%); and glaciated mountain slopes (*Andic Cryochrepts* – 5.1%) (USDA 2021). Other soil types exist on the project land, but at less than 5% of overall soil type.

Proposed Action Alternative:

There would likely be no changes to the existing soil conditions on the project lands under the Proposed Action Alternative. If anything, the soil resources would be more likely to be protected and preserved under these alternatives that limit future use of the property and ensure continued sustainable forest management practices.

No Action Alternative:

Under the No Action Alternative, there could be soil disturbance and impacts especially if the property were subdivided for housing or other commercial development such as gravel pits or rock quarries.

3.4 LAND USE

The project area is currently managed as commercial forest land and has been managed in a similar fashion for decades. Some of the adjoining national forestland has evidence of historic mining activities, and it can be assumed similar activities occurred on the project lands. Stimson and previous landowners, Weyerhaeuser and Plum Creek, have allowed motorized use of open roads and non-motorized use of the rest of the property by the general public with restrictions guided by each landowner's public use rules.

Proposed Action Alternative:

Land use is not expected to change on the project area. Timber management and public recreation would continue on the property. The proposed conservation easement would keep impacts from use of this property at their current level, which is quite low.

No Action Alternative:

Depending on changing landowner priorities or desires of the future landowner, the property may no longer be managed for commercial timber use and public access could be denied. Without a conservation easement on this property, future uses could potentially have negative impacts for the adjacent national forest land, depending on how the property is managed or developed.

3.5 SOCIOECONOMICS

Lincoln County is the northwestern most county in Montana. It encompasses 3,613 square miles. The county's population was 19,687 in 2010 and is currently estimated to be 19,980 (U.S. Census Bureau 2019). The major economic growth of this area has been structured around natural resource extraction industries such as mining and forestry. Lincoln County has historically been one of the top timber producing counties in Montana. "Over the last several decades, however, there have been several local and national factors that have contributed to significant changes in the economic landscape of Lincoln County. Decreasing timber harvests, coupled with the corresponding closures and destruction of wood products mills, have resulted in steady declines in forestry and manufacturing employment. There are currently no large-scale dimensional lumber mills operating in Lincoln County, although many local workers, haulers, and contractors work to support mill operations in Flathead County and Idaho and elsewhere" (Lincoln County Growth Policy 2019). The 2019 Growth Policy goes on to note that "[d]espite the above noted downward employment trends, it is not all doom and gloom ... Lincoln County is also increasingly being recognized as one of the last undiscovered areas in Montana for high quality outdoor experiences without the crowds. This in turn can help stimulate people and businesses moving to the County."

In 2010, just after the Great Recession, the unemployment rate in Lincoln County climbed to 15%, more than double the state's rate of 7.3%. The unemployment rate in the county dropped to 7.4% in 2018, but Lincoln County lagged behind the state as a whole, where the unemployment rate stood at 3.7% in 2018 (Lincoln County Growth Policy 2019). The pandemic of 2020 likely upped the county's unemployment rate once again, though there are currently no hard numbers to support this supposition.

The property's forest productivity is estimated at 2-3 million board feet of timber per year, which could support up to 4 full-time workers and 50 seasonal workers in the wood products industry, potentially generating up to \$6.4 million in economic activity for the area (MT Bureau of Business and Economic Research; US Department of Commerce). Outdoor recreation generates \$64 million in personal income for Lincoln County residents (Headwaters Economics 2018). The project area generates an estimated \$2.2 million/year in direct expenditures from big game hunting and fishing; while hiking, bird watching, snowmobiling, and other activities contribute to additional local spending.

Firefighting costs are often higher in forested areas that include scattered residential development. For example, the 2017 West Fork Fire, which was just north of the city of Libby, burned 21,000 acres of Kootenai National Forest and private land with suppression costing approximately \$10 million. The high cost of suppressing this fire was partly due to nearby

residential protection. These scattered parcels share 109 miles of border with the Kootenai National Forest and state lands.

Proposed Action Alternative:

The proposed project would help maintain timber industry jobs for local residents and support those associated businesses. Additionally, the proposed conservation easement would support the area's outdoor recreation industry by continuing to provide public access for hunting, fishing, hiking, mountain biking, and other recreational pursuits, which in turn, would positively impact the local outdoor recreation industry and associated businesses.

The conservation easement would not change the ownership of the property nor would it change the type of use on the property. Therefore, the purchase of a conservation easement on this land would not impact the current level of taxes paid to Lincoln County. However, it may preclude future increases in gross tax revenues if the land were to eventually be developed for residential or industrial uses that would be precluded by the conservation easement.

Much of the adjacent land surrounding this project area is either federal or state, but there are a few areas where it abuts private land. Since the current management of the land will not change under the terms of the conservation easement, no impacts to adjacent private land are expected. Stimson will continue to manage weeds on their land in a way similar to their current management strategy. Under the terms of the MRMP, Stimson commits to cleaning logging equipment and closing selected roads to reduce the spread of noxious weeds. Stimson will employ limited spraying of roadsides in areas with heavy weed infestations, consistent with county weed requirements. According to the terms of the conservation easement, Stimson will maintain their forest roads in compliance with Forestry Best Management Practices (BMPs) for Montana.

An increasing number of homes and developments in the county have occurred in Wildland-Urban Interface areas, which increase the challenges faced by local services when wildfires occur or when wildlife-human conflicts occur. The proposed action would decrease the demand for those services in the future and the public costs associated with those services. Using figures from a current study, precluding residential development on these scattered parcels could reduce costs of firefighting by 50-95% and prescribed fire by 43% (Headwaters Economics 2013). It would also reduce human-wildlife conflicts that come with residential development of properties within wildlife habitat, especially those with grizzly bears, black bears, mountain lions, and deer. Other services provided by local and state governments such as schools, sanitation, and safety would not be affected by this project since the land would remain a working forest and no residential development would occur. Nor would it result in the need for new facilities to provide utilities or an increased use of any energy source.

No Action Alternative:

Under the No Action Alternative, there would be no immediate change in property tax revenue for Lincoln County, demand for public services or economic benefits since the land uses may not

change in the short term. However, if the property were to be sold and developed, property tax revenue to the county could increase, but a change to residential use could also result in additional costs for county services for such things as wildfire suppression, transportation upgrades and maintenance and emergency services for new residences. An increase in residential use would likely increase conflicts with wildlife, including bears, mountain lions, and ungulates. Also, the land may no longer be managed for commercial timber harvest and the associated revenue and timber industry jobs may be lost. Opportunities for public recreation access would likely be lost, potentially decreasing activity associated with that segment of the economy. If some or all of the land were to be sold for residential development, an increase in demand for local services, including schools, may occur. It is possible that if the property were used for something other than a working forest, that either an increase or decrease in demand for certain private businesses supplying goods and services to the community could occur depending on future use of the property. The same would be true for future employment opportunities within the county, they could increase or decrease depending on a change in future management of the property.

3.6 AESTHETICS AND RECREATION

Project lands offer panoramic views of the Cabinet Mountains Wilderness, with its rugged peaks and glaciated valleys. Project lands are part of a landscape and scenic viewshed that are marketed by Lincoln County and the Montana Tourism Council as "Rich, Rare, Remote"; distinguishing it from other busier tourist areas in the region. The lands surround the town of Libby and are an integral part of its scenic backdrop.

Extensive recreational opportunities abound within the Stimson project area. Various backcountry roads provide ready access to the project lands and surrounding Kootenai National Forest. Some areas are closed to motorized vehicles in order to protect wildlife and watershed values, instead offering recreational opportunities for non-motorized activities like hiking, wildlife viewing, berry picking, horseback riding, and mountain biking. Snowmobiling, snowshoeing, and backcountry skiing are also popular pursuits in the winter months. Hunting, trapping, and angling are favorite local pursuits in this area, with the project lands offering hunting opportunities for elk, mule deer, white-tailed deer, moose, black bear, mountain lion, gray wolf, and upland game birds.

Proposed Action Alternative:

The proposed conservation easement would maintain and enhance aesthetic and recreation values by protecting wildlife habitat and maintaining public access. Although timber harvest and other resource extraction activities could continue as specified in MRMP, no residential or commercial development could occur. The conservation easement would help prevent the conversion of current working forestlands to non-forest uses and preserve the current scenic qualities and recreational opportunities.

The proposed easement would give the public the general right of access to the property in perpetuity for noncommercial dispersed recreation, including but not limited to hunting, trapping, hiking, and wildlife viewing. Motorized access would be limited to open roads only. As mandated

by MCA 23-1-110 and the Montana Environmental Policy Act (MEPA), the Montana Office of Tourism and Business Development produced a Tourism Report for this project which determined that this conservation project would positively impact the tourism and recreation economy and would improve the quality and quantity of recreation opportunities (Appendix A).

In the event of sale of the property to another landowner, the terms of the conservation easement would continue to apply. The MRMP could be revised but must provide at least equivalent recreation opportunity and conservation values, and these changes would have to be approved by FWP.

No Action Alternative:

Under the No Action Alternative, the aesthetics and recreation values of the property would not immediately change but could be altered significantly in the future. The public may not be able to access any of this property in the future depending on the new landowner’s priorities, especially if some or all of the property was sold for development. Development could also negatively impact the property’s current viewshed qualities.

3.7 HISTORICAL AND CULTURAL

Archaeological history documents that this property was used by the Ktunaxa people for at least the last 8,000 years. They were highly dependent on the Kootenai River for their livelihood and as a primary means of transportation. Archaeological resources are found on the benchlands along the river, including the project lands. Surveys have documented burial grounds, campsites, and lithic quarries. Traditional trails of the Ktunaxa people followed the Kootenai River Valley with a primary crossing point on the project lands. David Thompson, hired by the Northwest Company to explore the 49th parallel, traveled along the Kootenai River from 1808-1812. His exploration party established a camp near the mouth of the Fisher River and built a fort and trading post on the north side of the river across from the project lands.

The Kootenai Valley and surrounding mountains are an area rich in cultural history arising from pre-settlement tribes and, more recently, from miners, trappers, and loggers. Miners first arrived in 1886 in the area drawn by the reports of good galena prospects. Based on a Cultural Resources Information System report from the State Historic Preservation Office, numerous cultural resource sites were identified within the greater project vicinity. These sites relate to historic roads or trails, historic mining, timber harvesting, and lithic material concentrations. Some of the identified sites may be located on project lands, but not all lands have been surveyed due to private land ownership. Based upon the presence of these sites, there is a potential for other cultural resources to occur in the area.

Proposed Action Alternative:

No impacts to existing cultural or historic resources on the property are likely under the Proposed Action Alternative. An assessment of the project area by the Montana State Historic Preservation Office determined that “as long as there will be no disturbance or alteration to structures over

fifty years of age, we feel that there is a low likelihood cultural properties will be impacted” by this proposed project (Appendix B). There are currently no structures existing on this property.

The project area would be permanently open and accessible to tribe members under the public access stipulations of the proposed conservation easements and would continue to support fish and wildlife populations that tribal members could enjoy under the terms of each tribe’s specific treaty rights. No activities would be allowed that might impact cultural or historic resources on the property.

No Action Alternative:

Under the No Action Alternative, depending on future ownership, use, and potential development of the property, it is possible that any existing culture or historic resources could be impacted.

3.8 AIR, NOISE, AND ELECTRICAL

Existing noise levels are low and air quality is relatively good in the project area most of the time, depending upon weather conditions and wildfire events. Timber harvest activities can periodically affect ambient noise levels and burning of logging slash can occasionally impact air quality.

Proposed Action Alternative:

There would be no expected changes to existing air quality or noise levels within the project area under the Proposed Action Alternative.

No Action Alternative:

Under the No Action Alternative, depending on future use and development of the property, it is possible that air quality and noise levels increase or decrease depending on what type of use ultimately occurs on the property.

3.9 RISKS TO HUMAN HEALTH AND SAFETY

The project area is currently managed as a commercial forest that carries inherent risks to human health and safety associated with wildfire, logging, and commercial transportation. In addition, the entire area is currently used by the public for non-motorized recreation such as hunting, trapping, wildlife viewing, and hiking. All these activities have some degree of risk associated with outdoor use and the use of various types of outdoor equipment.

Proposed Action Alternative:

There would be no expected increased risk to human health or safety on the project area under the Proposed Action Alternative.

No Action Alternative:

Under the No Action Alternative, depending on future use and development of the property, it is possible that risks to human health and safety could decrease due to less use by the public or risks

could increase under some different future use such as expanded residential development in the forest.

3.10 CUMULATIVE IMPACTS

Proposed Action Alternative:

Completion of this project would contribute to ongoing habitat and species conservation efforts in western Montana. In the last 20 years, FWP has helped conserve over 230,000 acres of commercial forestland through conservation easements or outright purchases in partnership with a variety of government agencies, private conservation groups and timber corporations. The proposed project area is situated in a landscape that connects Glacier National Park to the Cabinet Mountains Wilderness and beyond. Public agencies, non-governmental organizations, and private landowners have been, and continue to, collaborate on land conservation in this area.

The proposed project would help provide wildlife connectivity for wide ranging species such as elk, wolverine and grizzly bears, as well as the threatened Canada lynx and numerous other game and nongame species.

Additionally, this conservation easement would complement millions of dollars currently invested in landscape conservation by the Forest Legacy Program, the U.S. Fish and Wildlife Service, and the Bonneville Power Administration in northwest Montana to conserve important fish and wildlife habitats, provide for continued public enjoyment of the associated outdoor recreational opportunities, and maintain working forest landscapes.

The decision to place a conservation easement on approximately 27,289 acres of Stimson forestland is basically a decision to permanently utilize this land for commercial harvest of forest products, fish and wildlife habitat, watershed values, and public recreational opportunities. Alternative economic uses of this land would be precluded by the conservation easement. Though this property has a potential for development and conversion to other uses which would permanently be precluded by this conservation easement, the conservation values in the area are also very high, which serve many social and ecological benefits, as described earlier. The cumulative impact of permanently protecting this property, in combination with the protections on the adjoining federal land, would be positive for fish and wildlife populations and public recreation opportunities in the area, as well as a benefit to the economic health of the area, namely the timber and outdoor recreation industries.

No Action Alternative:

In the short term, little change would be likely under the No Action Alternative. Stimson would continue their ownership and current land uses. However, without the conservation easement, future uses of the land would depend on the motivations of the current owners and economic conditions at the time of the sale. Changes in land use could impact the conservation values on the project lands and adjacent properties.

4.0 ENVIRONMENTAL IMPACT STATEMENT DETERMINATION

Based on the significance criteria evaluated in this EA, is an EIS required? No.

Although the proposed Kootenai Forestlands Phase II Conservation Easement would affect approximately 27,289 acres in perpetuity, the proposed conservation easement would retain the timber management activities and public access on the property. Important wildlife habitat that supports local revenues generated from hunting and other recreational activities would also be preserved across the project area.

A limited number of minor impacts from the proposed action were identified in this assessment; however, these impacts are considered to be minor. Based upon the above assessment, an EIS is not required and an environmental assessment is the appropriate level of review.

5.0 PUBLIC PARTICIPATION AND CONTRIBUTORS

5.1 PUBLIC INVOLVEMENT

The public will be notified in the following manners to comment on this Draft EA, the proposed action and alternatives:

- Two legal notices in each of these newspapers: *Flathead Beacon*, *Daily Inter Lake*, *The Western News*, and *Helena Independent Record*;
- Direct mailing to adjoining landowners, interested parties, and those who provided input during scoping;
- Public notice on the Fish, Wildlife & Parks website: <http://fwp.mt.gov>.

The public comment period will extend for (30) thirty days beginning June 29, 2021. Written comments will be accepted until **5:00 p.m.** on **July 28**, 2021. Comments can be sent to:

Kootenai Forestlands Phase II Conservation Easement Or ktempel@mt.gov
Montana Fish, Wildlife & Parks
Attn: Kris Tempel
490 N. Meridian Rd
Kalispell, MT 59901

Copies of this EA will be available for public review at FWP Region One Headquarters in Kalispell and will be available on the FWP website: <https://fwp.mt.gov/news/public-notice>

FWP has scheduled a public hearing **July 14, 2021 at 6:00 pm** in Libby at the **Libby City Hall, Ponderosa Room, 952 E. Spruce Street**, to provide interested organizations and private individuals an opportunity to ask questions about the proposed project and submit public comment.

5.2 CONTRIBUTORS

Montana Fish, Wildlife and Parks
Fish and Wildlife Divisions, Kalispell
Land and Water Unit, Helena
Wildlife Habitat Bureau, Helena
The Trust for Public Land, Bozeman

6.0 ANTICIPATED TIMELINE OF EVENTS

Public Comment Period:	June 29 – July 28, 2021
Recommended decision to Fish and Wildlife Commission:	July 30, 2021
FWP Fish & Wildlife Commission Review of Project & Decision:	August 20, 2021

7.0 PREPARER

Kris Tempel, FWP Habitat Conservation Biologist, Kalispell, MT

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APPENDIX A: TOURISM REPORT

TOURISM REPORT

MONTANA ENVIRONMENTAL POLICY ACT (MEPA) & MCA 23-1-110

The Montana Department of Fish, Wildlife and Parks has initiated the review process as mandated by MCA 23-1-110 and the Montana Environmental Policy Act in its consideration of the project described below. As part of the review process, input and comments are being solicited. Please complete the project name and project description portions and submit this form to:

Jan Stoddard, Bureau Chief, Industry Services and Outreach
MOTBD, Montana -Department of Commerce
301 S. Park Ave.
Helena, MT 59601

Project Name: Kootenai Forestlands Phase II Conservation Easement

Project Description: The Montana Department of Fish, Wildlife and Parks (FWP) proposes the purchase of a conservation easement to protect approximately 27,289 acres of important timberland and fish and wildlife habitat in northwestern Montana to the east and south of Libby, MT (see attached map). The property is owned by the Stimson Lumber Company (Stimson), one of the oldest continuously operating integrated wood products companies in the United States with roots dating back to the 1850s. This conservation project is a collaborative effort involving Stimson, The Trust for Public Land, and FWP. The proposed conservation easement, to be held by FWP, would allow Stimson to retain ownership of these timberlands, preclude development, protect important wildlife habitat and key landscape connectivity, and provide permanent public access and associated recreational opportunities.

The proposed project would protect key winter range and a migratory corridor for elk, mule deer, white-tailed deer, and moose. In addition, it would protect critical habitat for bull trout, grizzly bear, and Canada lynx, Endangered Species Act-listed Threatened species found on the property. The project would also reduce the potential for human-wildlife conflicts that often result when wildlife habitat is developed for residential use, especially conflicts with grizzly bears, black bears, and mountain lions.

The property currently provides over 26,500 days per year of public hunting and angling use which would be secured in perpetuity under this proposal. Completion of this project would build on the success of the nearby Forest Legacy Program-funded 142,000-acre Thompson-Fisher Conservation Easement, the 28,000-acre Kootenai Valleys Conservation Easement, and the 22,295-acre Kootenai Forestlands Phase I Conservation Easement, which was the first phase of this project. Forest Legacy projects in Montana and Idaho have cumulatively helped to conserve over 300,000 acres of working forestlands.

Would this site development project have an impact on the tourism economy?

NO

YES

If YES, briefly describe:

Providing public recreational access, preserving important fish and wildlife habitat, and ensuring 26,500 days per year of public hunting and angling use in perpetuity are vital components to positively impacting the tourism and recreation industry economy.

Montana's 12.6 million non-resident visitors spent over \$3.8 billion in the state in 2019 (University of Montana's Institute for Tourism and Recreation Research ITRR, 2020). Recreation activities and camping in state parks are in high demand for visitors. This intent to visit has dramatically increased as a result of the pandemic and a desire for safe outdoor recreation experiences.

Additionally, the opportunity to fish Montana waters and native Montana fish populations is marketed to destination visitors from around the world, as well as in-state travelers. A 2016 report from the Institute for Tourism and Recreation Research states that Fishing/Fly Fishing as a "Top Outdoor Recreation Activity" reported by 2% of visitors to Montana (2016). Additionally, the report also notes that nationwide participation in outdoor recreation specific to fishing is expected to increase in the coming decades.

Public access, vital to resident and non-resident visitors, could be limited or completely excluded if this project does not move forward.

Does this impending improvement alter the quality or quantity of recreation/tourism opportunities and settings?

NO

YES

If YES, briefly describe:

Yes, as described, the project has the potential to improve quality and quantity of tourism and recreational opportunities. These improvements are critical to the safety, usability, and long-term sustainability of assets for outdoor recreation, including hunting and angling for residents and non-resident visitors. With these improvements, we are assuming the agency has determined it has necessary funding for the on-going operations and maintenance once this project is complete.

Signature Jan Stoddard

Date: 5/7/2021

APPENDIX B: STATE HISTORIC PRESERVATION OFFICE CULTURAL REVIEW



June 3, 2019

Chris Deming
The Trust For Public Land
PO Box 917
Jackson WY 83001

RE: STIMSON-KOOTENAI LANDS FOREST CONSERVATION PROJECT. SHPO Project #: 2019060310

Dear Mr. Deming:

I have conducted a cultural resource file search for the above-cited project. According to our records there have been a few previously recorded sites within the designated search locales. In addition to the sites there have been a few previously conducted cultural resource inventories done in the areas. I've attached a list of these sites and reports. If you would like any further information regarding these sites or reports, you may contact me at the number listed below.

It is SHPO's position that any structure over fifty years of age is considered historic and is potentially eligible for listing on the National Register of Historic Places. If any structures are to be altered and are over fifty years old, we would recommend that they be recorded, and a determination of their eligibility be made.

As long as there will be no disturbance or alteration to structures over fifty years of age we feel that there is a low likelihood cultural properties will be impacted. We, therefore, feel that a recommendation for a cultural resource inventory is unwarranted at this time. However, should structures need to be altered or if cultural materials be inadvertently discovered during this project we would ask that our office be contacted, and the site investigated.

Sincerely,

Damon Murdo
Cultural Records Manager
State Historic Preservation Office

File: FWP/GENERAL/2019

APPENDIX C: DRAFT KOOTENAI FORESTLANDS PHASE II DEED OF CONSERVATION EASEMENT

**KOOTENAI FORESTLANDS II
DEED OF CONSERVATION EASEMENT**

THIS DEED OF CONSERVATION EASEMENT (“Easement”) is granted this ____ day of _____, 2021 by **STIMSON LUMBER COMPANY** whose address is 520 S.W. Yamhill, Suite 700, Portland, Oregon 97204-1330 (hereinafter referred to as "Landowner"), to the **MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS**, whose address is 1420 East Sixth Avenue, P.O. Box 200701, Helena, Montana 59620-0701 (hereinafter referred to as "Department"). In this Deed of Conservation Easement, the Landowner and Department may be referred to collectively as “Parties,” or individually as a “Party.”

Exhibits to this Deed of Conservation Easement include the following, and are incorporated by this reference:

Exhibit A - Legal Description of the Land

Exhibit B - Map of the Land

Exhibit C - Restricted Zone

I. RECITALS

A. The people of the State of Montana recognize the benefits of protecting forest land, watersheds, riparian corridors and conserving open space that provides habitat for native fish, wildlife and plant communities, while simultaneously managing commercial forests on the land, and have authorized the Department to acquire conservation easements by voluntary, cooperative means to conserve important habitat.

B. The Landowner is the sole owner of certain real property in Lincoln County, Montana (the “Land”), comprising approximately 27,289 acres and legally described in Exhibit A and depicted in Exhibit B, both of which are attached hereto and incorporated herein by this reference.

C. The Land has significant natural habitat, scenic and open space values as recognized in the Montana Open Space Land and Voluntary Conservation Easement Act, Montana Code Annotated (“MCA”) Section 76-6-101, et seq.

D. The Land provides significant benefit to the people of the State of Montana, Lincoln County, and the United States by preserving and providing the following important resources, in perpetuity, in compliance with Section 170(h)(4)(A) of the Internal Revenue Code and Sections 76-6-101, et seq., MCA.

1. The Land provides open space which maintains the rural, agricultural and natural scenic qualities of the area.

2. The Land has a history of forest management and maintaining the opportunity for a productive forest management program that sustains and enhances fish and wildlife habitat as encouraged and supported by the State of Montana and local land conservation policies adopted in Lincoln County, Montana.

3. The Kootenai River drainage, of which the Land is a part, has a predominance of corporate, state, and federal ownership, and has been traditionally used for commercial timber production and other commodity use, which constitutes an important element of the local and regional economy.

4. The Land provides views of a working forest landscape that are enjoyed by members of the general public traveling along Montana Highway 37, Montana Highway 2, Farm to Market Road, the Fisher River Road, as well as the general public recreating on the Land and on surrounding public land administered by the Kootenai National Forest.

5. The Land provides exceptional wildlife habitat for a variety of species, including, but not limited to, grizzly bear, elk, mule deer, whitetail deer, black bear, moose, gray wolf, beaver, mountain lion, bald eagle, black-backed woodpecker, flammulated owl and numerous other species, many of which are listed as species of Greatest Conservation Need in Montana's State Wildlife Action Plan (2015).

6. The Land serves as a corridor for the movement of wildlife and plays a central role in ensuring wildlife linkages between the Cabinet Mountains, the Thompson-Fisher drainages, the Whitefish Range and other ecologically intact areas of the Rocky Mountains of the northern United States and southern Canada.

7. The Land encompasses perennial streams that are important to a variety of fish species, including, but not limited to, bull trout, westslope cutthroat trout, mountain whitefish, and other aquatic species.

8. The Land provides important public recreational opportunities as encouraged and supported by the State of Montana, including hunting, trapping, fishing, hiking, cross-country skiing, and wildlife viewing.

The above uses are hereinafter collectively referred to as the "Conservation Values."

The Forest Legacy Program, administered by the U.S. Department of Agriculture, Forest Service (hereafter "Forest Service") pursuant to Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 USC Section 2103C) and created "to protect environmentally important private forest land threatened with conversion to non-forest uses," has awarded a Forest Legacy grant to the Department for a portion of the appraised fair market value of this Easement. Landowners with completed conservation easements on their property have the long-term responsibility for managing their land in a manner consistent with the purposes of the Forest

Legacy Program and the terms specified in this conservation easement and Multi-Resource Management Plan (MRMP). The Forest Legacy Program requires that 75% of the land remain forested and the conservation values not impacted.

II. AGREEMENTS

In consideration of the sums paid by the Department and in further consideration of the recitals, mutual covenants, and terms contained in this Easement and pursuant to the laws of the State of Montana and in particular to the Open-Space and Voluntary Conservation Easement Act, §§76-6-101 through 76-6-211, Montana Code Annotated (MCA); the Department's wildlife habitat acquisition authority, §§87-1-209 et seq., MCA; and Title 70, Chapter 17, MCA, Landowner grants and conveys to the Department and the Department accepts this Easement in perpetuity consisting of the following rights and restrictions over and across the Land.

A. PURPOSES

This Easement is being acquired in order to preserve, protect, and restore upon mutual agreement with the Landowner, in perpetuity, the Conservation Values of the Land. In the interest of protecting such Conservation Values, Landowner and Department agree that the purposes of this Easement (collectively the "Purposes," or individually a "Purpose") are generally described as follows:

1. To effect the Purpose of the Forest Legacy Program, in accordance with the provisions of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 2103c), to protect environmentally important forest areas that are threatened by conversion to non-forest uses and therefore also protect important scenic, cultural, fish, wildlife, recreational resources and riparian areas. A further Purpose of the Forest Legacy Program and this Easement is to protect the Land's capacity to produce economically valuable forestry products and to allow Landowner and its successors and assigns to continue to conduct commercial timber and resource management activities in a sustainable manner;

2. To perpetuate the Land as forest land; to ensure the opportunity for long term, professional management of the forest resources through forestry activities permitted hereunder; and to provide that commercial production of forest products is conducted in a manner compatible with the conservation of water quality, fish and wildlife habitat, recreation and other Conservation Values;

3. To provide to the Department, on behalf of the public, the right of reasonable access to the Land for public outdoor recreational uses as provided for in Paragraph II.C.4; and

4. Pursuant to the terms of §76-6-107, MCA, to prevent the Land preserved by this Easement as natural land from being converted or diverted to any use prohibited by Paragraph II.D of this Easement or to any use inconsistent with the terms, conditions, or Purposes of this Easement.

5. If one or more of the Purposes of this Easement may no longer be accomplished, such failure of Purpose shall not be deemed sufficient cause to terminate the entire Easement as long as any other Purpose of the Easement may be accomplished. The Department and Landowner recognize

that changes in economic conditions, agricultural technologies, accepted grazing and forest management practices, and in the situation of the Landowner may result in an evolution of agricultural, silvicultural, and other uses of the Land, and such uses are permitted provided they are and remain consistent with the Purposes of this Easement.

B. DEPARTMENTS RIGHTS

The rights conveyed to the Department by this Easement are:

1. **Preserve and Protect.** To preserve, protect, and enhance by mutual agreement, in perpetuity, the Conservation Values subject, however, to the rights reserved by the Landowner in this Easement in Section C below, and further subject to all third-party rights of record in and to the Land that are not subordinated to the terms and conditions of this Easement.

2. **Access.** Upon prior notice to the Landowner, to enter upon and to inspect the Land; to observe, study, and make scientific observations of the Land's wildlife, wildlife habitat and ecosystems; and to establish and maintain vegetation monitoring transects and enclosures, all to assure that the Department's rights in the Land are maintained and all in a manner that will not unreasonably interfere with the use of the Land by the Landowner. The Department shall also have the right to enter the Land to enforce the rights granted to the Department in this Easement and Landowner expressly conveys to the Department a right of immediate entry onto the Land if, in the Department's sole judgment, such entry is necessary to prevent damage to or destruction of the Conservation Values protected by this Easement. Aside from the rights of access granted in this Paragraph and in Paragraph II.B.5., this Easement does not grant the Department, or the public, any rights to enter upon the Land.

3. **Injunction and Restoration.** To enjoin any activity on the Land or use of the Land which is inconsistent with the Purposes and terms of this Easement, or which may have a significant adverse impact on the Conservation Values, and to enforce the reasonable restoration of any Conservation Values that may be damaged by such activities.

4. **Markers.** To place and replace, during inspections authorized above, small markers to identify boundaries, corners, and other reference points on the Land. Landowner shall not remove such markers without Prior Approval of the Department and without the Department's consent, which will not be unreasonably denied, as provided in Section II.H below.

5. **Public Recreational Access.** The right, on behalf of the general public, of access for the purpose of non-commercial dispersed recreation on the Land including but not limited to hunting, fishing, trapping, hiking, and wildlife viewing in accordance with the following terms and conditions and as detailed in the Multi-Resource Management Plan ("MRMP"). The Landowner and Department may authorize additional public uses of the Land through the MRMP.

- a. The public may hunt game animals and game birds of all sex and age classes in accordance with hunting regulations adopted by the State of Montana.

- b. The hunting seasons shall be set and may be changed from time to time by the State of Montana in accordance with Applicable Laws, regulations and policies.
- c. The grant of hunting rights shall be deemed exclusive to the Department for the benefit of the public and are specifically conveyed pursuant to: (i) § 70-17-102(1), MCA, and thereby this grant creates a servitude running with the Land, and (ii) the Montana Open Space Land and Voluntary Conservation Easement Act, § 76-6-101 et seq., MCA, and thereby this grant creates a conservation easement for the purpose of protecting significant open-space land protected and preserved for recreational purposes under § 76-6-104(3)(a), MCA.
- d. The public may enter the Land from adjacent public land or publicly-accessible conservation easement and may cross the Land to access adjacent land where public recreational use is allowed.
- e. Furthermore, the Department reserves the right to temporarily restrict the public's access to the Land as deemed necessary or appropriate to protect the Land, wildlife or wildlife habitat, or the public.
- f. Notwithstanding any provision that may be construed to the contrary, Landowner may deny access to anyone who is not conducting or has not in the past conducted themselves in a prudent, responsible, and safe manner and denial of access for this reason shall not be deemed preferential or discriminatory.
- g. The Landowner may participate in programs offered by the Department or other entities intended to reimburse or compensate the Landowner for the impacts of hunter or recreation use of the Land. However, the Landowner and the Department acknowledge that any such hunter or recreation impact program is administered separately from this Easement; that such program may or may not persist through time; that such program may or may not be offered for the Landowner's participation; and that nothing in this Easement provides any assurance that the Landowner will be offered the opportunity for or be accepted into any such program.

C. LANDOWNER'S RIGHTS

Landowner reserves to itself, its successors and assigns, all rights accruing from ownership of the Land, including the right to engage in or permit others to engage in all uses of the Land that are not expressly prohibited or restricted by this Easement and that are consistent with the Purposes of this Easement and the protection and maintenance of the Conservation Values of the Land. Without limiting the generality of the previous statement, and subject to the restrictions on Landowner's activities in this Easement, the following rights are expressly reserved and are consistent with this Easement. As specified in the following paragraphs, Landowner's exercise of certain of these rights is conditioned upon prior approval by the Department under the procedures provided for in Paragraph II.G. of this Easement (hereinafter referred to as "Prior Approval") and Landowner's exercise of other rights is subject to prior notice to the Department as provided for in Paragraph II.G. (hereinafter referred to as "Prior Notice"). Furthermore, Landowner's exercise of many of these

rights is conditioned upon their adherence to the MRMP. The remainder of these consistent uses shall not be precluded, prevented, or limited by this Easement.

1. **Forest Management.** The right to harvest and sell timber, timber products and other forest products or resources and to manage the Land including all aspects of commercial forestry in accordance with Applicable Law (as defined below), with the restrictions outlined in Exhibit C; and with good and sound silvicultural practices as addressed in the MRMP as defined in Paragraph II.E. hereof. For Purposes of this Easement, the term "Applicable Law" shall mean any federal or state regulation, rule or law which may be in effect from time to time which regulates the harvest of timber or land management with respect to the Land, including, but not limited to, Title 77, chapter 5, part 3, MCA, and the associated Administrative Rules of Montana, Title 36, Chapter 11, Sub-chapter 3, governing forest practices in the streamside management zone, as the law and rules may be revised or amended from time to time, and "Best Management Practices for Forestry in Montana, March 2011" (the "BMPs"), as the same may be revised or amended from time to time. In addition, Landowner will harvest the timber and manage the Land and its resources in accordance with the MRMP required pursuant to the Forest Legacy Program and further described in Paragraph II.E of this Easement.

2. **Regulation of Public Use.** The right to regulate public use of the Land at all times subject to the public's recreational access described under Department's Rights in this Easement. The Landowner retains the right to temporarily restrict public use under special circumstances as required to protect and restore environmentally sensitive areas, sites damaged by public use or natural processes, or areas undergoing timber harvest or timber management activities such as reseedling or replanting; in emergency situations and for public safety reasons; and in other areas or circumstances where the Conservation Values could be adversely impacted by public use. Landowner must give Department written notice of areas closed to public use as soon as practical after such closure. Restrictions to protect and restore environmentally sensitive areas or to address circumstances where the Conservation Values could be adversely impacted by public use require mutual consent of the Landowner and the Department. Consent of the Department is not required to restrict motorized use of roads provided that non-motorized use is allowed.

3. **Structures and Improvements.** Landowner may:

- a. repair, renovate, remove, maintain, or replace nonresidential improvements existing at the time of the grant of this Easement, provided that such repair, renovation, maintenance, or replacement does not expand the size or utility of such nonresidential improvements; and
- b. construct, remove, maintain, renovate, repair, or replace fences, timber platforms, corrals, and other structures necessary for land management purposes not specifically disallowed in this Easement; and
- c. with Prior Approval, construct or place on the Land for temporary use a building or structure for resource-management purposes including but not limited to forest management, sand, gravel, or rock extraction, and road work. The temporary placement of equipment and machinery for log chipping, tree limbing or scaling, or otherwise preparing logs for loading or shipment from the Land is not deemed to be a "timber

processing mill” except, however, such equipment or machinery may not be placed within the Restricted Zone as described in Exhibit C unless approved in writing by the Department. Any building allowed by this Paragraph II.B.3.c. must be removed from the property upon conclusion of the use for which the building was erected and the site reclaimed.

4. Roads, Road Maintenance, Road Easements, Trails, and Bridges.

Notwithstanding other provisions of Paragraph II.C.1. the Landowner:

- a. may maintain and improve existing roads, bridges, trails, ditches, and culverts consistent with conditions and restrictions in the MRMP. This right includes the right to abandon or reclaim roads that are no longer used;
- b. with Prior Notice, may construct and maintain new roads necessary for exercising rights retained by Landowner under this Easement that are consistent with the MRMP. Any proposed new roads not in accordance with the MRMP require Prior Approval;
- c. with Prior Approval, may construct and maintain new roads and bridges within the Restricted Zone;
- d. shall control and be responsible for road access, maintenance, management, and use regulation, subject to any maintenance, management and access provisions governing “cost-share” roads, as contained in separate agreements among the Landowner and cooperating federal and state agencies;
- e. may, in its sole discretion, grant to third parties permanent or temporary access rights to cross the Land on roads existing at the time of the grant of this Easement. Prior to issuing any such access rights, Landowner must give Prior Notice and also provide the Department with a copy of any access easement or agreement granted to a third party. Documentation of roads existing at the time of the grant of this Easement may be established through the Easement Baseline Report provided for in Paragraph II.F. Nothing in this Easement may interfere with a third party exercising any right of legal access across the Land that was in effect at the time of the grant of this Easement; and
- f. may grant to third parties permanent or temporary access rights for any lawful purpose across the Land on new roads constructed with Prior Approval.

5. Use of Motorized Vehicles and Equipment. The right to use motor vehicles, forestry machinery and equipment, and to maintain log yards, in the ordinary course of Landowner's timber and resource management activities and in a manner consistent with Paragraph II.C.1.

6. Pesticide Application and Weed Management.

- a. Landowner shall have the right to use legally authorized pesticides (as defined by MCA 80-8-102), agrichemicals, and fertilizers for silvicultural purposes. Any pesticide use

should be only in the amount and frequency necessary based on pesticide label use instructions and all applicable state and federal regulations concerning use to accomplish reasonable control of the targeted pest species.

- b. **Weed Management.** The right to use herbicides for control of noxious weeds, as defined by the state of Montana or other lawful authority with jurisdiction, and other invasive nonnative plants. Such use must be in the amount and frequency of application necessary to accomplish reasonable control of weeds, and in a manner that will minimize damage to native plants. The Landowner shall have the right to use biological control agents for weed control, provided that these biological agents have been approved for the specified use by appropriate governmental agencies.
- c. With Prior Approval, Landowner may use livestock on the Land to control noxious weeds or other invasive nonnative plants, or for other land management purposes.

7. **Oil, Gas, or Mineral Exploration and Extraction.** Subject to, and without limiting any obligations of Landowner under, Montana Code Annotated § 82-11-202, Landowner shall not mine or extract soil, sand, gravel, oil, natural gas, fuel, coal, or any other mineral substance owned by Landowner as of the date of this Easement or later acquired by Landowner, using any surface mining, subsurface mining, or dredging method; provided however, with Prior Approval, Landowner may conduct limited mining activity for materials (e.g., sand, gravel, rock) used for forestry operations on the Land where the extraction of materials used for such forestry operations is limited, localized, and does not harm the forestry uses of the Land.

With Prior Notice, the right to extract sand, gravel, and rock for on-site use through surface mining techniques in accordance with Applicable Law in no more than two (2) un-reclaimed locations on the Land not to exceed a total of five (5) un-reclaimed acres per site at any one time, provided that:

Each excavation site is not within a 100-year floodplain area or less than eighty (80) feet from the boundary of any Streamside Management Zone;

Any material extracted may only be used on the Land for purposes consistent with Landowner's reserved rights;

Landowner shall control noxious weeds at the site;

Landowner shall provide mulch or vegetative cover on all soil stockpiles each year to reduce soil erosion and infestation of noxious weeds;

Landowner shall post a reclamation bond as required under Applicable Law;

- f. Landowner shall seed and reestablish cover vegetation which is native or is representative of adjacent perennial plant species;

- g. Landowner shall reclaim and revegetate roads no longer needed in forest or resource management using native species to the extent practicable and in a manner compatible with adjoining land uses; and
- h. The existing extraction sites will be identified in the Easement Baseline Report.

If a third party owns or leases the oil, natural gas, or any other mineral substance at the time this Easement is executed, and their interests have not been subordinated to the Easement, the Landowner must notify the Department as soon as practical after Landowner becomes aware of any proposed exploration or extraction activity by such third party, which is not subject to the terms of this Conservation Easement unless expressly subordinated thereto. Landowner and the Department shall confer to review the proposed activity and to determine proposals to best mitigate any potential impact on the Land and the Conservation Values of the proposed activities. Subject to Montana Code Annotated § 82-10-504, Landowner and the Department shall subsequently cooperate in an effort to encourage the third party to adopt recommended mitigating measures in the third party's exploration and development activities.

This Conservation Easement does not restrict any third parties owning or leasing any of the oil, natural gas, or any other mineral substances under the Land from a right of ingress or egress or prevent such third parties use and occupancy of the surface of the Land. Nothing herein shall require the Landowner to indemnify the Department for exploration or extraction activity by any third-party mineral interest owner.

8. Other Resource Extraction. In accordance with Applicable Law, the right to harvest or extract from the Land any other resources not specifically defined herein, so long as such harvesting or extraction activities are not inconsistent with the Purposes of this Easement and further provided that such activities receive Prior Approval.

9. Habitat Enhancement and Restoration. The Landowner reserves the right to manipulate vegetation, conduct stream restoration projects, or engage in other habitat enhancement or restoration activities, provided that any such activity must be for the primary purpose of enhancing or maintaining fish and wildlife habitat, and such activity must be in accordance with the MRMP. If any such activity is not contained in the MRMP or otherwise specifically allowed herein, then Prior Approval is required.

10. Cross-Country Ski Trails. The right to lease or enter into license agreements permitting existing roads on the Land to be groomed and used at no cost by the general public for cross-country skiing use providing access to the trails in the Kootenai National Forest.

11. Outfitting and Commercial Recreation. The right to allow non-exclusive use by commercial outfitters at levels described in the MRMP. "Non-exclusive use" means that the public also has the opportunity for recreational use, consistent with the terms of this Easement and the MRMP in the areas of the Land used by outfitters.

12. Subdivision and Real Property Conveyance. The Landowner and the Department agree for the purposes of this Easement that subdivisions of and conveyances of the Land shall specifically meet the following requirements:

- a. The Land may be sold, conveyed, exchanged, mortgaged, quit-claimed, devised, gifted or otherwise transferred (such actions all termed a “transfer”) in its entirety or in up to 7 separate parcels, provided that such parcels be conveyed expressly subject to all the terms, conditions, rights, restrictions, and obligations contained in this Easement, and further that any other parcel designation existing at or subsequent to the date of the conveyance of this Easement, including but not limited to government lots, aliquot parts, and certificates of survey, are considered to be an integral part of the unit within which they are located. At no time in the future shall the Land be held by more than seven landowners, with no more than one MRMP per parcel.
- b. Notwithstanding any other provision of this Paragraph II.C.13., transfer of a portion of the Land to a federal or state agency for ownership and management as public land is permitted and does not constitute a division or transfer under the limits provided in Paragraph II.C.13.a.
- c. The Landowner shall provide Prior Notice of any pending real property transfer, and such transfer must be effected with an express provision in the instrument of conveyance stating that the Land is subject to the terms and conditions of this Easement. The Department may provide a copy of the Easement and any related documents to the purchaser or other prospective successor in interest to the Landowner.
- d. In the event that the Land is divided into separate ownerships as provided for in this Paragraph II.C.13, the conveyance document must specify which of the ownerships retain any remaining right for gravel pit development as provided for in Paragraph II.C.7. Landowner shall furnish the Department with a copy of the conveyance document utilized to effect the transfer of the Land within thirty (30) days of the execution of said document, and the Department shall record in the Public Records of Lincoln County a “Notice of Exercise of Reserved Development Right Under Deed of Conservation Easement” to document the exercise of such rights and the future allocation of any remaining such rights for the benefit and information of the Landowner, the Department, and the public.
- e. Subsurface mineral rights severed prior to the grant of this Easement do not constitute a prohibited or restricted division or subdivision for purposes of this Paragraph.
- f. The restrictions on land division and subdivision contained in this Paragraph do not apply to the right to sell stumpage, as long as the timber rights are not permanently severed.
- g. The Land may not be used as open or natural space or park land for any subdivision or development purposes or requirements on land not covered by this Easement, nor may Landowner transfer any development rights on or to the Land separate from the Land. For Purposes of this Easement, development rights include, without limitation, all rights, however designated, now or hereafter associated with the Land or any other property that

may be used to compute development density, lot yield, or any other development variable of or pertaining to the Land or any other property.

13. Water Rights. With Prior Approval, Landowner may transfer, lease, donate, sell, or otherwise dispose of water rights appurtenant to the Land for the express purpose of protecting or enhancing in-stream flows intended to benefit fisheries in waterways. At the time of the execution of this Easement, the Landowner has no known water rights associated with the Land. A previous landowner has one known water right on the Land.

14. Utilities.

- a. Existing Utilities. Landowner retains the right to maintain, repair, and upgrade utilities existing on the Land at the time of the grant of this Easement, including utility structures, lines, conduits, cables, wires, and/or pipelines (“Utilities”).
- b. New Utilities on the Land. Subject to Prior Approval, Landowner retains the right to install and construct new Utilities upon, over, under, within, or beneath the Land to existing and subsequently constructed structures and improvements that are expressly permitted on the Land by this Easement. The Department will require the Landowner to submit a Utility Plan as outlined in Paragraph II.C.15.d. (“Utility Plan”) below.
- c. New Utilities Serving Adjacent Properties. Subject to Prior Approval, the Landowner retains the right to construct new Utilities and grant any associated Utility right-of-way easement serving adjacent properties. The Department will require the Landowner to submit a Utility Plan as outlined in Paragraph II.C.15.d. below.
- d. Utility Plan. Prior to preparation of the Utility Plan, the Landowner shall contact the Department to obtain the required information for inclusion in the Utility Plan. Landowner and the Department will mutually determine the completeness of the Utility Plan and its adherence to the general and specific intentions of this Easement prior to the Department’s approval of the Utility Plan. Any new and expanded Utilities and associated right-of-way easements must be memorialized in a written agreement that is recorded in the public records of affected counties, signed by the Landowner, the Department, and the utility service provider prior to construction.

If Landowner has received notice of a pending condemnation action from an appropriate authority, the provisions of Paragraph II.J apply.

15. Grazing. With Prior Approval, the right to raise, pasture, and graze livestock, and the right to lease pasture to another agricultural operator to raise, pasture, and graze livestock. Prior to any grazing, the parties will jointly develop a grazing management system as part of the MRMP.

D. RESTRICTIONS ON LANDOWNER'S ACTIVITIES

The following activities and uses are expressly prohibited or restricted:

1. **Timber Harvest in the Restricted Zone.** Timber harvest, use of mechanical equipment off of established roads, or conducting timber-management activities in the Restricted Zone is prohibited unless conducted as provided for in Paragraph II.C. and in compliance with the provisions of the MRMP.

2. **Wetland Areas.** The draining, filling, dredging, or destruction of any wetland area or any other activity that has significant adverse impacts on a wetland is prohibited except as provided for in Paragraph II.C. and in compliance with the provisions of the MRMP.

3. **Subdivision.** The partition, division, subdivision or de facto subdivision of the Land is prohibited, except as specifically provided for in Paragraph II.C.13.

4. **Residential Use.** Residential use of the Land and the construction or placement of any residential building or structure on the Land is prohibited.

5. **Water Use and Water Rights.** The use or withdrawal of surface or ground water in any manner that would adversely affect the Conservation Values is prohibited. Landowner may not transfer, encumber, sell, lease, abandon, or otherwise separate water rights from the Land, or any water rights later determined to have existed at the time of this Easement and any water rights acquired by the Landowner after execution of this Easement except as provided for in Paragraph II.C.14..

6. **Soil Cultivation.** Cultivation of the Land is prohibited, except as provided in Paragraph II.C.9. or in the MRMP.

7. **Lease or Sale of Access.** The rent, lease or sale of exclusive access to the Land to others for hunting, fishing, skiing, snowmobiling, or other recreational purposes, whether or not as a part of a commercial outfitting or guiding business, is prohibited. Charging fees for exclusive recreational use on the Land is prohibited. The Landowner may not sell, assign, convey, or otherwise transfer any interest in the Land for the purpose of providing exclusive access to the Land in contravention of this Easement.

8. **Utility Installation and Pipelines.** Subject to existing utility and pipeline easements and except as provided for in Paragraph II.C.15, the installation of utility lines upon or under the Land is prohibited.

9. **Structures and Improvements.**

- a. The construction or placement of a structure or improvement of any kind is prohibited, other than as expressly allowed in Paragraph II.C.3.
- b. The Landowner may not construct or place any permanent building on the Land.
- c. The Landowner may not construct or place a timber processing mill on the Land.

10. **Grazing.** Grazing of livestock is prohibited except as provided for in Paragraph II.C.16.

11. **Shooting Preserve, Wildlife Propagation and Related Activities.** The use of the Land as a game farm, game bird farm, shooting preserve, fur farm, zoo or menagerie, or in connection with the ownership, leasing, keeping, holding, capture, propagation, release, introduction, or trade in any animal that may pose a genetic or disease threat to any mammalian, avian, reptilian, aquatic or amphibian wildlife species, whether or not indigenous to Montana, is prohibited. This prohibition does not apply to common domestic livestock, or to the introduction, transplantedation or release of fish or wildlife species on the Land by the Department, which must have the consent of the Landowner for any such introduction, transplantedation or release on the Land. Domestic livestock is allowed per Paragraph II.C.16.

12. **Mineral Development.**

Except for the surface extraction of sand, gravel, and rock, all as provided for in Paragraph II.C.7.

a. Landowner is prohibited from exploring for, developing, mining, producing or otherwise extracting any minerals, oil, natural gas, coal-bed methane or other hydrocarbon resources on or under the surface of the Land. Landowner is also prohibited from conveying any interest in mineral rights to another party for purposes of mineral exploration, development, production or extraction.

b. If Landowner owns a minority interest in the oil, natural gas or any other mineral substances under the Land, Landowner may not initiate or participate in any attempt by other minority interest owners to initiate a pooling of interests to reach majority status for the purpose of proposing or pursuing exploration or extraction activity.

13. **Other Commercial and Industrial Use.** Any commercial or industrial use of or activity on the Land is prohibited, other than those specifically allowed in this Easement. For Purposes of this Easement, trapping of furbearing wildlife as regulated by the Department is considered a recreational activity and is not a commercial use.

14. **Waste Disposal.** The processing, dumping, storage or other disposal of waste, refuse and debris on the Land is prohibited, except for wood waste products generated through forest management activities on the Land, which may be disposed of on the Land in a manner consistent with forestry best management practices and the Montana Streamside Management Zone law.

15. **Ecosystem Services.** The Landowner may engage in ecosystem services markets under other programs, but such action must not adversely affect the interest granted under the easement to the Department or the Department's right of enforcement or be inconsistent with or defeat the conservation Purpose for which the Easement was acquired.

No agreements relating to ecosystem service markets shall be made regarding the Land that is or is likely to become inconsistent with the Forest Legacy Program purposes, terms of the Easement, or other documents incorporated by reference. If the Landowner wishes to enter into such an agreement, they must notify the Department of the Easement of any proposed participation in

ecosystem service markets the owner deems compatible with the Purposes and Terms of the Easement and related documents and explain why they believe market participation is compatible. The Department will determine the compatibility of the market participation. As needed and appropriate to make the determination, the Department will consult with the USDA Forest Service. If it is determined to be compatible, the Department will provide an approval and authorization letter to the Landowner and include the letter and ESM participation documentation as an attachment to the current Multi-Resource Management Plan. The Department may review and monitor all ecosystem service market participation for compatibility with FLP purposes and requirements.

E. MULTI-RESOURCE MANAGEMENT PLAN AND LIAISON TEAM

The Landowner and the Department shall enter into a MRMP that identifies the Landowner's objectives and actions the Landowner will take to protect and manage soil, water, range, aesthetic quality, recreation and public access, timber, and fish and wildlife habitat and resources. The MRMP is not incorporated into this Easement but must be in writing and signed and acknowledged by representatives of Landowner and the Department who have authority to commit the respective Parties to compliance with the MRMP. The Landowner will comply with the MRMP.

The Landowner's resource management and timber harvesting practices that comply with the MRMP are considered consistent with the terms, conditions, Conservation Values, and Purposes of this Easement.

Landowner and the Department shall form a joint liaison team (the "Liaison Team") consisting of not more than two (2) representatives of Landowner and two (2) representatives of the Department. The Liaison Team will provide a forum to review issues related to this Easement and will prepare and, as agreed upon, revise the MRMP. The Liaison Team shall meet not less than once a year as the members shall determine. If the Land is held in two (2) or more parcels as provided for in Paragraph II.C.13.a., each Landowner shall appoint its own Liaison Team members. Liaison Team meetings shall include the Department and all Landowners, unless other arrangements are mutually agreed upon.

The Liaison Team shall review and, when appropriate, amend the MRMP. Any amendment to the MRMP must be in writing and must have the signed consent and acknowledgment of all Parties. If there is any inconsistency between the terms of the MRMP, the terms of this Easement control. The Department will keep a current MRMP in its files at all times.

The Landowner may not convey the Land or any portion thereof unless the successor in interest has executed with the Department a MRMP that will come into effect upon the conveyance. The successor in interest may sign and acknowledge the MRMP that is in effect at the time of the transfer of ownership or, upon agreement with the Department, may sign and acknowledge a revised MRMP.

F. EASEMENT BASELINE REPORT

The Parties agree that an Easement Baseline Report will be completed by a natural resource professional familiar with the area, reviewed by the Department and Landowner, and acknowledged

by them to be an accurate representation of the physical and biological condition of the Land and its physical improvements as of the date of the conveyance of this Easement. In the event a controversy arises with respect to the nature of the biological and/or physical condition of the Land and its improvements, the Parties may use the Easement Baseline Report, as well as all other relevant or material documents, surveys, reports, or other information to assist in the resolution of the controversy.

G. NOTICES AND PRIOR APPROVAL

1. Whenever Prior Notice is required under this Easement, Landowner must notify the Department as provided for in this Section in writing not less than thirty (30) days prior to the date the Landowner intends to undertake such activity, unless, for safety reasons, a shorter period is necessary in which case Landowner shall give the Department as much notice as is possible under the circumstances. The purpose of requiring the Landowner to notify the Department prior to undertaking certain permitted activities is to afford the Department an opportunity to ensure that such activities are designed and carried out in a manner consistent with this Easement and its Purposes.

2. Whenever Prior Approval is required under this Easement, Landowner must notify the Department in writing not less than sixty (60) days prior to the date the Landowner intends to undertake the activity. The notice must be sent by courier service, or registered or certified mail, return receipt requested, or personal delivery, or electronic mail with confirmation, and must describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit the Department to make an informed judgment as to its consistency with this Easement and its Purposes. The Department has sixty (60) days from its receipt of such notice to review the proposed activity and to notify the Landowner of any objections to the proposed activity. If it is possible that the proposed activity can be modified to be consistent with the terms of the Easement, the Department shall inform the Landowner of the manner in which the proposed activity as modified may be conducted. The Department's response to Landowner's notice shall be sent by registered or certified mail, return receipt requested, or delivered by courier, or personal delivery service, or electronic mail with confirmation. In the event the Department denies the Landowner's proposed activity, the Department may provide a written determination with analysis of why such activity would significantly impact the Conservation Values of the Land.

3. If the Department fails to respond to Landowner's notice of Prior Approval within sixty (60) days of their receipt of the notice, the proposed activity shall be deemed accepted.

4. The Landowner shall be under no liability or obligation for any failure to give Prior Notice or seek Prior Approval for any activity undertaken by Landowner necessitated by virtue of fire, flood, acts of God, or other element, or any other emergency reasonably deemed by Landowner to exist; provided, however, after such an event, if there is damage to the Conservation Values, the Landowner shall notify the Department of any such damage as soon as practicable.

5. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by registered or certified mail, return receipt requested, electronic mail with confirmation, or delivered by courier, or personal delivery service with documentation of receipt and the date of delivery. A

notice is considered given on the date of its receipt; a response is considered given on the date of its posting by the respondent. Communications should be addressed as follows:

To Landowner: Stimson Lumber Company
 Attention: Vice President of Resources
 520 S.W. Yamhill, Suite 700
 Portland, OR 97204-1330

With a copy to: Stimson Lumber Company
 Attention: Director of Resources
 7600 N. Mineral Drive, Suite 400
 Coeur d’Alene, ID 83815

To Department: Administrator, Fish and Wildlife Division
 Department of Fish, Wildlife & Parks
 1420 E. Sixth Avenue
 P.O. Box 200701
 Helena, MT 59620-0701

With a copy to: Supervisor of Region 1
 Department of Fish, Wildlife & Parks
 490 North Meridian Road
 Kalispell, MT 59901

or to such other address as either party from time to time shall designate by written notice to the other.

H. REMEDIES FOR UNAUTHORIZED USES AND PRACTICES

1. If the Department determines that the Landowner has violated the terms of this Easement, or if the Landowner undertakes any activity requiring approval of the Department without first obtaining such approval, the Department shall give written notice to the Landowner of the violation and demand corrective action sufficient to cure the violation, and, when the violation involves injury to the Land resulting from any use or activity inconsistent with the terms of this Easement, to restore the portion of the Land so damaged. If the Landowner:

fails to cure the violation within sixty (60) days after receipt of notice from the Department;
under circumstances where the violation cannot reasonably be cured within a sixty (60) day period, fails to begin curing the violation within the sixty (60) day period (or, within sixty (60) days of Landowner’s receipt of notice from the Department, if Landowner fails to agree with the Department in writing on a date by which efforts to cure such violation will reasonably begin), or

fails to continue diligently to cure such violation until finally corrected, the Department may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement. The Department may seek to enjoin the violation, by temporary or permanent injunction, to require the restoration of the Land to the condition that existed prior to any such injury, and, if restoration is not possible to fully compensate for injury to the Conservation Values, to recover monetary damages to which it may be entitled for violation of the terms of this Easement.

2. If the Department, in its sole discretion, determines that a violation is threatened or imminent or that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values, the Department may pursue its remedies under this Paragraph without prior notice to the Landowner or without waiting for the period provided for cure to expire. The Department shall provide reasonable notice to Landowner of any such action within a reasonable time thereafter.

3. The Department's rights under this provision apply equally in the event of either actual or threatened violation of the terms of this Easement. The Landowner agrees that the Department's remedies at law for any violation of the terms of this Easement are inadequate. Accordingly, the Department is entitled to injunctive relief and to require the restoration of the Land to the condition that existed prior to any such event. The Department's remedies described in this Section are cumulative and are in addition to all remedies available at law or in equity.

4. Nothing contained in this Easement may be construed to entitle the Department to bring any action against the Landowner for any injury to or change in the Land resulting from causes beyond the Landowner's control, including, without limitation, fire, flood, storm, and natural earth movement, or from any prudent action taken to prevent, abate, or mitigate significant injury to the Land resulting from such causes.

5. Enforcement of the terms of this Easement is at the discretion of the Department, and any forbearance by the Department to exercise its rights under this Easement in the event of any breach of any term of this Easement by the Landowner may not be deemed or construed to be a waiver by the Department of that term or of any subsequent breach of the same or any other term of this Easement. No delay or omission by the Department in the exercise of any right or remedy upon any breach by Landowner may impair the right or remedy or be construed as a waiver, nor may any forbearance or delay give rise to a claim of laches, estoppel or prescription.

6. Costs of restoration of the Conservation Values that are attributable to Landowner's violation or breach of the terms of this Easement shall be borne by Landowner, unless a court orders otherwise or unless the Parties mutually agree to share such costs. In the event of such litigation to enforce the terms of this Conservation Easement, each Party shall bear its own costs and attorneys' fees and costs.

7. If a dispute arises between Landowner and the Department concerning interpretation of the meaning of this Easement or concerning the consistency of any proposed use or activity with the terms or Purposes of this Easement, and if Landowner agrees in writing not to proceed with the use or activity pending resolution of the dispute, either Landowner or the Department may refer the

dispute to mediation by request made in writing to the other Party. Within ten (10) days of receipt of such referral, Landowner and the Department will select an impartial mediator who shall conduct the mediation and thereby assist the Parties in resolving the dispute cooperatively. Each Party shall pay an equal share of the mediator's fee. In referring any matter arising under this Easement to mediation, Landowner and the Department agree that mediation offers an alternative to the expense and time required to resolve disputes by litigation and is therefore often preferable to litigation. Nevertheless, mediation pursuant to this Paragraph shall be voluntary, and this mediation provision shall not be interpreted as precluding or limiting the Parties from seeking legal or equitable remedies available under this Section II.

I. HOLD HARMLESS AND INDEMNITY

1. The Landowner shall hold harmless, indemnify, and defend the Department and its employees, agents and contractors from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including without limitation, reasonable attorneys' fees and costs, arising from or in any way connected with injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Land, unless due to the negligence or willful misconduct of the Department or its agents, employees or contractors.

2. The Department similarly agrees to hold harmless, indemnify and defend the Landowner and its officers, directors, employees, agents and contractors from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including without limitation, reasonable attorneys' fees and costs, arising from or in any way connected with injury to or the death of any person or physical damage to any property, resulting from any action, omission, condition or other matter related to or occurring on or about the Land, as a result of the Department's exercise of its rights granted under this Easement, unless due to the negligence or willful misconduct of the Landowner or its officers, directors, agents, employees or contractors.

J. TERMINATION, EXTINGUISHMENT, CONDEMNATION, REIMBURSEMENT

The Parties agree that the Land includes important species, habitat, and other important ecosystem attributes. Conservation Values and the public benefits that are provided by this Easement may periodically fluctuate or trend toward long-term change, due to natural events such as wildfire, floods, interdecadal climate events, and long-term climate change, as well as human-initiated enhancement or restoration actions. In response to such changes, one or more of the Purposes of this Easement may not be able to be fully accomplished, or one or more of the Conservation Values of this Easement may not be able to be fully protected or achieved. If one or more of the Purposes of this Easement can no longer be fully accomplished, or if one or more of the Conservation Values of the Land cannot be fully achieved, such failure shall not be deemed sufficient cause to terminate this Easement so long as any of the other Purposes of the Easement may be accomplished and any of the Conservation Values may be achieved.

“The provisions of this Section shall apply notwithstanding, and in addition to, any other conditions or limitations that may be imposed on the transfer, amendment, or extinguishment of this Easement.”

1. Transfer. This Easement may be transferred or assigned only (i) to a government entity that (a) is eligible to hold this Easement under the Forest Legacy Program (FLP), (b) is willing and able to hold this Easement for the Purpose for which it was created, and (c) expressly agrees to assume the responsibility imposed on the holder by the terms of this Easement and (ii) with the consent of the Department. If the Department ceases to exist or is no longer willing and able to hold this Easement for the Purpose for which it was created or carry out the responsibility imposed on the holder by the terms of this Easement, the Montana Department of Fish, Wildlife and Parks must identify and select an appropriate entity to which this Easement must be transferred.

2. Amendment. This Easement may be amended only with the written approval of the Montana Department of Fish, Wildlife and Parks program manager, and they are under no obligation to agree to any amendment or consult or negotiate regarding any amendment. An amendment may be approved by the Montana Department of Fish, Wildlife and Parks and the USDA Forest Service FLP Northern Region program manager only if it will (i) serve the public interest and not diminish the benefits provided to the public, (ii) have a beneficial or neutral effect on the conservation values protected by this Easement, (iii) be consistent with the Purpose of the FLP and the Purpose of this Easement, (iv) not confer an economic benefit on private persons (private inurement or private benefit in the case of a charitable organization holder), (v) be consistent with the intent of the original grantor of this Easement and any funding entities, (vi) not diminish the perpetual duration of this Easement or negatively affect the status or rights of the Department, or the United States with regard to this Easement, and (vii) otherwise comply with all applicable federal, State, and local laws and regulations. Amendments to make boundary line adjustments are permitted only in the case of technical errors made in the survey or legal description, or to improve or maintain the integrity of the Conservation Easement. Any approved amendment must be recorded in the appropriate local land use records and a copy of the recorded amendment must be provided to the Montana Department of Fish, Wildlife and Parks and the USDA Forest Service FLP, Northern Region program manager within thirty (30) days of recordation. Any purported amendment that is recorded without the prior written approval of the Montana Department of Fish, Wildlife & Parks and the USDA Forest Service FLP Northern Region program manager will be null and void.

3. Extinguishment. The Landowner and the Department acknowledge that USDA Forest Service Forest Legacy Program funding for the acquisition of this Easement is authorized by the Cooperative Forestry Assistance Act of 1978, P.L. 95-313 as amended (codified at 16 U.S.C. § 2101 et seq.), and pursuant to the grant agreement Domestic Grant 19-DG-11010000-005 awarded by the United States Department of Agriculture (USDA) Forest Service on June 5, 2019 to the Montana Department of Fish, Wildlife and Parks. The grant agreement is housed in the USDA Forest Service Regional/Area Office at State and Private Forestry, Regions 1 and 4, 324 25th St, Ogden, UT 84401 or in an archival facility per Agency policy. The Landowner and the Department acknowledge and agree that this Easement cannot be extinguished, in whole or in part (whether through release, termination, exchange, or otherwise) unless the USDA Secretary of Agriculture (Secretary), in the Secretary’s sole and absolute discretion, consents in writing to the extinguishment and the United States is reimbursed its proportionate share of the value of this Easement or the portion thereof that

is extinguished at the time of extinguishment. The form of the United States' reimbursement under this Paragraph (whether it is received in cash or in kind) shall be in the sole and absolute discretion of the Secretary but shall in all events be used for FLP or similar conservation Purposes. This Easement shall not be deemed extinguished in whole or in part until the United States receives reimbursement as provided in this Paragraph.

4. The United States' "proportionate share" is _____ percent (__%) which was determined by dividing the FLP's contribution to the acquisition of this Easement by the value of this Easement at the time of its acquisition and expressing the result as a percentage. The United States' proportionate share shall remain constant over time.

One of the main purposes of this Easement is to perpetually protect an important wildlife area. Therefore, as its purchase is partially funded (\$ _____) by a National Fish and Wildlife Foundation (NFWF) grant, notification must be provided to NFWF of any future circumstance that arises resulting in 1) the termination or extinguishment, in whole or in part, of the conservation easement or 2) the condemnation of the Property, in whole or in part, through an exercise of eminent domain. Under any such circumstance, the amount of the compensation to which the holder of this Easement shall be entitled from any sale, exchange or involuntary conversion of all or any portion of the Property shall be apportioned to provide NFWF its percentage share interest in the Property on the date the Easement is recorded. NFWF will use such recovered funds to purchase, restore or enhance similar wildlife habitats.

Notice is hereby given that the Easement on the Land as described in Exhibit A is being acquired all or in part using funds provided by a grant from the Montana Fish and Wildlife Conservation Trust (the "Trust") established in accordance with the provisions of the Canyon Ferry Reservoir, Montana, Act (Title X of Public Law 105-277 - October 21, 1998). This Easement acquisition is intended to be used for the purposes of the Montana Fish and Wildlife Conservation Trust, which was created to acquire publicly accessible land and interests in land and this Easement was approved to:

- (A) Restore and conserve fisheries habitat, including riparian habitat;
- (B) Restore and conserve wildlife habitat;
- (C) Enhance public hunting, fishing and recreational opportunities; and
- (D) Improve public access to public land.

Accordingly, the Land shall be managed for the purposes of outdoor public recreational use, including free recreational hunting access, wildlife viewing and habitat improvements.

The Department acknowledges that, under the requirements of the Trust grant, the Land may not be encumbered, developed, or disposed of in any manner not provided for above or used for purposes inconsistent with public outdoor recreational use without the prior written approval of the Montana Fish and Wildlife Conservation Trust. The Department shall conduct reasonable monitoring of the Easement with the Trust to ensure compliance with the provisions above. Further, the Easement cannot be terminated unless the Trust is reimbursed for its proportionate share of the market value of the Land at the time of its termination; provided, however, that the Trust may exercise discretion to consent to such termination upon the State's tender of equal valued consideration acceptable to the Trust.

The Trust's proportionate share is ___% of the market value of the Easement, which was determined by dividing the Trust's contribution to the acquisition of the Easement by the value of the acquisition of the Easement, at the time it was acquired, and expressing the result at a percentage. The market value of this interest in the Easement or the portion thereof that is terminated shall be the market value of such interest immediately before the disposal as determined by an appraisal that meets the Uniform Standards of Professional Appraisal Practice (USPAP) and is completed by a certified general appraiser.

5. The "value of this Easement or the portion thereof that is extinguished" shall be the value of such interest immediately before the extinguishment as determined using the before and after or similar appraisal method in an appraisal that meets the Uniform Acquisition Standards of Federal Land Acquisition (UASFLA) and is completed by a certified general appraiser approved by the Department and the R/A/I.

6. No inaction or silence by the Secretary shall be construed as approval of an extinguishment or as an abandonment of this Easement in whole or in part. Any purported extinguishment executed without the prior written consent of the Secretary will be null and void. The provisions of this Paragraph shall survive any partial extinguishment.

7. This Easement constitutes a real property interest immediately vested in the Department. It is the unequivocal intention of Department and the Landowner that the conservation Purpose of this Easement be carried out in perpetuity. If circumstances arise in the future that render all Purposes of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Department and Landowner agree that changed economic conditions may not be considered as circumstances justifying the modification, termination or extinguishment of this Easement. If this Easement is extinguished by judicial proceedings or should any interest in the Land be taken by the exercise of the power of eminent domain or acquired by purchase in lieu of condemnation with the **Prior Approval** of the Department, Department is entitled to a proportionate share of the proceeds of any sale, exchange, or involuntary conversion of the Land formerly subject to this Easement. The Landowner and Department shall act jointly to recover the full value of the property interests in the Land subject to the taking or in lieu purchase and all direct costs or incidental damages to which each is entitled. For the purposes of this Paragraph, the ratio of the value of this Easement to the value of the Land unencumbered by this Easement remains constant as determined as of the date of this grant. Department and the Landowner agree that the Department's proportionate interest in the value of the Easement is _____ (___%) percent, the NFWF proportionate interest is _____ (___%) percent of the Easement, the FWCT proportionate interest is _____ (___%) percent of the Easement, and the Landowner's proportionate interest is _____ (___%) percent of the Easement. The value of any future interest will not include any value attributable to authorized improvements to the Land made after the date of this grant, except as to improvements made by or at the expense of Department, unless evidence at any condemnation hearing or proceeding demonstrates actual damages to the Landowner and Department which vary in favor of Department from the proportionate interest established above.

K. ASSIGNMENT

This Easement may be transferred or assigned only (i) to a government entity that (a) is eligible to hold this Easement under the Forest Legacy Program and authorized to acquire and hold conservation easements under the laws of the State of Montana, (b) is willing and able to hold this Easement for the Purposes for which it was created, and be carried out in perpetuity, and (c) expressly agrees to assume the responsibility imposed on the Department by the terms of this Easement and (ii) with the consent of the Department. As a condition of such transfer, the Department shall provide ninety (90) days' notice to Landowner of such transfer or assignment.

L. AMENDMENT

If circumstances arise under which an amendment to or modification of this Easement would be appropriate, the Landowner and the Department are free to jointly amend this Easement; provided that no amendment shall be allowed that will affect the qualifications of this Easement under any Applicable Laws, including §76-6-101, et seq., MCA, and any amendment shall be consistent with the Purposes of this Easement, and shall not affect its perpetual duration.

M. RECORDATION

The Department shall record this Easement in the official records of Lincoln County, Montana. The Department may re-record this Easement at any time.

N. GENERAL PROVISIONS

1. **Controlling Law.** The interpretation and performance of this Easement will be governed by the laws of the State of Montana.

2. **Construction.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the Purposes of this Easement and the policy and purpose of Mont. Code Ann. §76-6-101, et seq. If any provision in this Easement is found to be ambiguous, an interpretation consistent with the Purposes of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

3. **Entire Agreement.** Except with respect to matters set forth in the Easement Baseline Report and the MRMP, this instrument sets forth the entire agreement of the Parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to this Easement, all of which are merged into this Easement.

4. **No Forfeiture.** Nothing contained in this Easement will result in a forfeiture or reversion of Landowner's title in any respect.

5. **Successors.** This Easement shall be binding upon and inure to the benefit of the Parties, their heirs, administrators, successors and assigns, and shall continue as a servitude running in perpetuity with the Land.

6. **Termination of Rights and Obligations.** A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Land, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

7. **Severability.** If any provision of this Easement is found to be invalid, the remainder of the provisions of this Easement shall not be affected.

8. **Counterparts.** This Easement may be executed in counterparts which, taken together, shall constitute one and the same instrument.

TO HAVE AND TO HOLD unto the Department, its successors, and assigns forever.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF Landowner and the Department have set their hands on the day and year first above written.

LANDOWNER:

STIMSON LUMBER COMPANY

By: _____
Andrew W. Miller
President and CEO

ACKNOWLEDGMENTS

STATE OF OREGON)
)ss:
COUNTY OF Multnomah)

On this __ day of _____, 20__, before me personally appeared the individual that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public in and for the State of Oregon

DEPARTMENT:

MONTANA DEPARTMENT OF FISH, WILDLIFE
AND PARKS

By: _____
Henry P. Worsech, Director

STATE OF MONTANA)
) ss:
County of Lewis and Clark)

This instrument was signed before me on _____ by Henry P. Worsech,
Director of Montana Department of Fish, Wildlife & Parks.

SEAL

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Tract 1:

The SE1/4SE1/4NE1/4, the NE1/4NE1/4SE1/4, the S1/2NE1/4SE1/4, the S1/2S1/2NW1/4NE1/4SE1/4, the N1/2SE1/4SE1/4 and the SE1/4SE1/4SE1/4, all in Section 33, Township 31 North, Range 29 West, P.M.M., Lincoln County, Montana.

EXCEPTING that portion deeded to the United States of America as set out in Book 18, Page 635; Book 48, Page 199; Book 157, Page 394; Book 4, Page 364, and corrected in Book 28, Page 683, microfilm records of Lincoln County, Montana.

Tract 2:

Government Lots 1, 2, 3, 4 and the S1/2N1/2, and S1/2 of Section 3, Township 30 North, Range 29 West, Lincoln County, Montana.

Tract 3:

Government Lot 1, the SE1/4NE1/4, and E1/2SE1/4 of Section 4, Township 30 North, Range 29 West, Lincoln County, Montana.

EXCEPTING that portion taken by the United States of America as set out in Book 48, Page 199, microfilm records of Lincoln County, Montana.

ALSO EXCEPTING that portion deeded to the United States of America as set out in Book 18, Page 568, microfilm records of Lincoln County, Montana.

Tract 4:

E1/2, Government Lot 6, and a tract of land described as follows:

A tract of land in the Southeast Quarter of the Northwest Quarter and Government Lot 3 of Section 9, Township 30 North, Range 29 West, P.M.M., more particularly described as follows:

Beginning at the point of intersection of the easterly line of the Great Northern Railway Company's right of way with the north boundary line of Lot 2, said point being 1319.02 feet South and 843.97 feet East of the section corner common to Section 4, 5, 8 and 9 of said township and range; thence proceed

S. 37° 07' E. along the easterly line of said railway right of way a distance of 440.94 feet; thence along a curve to the right of 1° 43' 30", having a radius of 3324.17 feet for a distance of 380.58 feet to the point of intersection with the East boundary line of said Lot 2, which point is 1987.4 feet South and 1322.38 feet East from the aforesaid Section corner; thence continuing along said curve for a distance of 715.85 feet to a point on the line between the SE1/4NW1/4 and Lot 3 of said Section 9, which point is 2640.00 feet South and 1614.52 feet East from aforesaid section corner; thence continuing along said curve for a distance of 1341.24 feet to a point on the South line of said Lot 3; thence East 873.00 feet, more or less, to the southeast corner of said Lot 3; thence northerly along the quarter section a distance of 2640.00 feet, more or less, to the Northeast corner of the SE1/4NW1/4 of said Section 9; thence Westerly a distance of 1800.16 feet, more or less, to the point of beginning of the tract herein described.

EXCEPTING that portion deeded to the United States of America as set out in Warranty Deed in Book 29, page 965, and in Warranty Deed in Book 157, page 394, records of Lincoln County, Montana.

Tract 5:

All of Section 10, Township 30 North, Range 29 West, Lincoln County, Montana.

Tract 6:

The E1/2NW1/4NE1/4, E1/2W1/2NW1/4NE1/4, NE1/4SE1/4NE1/4, and N1/2NW1/4SE1/4NE1/4, Section 13, Township 30 North, Range 29 West AND HES No. 825, comprising of Tracts "A" and "B", embracing a portion of said Section 13, Township 30 North, Range 29 West, and a portion of Section 18, Township 30 North, Range 28 West, P.M.M., said HES No. 825 more particularly bounded and described as follows:

TRACT A

Beginning for the description of Tract A at Corner No. 1, identical with the NE corner to said Section 13; thence

S. 9° E. 10.01 chains to corner No. 2, thence

S 52° 44' E. 38.68 chains to corner No. 3; thence,

S 39° 37' E. 20.14 chains to corner No. 4; thence,

S. 33° 36' W. 1.86 chains to corner No. 5; thence,

N. 39° W. 20.99 chains to corner No. 6; thence,

N. 51° 28' W. 37.62 chains to corner No. 7; thence,

N. 54° 15' W. 18.73 chains to corner No. 8; thence,

S. 89° 81' E. 15.17 chains to corner No. 1 the place of beginning.

TRACT B

Beginning for the description of Tract B at corner No. 9 from which corner No. 8 of said Tract A bears

S. 89° 8' E. 87 links distant; thence

S. 54° 15' E. 19.43 chains to corner No. 10; thence,

S. 51° 28' E. 39 links to corner No. 11; thence,

S. 51° 28' E. 37.17 chains to corner No. 12; thence,

S. 39° E. 21.09 chains to corner No. 13; thence,

S. 33° 36' W. 10.53 chains to corner No. 14; thence,

N. 39° 35' W. 19.11 chains to corner No. 15; thence,

N. 58° 20' W. 28.49 chains to corner No. 16; thence,

N. 9° W. 10.02 chains to corner No. 17; thence,

N. 89° 11' W. 19.83 chains to corner No. 18; thence,

N. 6° W. 20.04 chains to corner No. 19; thence,

S. 89° 8' E. 3.78 chains to corner No. 9, the place of beginning.

EXCEPTING from the above described tracts of land the following;

A southeasterly portion of aforesaid tract B being in the W1/2 of Section 18, Township 30 North, Range 28 West, P.M.M., more particularly described as follows;

Beginning at corner No. 15 of said Tract B of HES No. 825, from which the west quarter section corner to said Section 18, Township 30 North, Range 28 West, bears

N. 78° 08' W. 1639 feet distant, thence,

S. 39° 35' E. 1261.3 feet to corner No. 14, thence,

N. 33° 36' E. 695 feet to corner No. 13, thence following southerly line road right of way

N. 39° 29' W. 1391.5 feet to corner No. 12, thence along southerly line of road

N. 52° 36' W. 1011.9 feet to a point on line, thence

S. 23° 55' W. 848.2 feet across said tract B to a point on southerly line of tract B, thence
S. 58° 20' E. 982.7 feet to corner No. 15, the place of beginning.

Tract 7:

All of Section 14, Township 30 North, Range 29 West, Lincoln County, Montana.

Tract 8:

All of Section 15, Township 30 North, Range 29 West, Lincoln County, Montana.

Tract 9:

Section 17, Township 30 North, Range 29 West, more particularly described as follows:

That part of Government Lot 3, more particularly described as follows:

Beginning at a point where the Northerly line of the Great Northern Railway right of way intersects the West line of Lot 3, said point being 13.3 chains North from the Southwest corner of Lot 3, thence

S. 75° 15' E. along the north line of said right of way 2.74 chains to the point of beginning, thence

S. 75° 15' E. along northerly right of way line 7.19 chains, thence

S. 76° 30' E. along northerly line of right of way, .92 chains, more or less, to the southwesterly bank of the Kootenai River, thence,

N. 43° 30' W. along the southerly bank of Kootenai River, 5.08 chains, thence

N. 63° 30' W. along southerly bank 3.6 chains, more or less, to a point bearing

N. 19° 15' E. from the point of beginning, thence

S. 19° 15' W. 3.5 chains, more or less, to the point of beginning.

EXCEPTING that portion deeded to the United States of America as set out in Book 48, page 201, microfilm records of Lincoln County, Montana.

ALSO Conveying Government Lots 7, 8, and 9 of the NW1/4SW1/4, NE1/4SE1/4 and the S1/2S1/2.

EXCEPTING therefrom right of way for the railroad.

AND

That portion of Lot 3 of Section 17 in Township 30 North, Range 29 West, P.M.M., described as follows: Beginning at the southwest corner of said Lot 3, running thence east along the south line of said Lot 3, 20 chains more or less, to the southeast corner of said Lot 3; thence north along the east line of said Lot 3, 3.55 chains, more or less, to the southerly boundary of the right of way of the Great Northern Railway; thence North 76° 30' West along said southerly boundary of the right of way 11.95 chains; thence North 75° 15' West along said southerly boundary 2.16 chains; thence due south 1.14 chains, thence North 75° 15' West 3.27 chains; thence due north 1.14 chains, more or less, to said southerly boundary; thence North 75° 15' West along said southerly boundary 3.27 chains more or less, to the west line of said Lot 3; thence south along said west line 8.61 chains, more or less, to the point of beginning.

Tract 10:

Government Lots 5, 6, 7 and 8 in Section 18, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana.

And further excepting the Right of Way for Railroad.

Tract 11:
NE1/4 of Section 22, Township 30 North, Range 29 West P.M.M., Lincoln County, Montana

Tract 12:
All of Section 23, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 13:
All of Section 25, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 14:
NE1/4, N1/2SE1/4 and S1/2SE1/4 of Section 27, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 15:
THIS TRACT INTENTIONALLY DELETED

Tract 16:
Government Lots 1, 2, 3 and 4 and E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$ (All Fractional) of Section 7, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 17:
W $\frac{1}{2}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 8, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 18:
All of Section 11, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 19:
All of Section 17, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 20:
Government Lots 1, 2, 3 and 4 and E $\frac{1}{2}$ W $\frac{1}{2}$ and E $\frac{1}{2}$ (All Fractional) of Section 18, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 21:
Government Lots 1, 2, 3 and 4, the E $\frac{1}{2}$ W $\frac{1}{2}$ and the E $\frac{1}{2}$ of Section 19, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 22:
Government Lots 1, 2, 3 and 4, inclusive, the E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 30, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 23:

Government Lots 1, 2, 3 and 4, inclusive, the E $\frac{1}{2}$ W $\frac{1}{2}$ and E $\frac{1}{2}$ Section 31, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 24:

All of Section 32, Township 29 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 25:

W $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 26:

E $\frac{1}{2}$ of Section 11, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 27:

NW $\frac{1}{4}$ of Section 12, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 28:

E $\frac{1}{2}$ of Section 13, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 29:

NW $\frac{1}{4}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 14, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 30:

N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 15, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 31:

SE $\frac{1}{4}$ of Section 21, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 32:

All of Section 23, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 33:

Government Lots 1, 2, 3 and 4 and S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$ of Section 25, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 34:

Government Lots 1, 2, 3 and 4 inclusive, the S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$ of Section 26, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 35:

All of Section 27, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 36:

NE $\frac{1}{4}$ of Section 33, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 37:

All of Section 35, Township 29 North, Range 30 West, P.M.M., Lincoln County, Montana.

Libby East Project

Tract 38:

All of Section 31, Township 31 North, Range 28 West, P.M.M., Lincoln County, Montana.

Tract 39:

Government Lots 1, 2, 3, and 4, S1/2 N1/2, S1/2 (All Fractional) in Section 1, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 40:

The S1/2 of Section 12, Township 30 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 41:

All Section 35, Township 31 North, Range 29 West, P.M.M., Lincoln County, Montana.

Tract 42:

Government Lots 1, 2, 3, 4, the S1/2 N1/2, N1/2 SW1/4, SE1/4 SW1/4, and SE1/4, and Tract 5B in SW1/4 SW1/4 described as follows: An irregular tract of land in Lincoln County, Montana, being part of the Southwest Quarter of the Southwest Quarter of Section 3, and part of the Northwest Quarter of the Northwest Quarter of Section 10 all of Township 28 North, Range 30 West, P.M.M., more particularly described as follows: Beginning at a B.L.M. brass cap monument marking the southwest corner of said Section 3; thence, along the west line of said Section 3, N. 0° 06' 15" W. 814.52 feet to a point of the southwesterly right of way line of U.S. Highway No. 2; thence, along the southwesterly right of way line, on the arc of a spiral curve to the right the chords of which bear
S. 32° 50' 16" E. 80.92 feet; thence
S. 24° 29' E. 195.25 feet; thence, leaving said curve, the following four courses along said southwesterly right of way line;
S. 24° 29' E. 623.56 feet at 60.0 feet distance measured at right angles from the centerline of a point on the south line of said Section 3, thence, in Section 10 said Township and Range,
S. 24° 29' E. 621.14 feet; thence,
N. 65° 31' E. 20.0 feet; thence 40 feet distant measured at right angles from said centerline,
S. 24° 29' E. 826.81 feet to a point on the south line of the NW1/4 NW1/4 of said Section 10; thence, along said south line,
S. 89° 57' W. 993.83 feet to the southwest corner of said NW1/4 NW1/4; thence, along the west line of said Section 10,
N. 0° 16' 10" W. 1308.72 feet to the point of beginning.

C.S. No. 107;

EXCEPTING therefrom that part deeded to State of Montana in Book 275, Page 40, microfilm records of Lincoln County, Montana.

Tract 43

The SW1/4, Government Lot 4, the SW1/4 NW1/4, and S1/2 SE1/4, all in Section 4, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING therefrom that part deeded to the State of Montana in Book 275, Page 40 and Book 274, Page 586 and 587.

Tract 44:

The W1/2, SE1/4 and W1/2 NE1/4 of Section 5, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 45:

The E1/2, E1/2 W1/2 and SW1/4 SW1/4 of Section 9, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 46:

Part of the NE1/4 SW1/4 lying west of the west line of U.S. No. 2, SE1/4 SW1/4, SW1/4 SE1/4, of Section 10, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING therefrom the right of way of U.S. Highway No. 2, conveyed to Lincoln County by instrument recorded in Book 64 at page 471 and Book 68, Page 251 and Book 275, Page 38 and 39, records of Lincoln County, Montana.

AND

An irregular tract of land in Lincoln County, Montana, being part of the SW1/4 SW1/4 of Section 3, and part of the NW1/4 NW1/4 of Section 10 all of Township 28 North, Range 30 West, P.M.M., and more particularly described as follows: Beginning at a B.L.M. brass cap monument marking the southwest corner of said Section 3; thence, along the west line of said Section 3,

N. 0° 06' 15" W. 814.52 feet to a point on the southwesterly right of way line of U.S. Highway No. 2; thence, along the southwesterly right of way line, on the arc of a spiral curve to the right the chords of which bear

S. 32° 50' 16" E. 80.92 feet; thence,

S. 24° 29' E. 195.25 feet; thence, leaving said curve, the following four courses along said southwesterly right of way line;

S. 24° 29' E. 623.56 feet at 60.0 feet distance measured at right angles from the center line of a point on the south line of said Section 3; thence, in Section 10 said township and range,

S. 24° 29' E. 621.14 feet; thence,

N. 65° 31' E. 20.0 feet; thence 40 feet distant measured at right angles from said centerline,

S. 24° 29' E. 826.81 feet to a point on the south line of the NW1/4 NW1/4 of said Section 10; thence, along said south line,

S. 89° 57' 57" W. 993.83 feet to the southwest corner of said NW1/4 NW1/4; thence, along the west line of said Section 10,

N. 0° 16' 10" W. 1308.72 feet to the point of beginning.

C.S. No. 107

EXCEPTING therefrom that part deeded to the State of Montana in Book 275, Page 40, microfilm records of Lincoln County, Montana.

Tract 47:

The N1/2 NW1/4, E1/2 and SW1/4 of Section 14, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 48:

The NE1/4 SE1/4 and S1/2 SE1/4 of Section 15, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that portion deeded to Lincoln County as set out in instrument recorded in Book 41 at page 164 and Book 275, page 36 and 37, records of Lincoln County, Montana.

Tract 49:

The E1/2 SE1/4 of Section 22, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 50:

The E1/2, E1/2 W1/2, W1/2 SW1/4 and NW1/4 NW1/4 of Section 23, Township 28 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 51:

Government Lots 9, 10, 11 and the SW1/4 SE1/4, of Section 5, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana.

Tract 52:

Government Lots 1, 2, 4 and 5, of Section 8, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana.

Tract 53:

Government Lots 2, 3, 4, 9, 10, 11, and the S1/2 SW1/4, NW1/4 SW1/4, of Section 9, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana. EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana.

Tract 54:

Government Lots 4, 5, 6, 8, and the S1/2 S1/2, of Section 13, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana,

ALSO EXCEPTING a strip deeded for railroad right of way by instrument recorded in Book 3 of transcribed deeds on Page 4, records of Lincoln County, Montana.

Tract 55:

Government Lots 5, 6, 7, 8, and the SW1/4 SW1/4, of Section 14, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana.

Tract 56:

Government Lots 2, 3, 4, 5, the S1/2, and S1/2 NW1/4, Section 15, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

EXCEPTING that part deeded to the United States of America as set out in Book 48, Page 201, microfilm records of Lincoln County, Montana,

ALSO EXCEPTING a strip deeded for railroad right of way by instrument recorded in Book 3 of transcribed deeds on Page 4 and in Book 57, page 282, records of Lincoln County, Montana.

Tract 57:

The SE1/4 of Section 21, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 58:

Government Lots 1, 2, 3 and 4 and S1/2NW1/4 and S1/2 and S1/2NE1/4 of Section 22, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 59:

All of Section 23, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 60:

Lots 1 to 4 inclusive, the S1/2 N1/2 and S1/2 of Section 24, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 61:

The W1/2 of Section 25, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 62:

The E1/2 NE1/4, E1/2 W1/2 NE1/4, E1/2 SW1/4 SW1/4 NE1/4, N1/2 NW1/4, SW1/4 NW1/4, N1/2 SE1/4 NW1/4, SW1/4 SE1/4 NW1/4, W1/2 SE1/4 SE1/4 NW1/4, W1/2 NE1/4 NE1/4 SW1/4, W1/2 NE1/4 SW1/4, SE1/4 NE1/4 SW1/4, SE1/4 SW1/4, NE1/4 SE1/4, NE1/4 NW1/4 SE1/4, E1/2 NW1/4 NW1/4 SE1/4, S1/2 NW1/4 SE1/4, S1/2 SE1/4 and W1/2 SW1/4 of Section 26, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 63:

All Section 27, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 64:

The NE1/4 of Section 33, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 65:

The W1/2, and SE1/4 Section 34, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 66:

The W1/2 of Section 35, Township 30 North, Range 30 West, P.M.M., Lincoln County, Montana.

Tract 67:

The SE/14NW1/4 and E1/2SW1/4 and E1/2 and Government Lots 1, 2, 4, 5 and 6 in Section 31, Township 31 North, Range 30 West, P.M.M., Lincoln County, Montana.

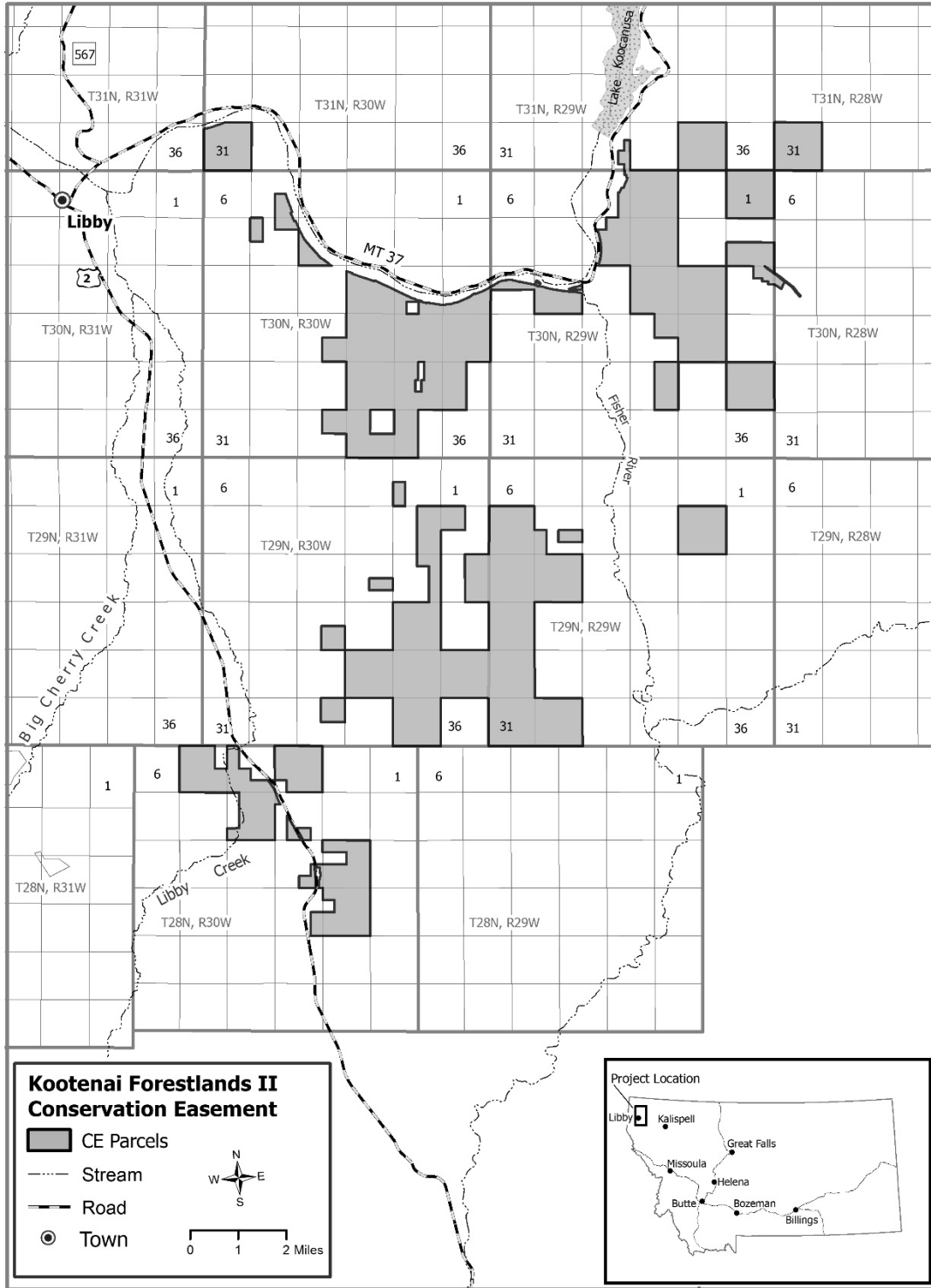
EXCEPTING THEREFROM that part deeded to the railroad in Book 6, Page 255, records of Lincoln County, Montana.

AND

EXCEPTING that part contained in C.S. No. 4122.

END OF EXHIBIT A

EXHIBIT B MAP OF THE LAND



END OF EXHIBIT B

EXHIBIT C

RESTRICTED ZONE

That portion of the Land which contains fish-bearing streams will be subject to the following restrictions:

(i) The portion of the Land which is affected by these restrictions (the “Restricted Zone”) is described as an area that includes the Federal Emergency Management Agency (“FEMA”) 100-year floodplain if mapped as the date hereof along with an additional area fifty (50) feet in width, slope distance, on each side of the FEMA 100-year floodplain. When no FEMA floodplain is mapped, the Restricted Zone will apply within a zone of fifty (50) feet wide, slope distance on each side of the stream measured from the ordinary high-water mark of the stream. Where the slope of the Restricted Zone is greater than 35 percent (35%), the distance will be extended to one hundred (100) feet or to the edge of a flat bench of 15 percent (15%) slope, whichever is less. The area shall be extended to include any associated wetlands.

(ii) Within the Restricted Zone, the following restrictions shall apply:

A. No buildings shall be constructed within the Restricted Zone.

B. No new roads shall be constructed within the Restricted Zone except where such construction is necessary to obtain access or to cross a stream or wetland. All new road construction shall be in compliance with forestry road Best Management Practices then in effect to minimize the delivery of sediment to streams.

C. No gravel pits shall be developed within the Restricted Zone.

D. The amount of impervious surface area (such as paving) shall not exceed ten percent (10%) of the total land area within the Restricted Zone.

E. No timber shall be harvested within the Restricted Zone without Prior Approval. Shrubs and sub-merchantable trees must be protected and retained in the Restricted Zone to the extent practical.

F. Any application of herbicides, pesticides, or fertilizers within the Restricted Zone must be done in a manner that such materials are not introduced into streams, lakes, wetlands, or other bodies of water through surface runoff or subsurface flow.

G. Development of private ponds for fish stocking is prohibited within the Restricted Zone.

END OF EXHIBIT C

APPENDIX D: DRAFT MULTI-RESOURCE MANAGEMENT PLAN

MULTI-RESOURCE MANAGEMENT PLAN for Kootenai Forestlands Conservation Easement and Kootenai Forestlands Conservation Easement II

This Multi-Resource Management Plan (the “MRMP”), dated as of _____, 2021, is entered into by **STIMSON LUMBER COMPANY**, an Oregon corporation, whose principal address is 520 S.W. Yamhill, Suite 700, Portland, OR 97204-1330, (hereinafter referred to as the "Landowner") and the **MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS**, whose address is 1420 East Sixth Avenue, P.O. Box 200701, Helena, Montana 59620-0701 (hereinafter referred to as the "Department").

This MRMP is being entered into pursuant to Section II.E. of that certain Deed of Conservation Easement granted by the Landowner to the Department on September 30, 2019 and recorded in Document No 281967 of the records of Lincoln County, Montana, and pursuant to Section II.E. of the certain Deed of Conservation Easement Granted by the Landowner to the Department on _____, 2021 and recorded in Document No. _____ of the records of Lincoln County, Montana (collectively referred to as the “Easement”). This MRMP replaces the MRMP for Kootenai Forestlands Conservation Easement dated September 30, 2019.

A portion of the funding for the Easement is being provided through the Forest Legacy Program (“FLP”), which is administered by the U.S. Forest Service pursuant to Section 1217 of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 USC Section 2103C) created “to protect environmentally important private forest lands threatened with conversion to non-forest uses”.

One of the primary intents of the Easement is to effect the purpose of the FLP in accordance with the provisions of Title XII of the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 2103c). This is accomplished by protecting environmentally important forest areas that are threatened by conversion to non-forest uses, protecting important scenic, cultural, fish, wildlife, recreational resources and riparian areas, protecting the capacity of the lands to produce economically valuable forestry products – all while allowing the Landowner and its successors and assigns to continue conducting sustainable commercial timber and resource management activities.

Another intent of the Easement is to protect important habitat for threatened and endangered species including bull trout, grizzly bear, and Canada lynx. The project will conserve important habitat and travel corridors for federally listed and at-risk species. Other important species inhabit the lands including mule deer, whitetail deer, elk, black bear, moose and a variety of other non-game species.

A further intent of the Easement is to perpetuate the Land as forest land. This ensures the long term, professional management of the forest resources through forestry activities permitted hereunder; and to provide for commercial production of forest products in a manner compatible with the conservation of water quality, fish and wildlife habitat, recreation and other Conservation Values (as defined in the Easement).

This MRMP identifies and describes the objectives and actions that the Landowner will take to protect, manage, maintain, and enhance soil, water, range, aesthetic quality, recreation and public access, timber, fish, and wildlife resources in a manner compatible with Landowner objectives. As such, it is intended to help meet the requirements of the FLP to protect environmentally important forest areas that are threatened by conversion to non-forest uses and to ensure compliance with the Sustainable Forestry Initiative as described below.

Exhibits to this MRMP include the following, and are incorporated herein by this reference:

Exhibit A – Public Use Restrictions

Exhibit B – Stimson Lumber Company Grizzly Bear Best Management Practices (BMPs)

Exhibit C – Key Conservation Provisions of the Kootenai Lands Native Fish Habitat Conservation Plan

I. GENERAL DESCRIPTION

The land that is the subject of the Easement and this associated MRMP consist of 49,584 acres in northwestern Montana, near the City of Libby (the “Land”). The Land is intermingled with other private land, State Forest land managed by the Montana Department of Natural Resources and Conservation (“DNRC”), and public land administered by the U.S. Forest Service, Kootenai National Forest.

The Land is located immediately adjacent to and north and east of the City of Libby. The Land consists of 129 whole or partial sections. All of the Land located within Lincoln County.

The Land is forested valley bottoms and mountains managed for timber production over the last 100 years. Elevations vary from approximately 2,100 to 6,000 feet. Many important streams cross the property which provide habitat for native fish, including the Pipe Creek, Fisher River and Kootenai River drainages which provides bull trout spawning and rearing habitat. The Land also includes numerous small streams and wetland areas.

Forestland dominates the landscape. It is a mixed conifer forest with all Montana commercial timber species represented. The current forest is well stocked with vigorous growing stock of native mixed species. The Forest Inventory and sustainable harvest will significantly increase over the next 10-30 years as these juvenile trees mature. Dominant species are Douglas-fir, western larch, true firs, and hemlock. Ponderosa pine, spruce, white pine, lodgepole pine and cedar can also be found in most of the area. Limited amounts of cottonwood and aspen can be found along creeks and rivers and near

wetland areas and paper birch is evident on many north-facing slopes. The timbered stands vary in age from young regeneration to commercial saw timber.

II. FOREST MANAGEMENT

The Landowner's objective is to utilize its resources through innovative forestry management and harvest techniques. Wise stewardship and good business practices go hand in hand and the Landowner has entered into or assumed responsibility for several stewardship agreements described in this document. These agreements specify commitments made by the Landowner to protect fish and wildlife and their habitats. The Landowner intends to follow and maintain these agreements, and their updates, revisions or amendments as part of this MRMP.

The management goal is to optimize the value of the timber resource while managing for other non-timber resources. The majority of the forest regenerates naturally, and 100% reforestation will be accomplished over time using both natural and artificial methods. Both methods will encourage establishment and propagation of native forest species and will discourage the use of nonnative species.

The Landowner has committed to manage the Land in accordance with good and sound silvicultural practices consistent with the *current Standard of the Sustainable Forestry Initiative* (SFI). This forest certification system is managed by SFI, Inc., which is an independent, 501(c) (3) non-profit charitable organization governed by an independent, multi-disciplinary board. The Landowner maintains certification, in good standing, and will make a copy of this conformance available to the Department following each audit. As part of the commitments to sustainable forest management, the Landowner agrees to the following guidelines and metrics to measure their activities. These guidelines and metrics are not intended to restrict fiber production but to provide measures to ensure the MRMP objectives are met. If the Landowner's forest practices are found to vary from these guidelines, the Liaison Team established by the Easement, will develop, and insure that the Landowner implements, a plan to bring the practices into compliance. The SFI program is a comprehensive system of principles, objectives, and performance measures that integrates the perpetual growing and harvesting of trees with the protection of wildlife, plants, soil and water quality. The program includes a voluntary, independent third-party verification process, which the Landowner has incorporated into their management of the Land. With mutual agreement between the Landowner and the Department, the Land may be managed in accordance with similar independently verified sustainable forest management certifications such as Forest Stewardship Council (FSC), the American Tree Farm System (ATFS), or another such certification.

The Landowner's foresters and the independent contractors who work for the Landowner are committed to good stewardship. In order to operate on the Land, contractors must participate in formal Best Management Practices ("BMP") and Streamside Management Zone ("SMZ") training. The Landowner will continue to manage the Land in a responsible manner in compliance with this MRMP, forest certification standards, the Restricted Zone requirements in the Easement, and Kootenai Lands Native Fish Habitat Conservation Plan ("KLNFCP") commitments. The Easement

prohibits timber harvest within the Restricted Zone without Prior Approval of the Department. The KLNFHCP commitments are intended to provide guidance on the types of activities the Landowner and Department agree would meet that Prior Approval standard.

The Landowner commits to cleaning logging equipment and closing selected roads to reduce the spread of noxious weeds. Landowner will employ limited spraying of roadsides in areas with heavy weed infestations, consistent with county weed requirements.

III. OTHER RESOURCES

In accordance with the FLP and the Landowner's *Sustainable Forestry Principles* document, outlined below, the following describes the Landowner's objectives and actions for various resources.

A. Soil

The Landowner will maintain soil and site productivity by minimizing soil disturbance to the extent practical and, when possible, by recycling harvest residues for soil nutrient enhancement. According to the terms of the Easement, the Landowner will maintain its level of compliance with Forestry BMPs covering roads and upland forest management activities for Montana within the Project Area.

B. Water

The Landowner will continue to implement voluntary Montana Forestry BMPs. All forest owners in Montana are required to comply with the Streamside Management Zone law. In addition, the Landowner will manage enhanced streamside buffer zones consistent with the KLNFHCP (Exhibit C) currently in existence on the Land.

C. Range

None of the Land is presently managed as rangeland. The Land may be used or leased for grazing after development of a Grazing Plan, which will be incorporated into the MRMP. Grazing may be allowed for weed control or other land management purposes consistent with the protection and maintenance of the Conservation Values of the Land.

D. Aesthetic Quality

The Landowner recognizes the aesthetic values along Pipe Creek Forest Road #68, Forest Development Road #228, State Highway 37, Fisher River Forest Road #763, and associated view sheds of Libby, the Kootenai Valley and the Pipe Creek drainage. The Landowner will manage these areas within the Land by using design standards and harvest methods that protect these aesthetic values and viewsheds.

E. Public Recreation

The Easement gives the public the general right of access to the Land in perpetuity for the responsible use of the Land for non-commercial recreation such as hunting, fishing, non-commercial huckleberry picking, trapping as defined in Montana regulations, wildlife viewing, and other recreation uses. The public use of the Land is subject to certain restrictions described in both the Easement and incorporated into this MRMP (Exhibit A).

F. Habitat Conservation Objectives and Implementation.

An objective of the SFI Standard is to ensure that forest management practices will “manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals, including aquatic species.” The SFI Standard provides general performance measures and indicators to meet this objective. The Landowner will manage the Land consistent with the SFI objective, performance measures and indicators.

G. Fish and Wildlife

The Landowner manages its resources while considering fish and wildlife through judicious control of road access, timber harvest management, and cooperation with state and federal fish and wildlife agencies.

While the USFWS has removed grizzly bears from the endangered species act within the Greater Yellowstone Ecosystem, the grizzly bear remains a federally protected species on portions of the Land subject to the MRMP. The Land which is located within the USFWS-designated Cabinet-Yaak Recovery Zone, has and will be managed using the Landowner’s Grizzly Bear BMP’s that have been attached hereto as Exhibit B. These BMP’s may be revised or amended from time to time, and with the mutual consent of the Landowner and the Department, shall become the new standard under which forest management activities are conducted on the Land.

The bull trout is a federally protected native fish species. Pipe and Flower creeks are identified as Tier 1 habitats for bull trout (i.e., spawning and juvenile rearing areas). The Landowner commits to managing the Land to protect fish in accordance with a KLNHFHCP, as it may be amended from time to time with the mutual consent of the Landowner and the USFWS. Key conservation provisions of the KLNHFHCP have been attached hereto as Exhibit C.

The KLNHFHCP is an outgrowth of the Native Fish Habitat Conservation Plan (“NFHCP”) that was entered into by the USFWS and Plum Creek (as the previous owner of the Land) on October 25, 2000. It was a 30-year agreement that applied to 1.6 million acres, which were then owned by Plum Creek in Montana, Idaho and Washington. The stated purpose of the NFHCP is to help conserve native salmonids and their ecosystems while allowing for continued commercial timber management within a framework of long-term regulatory certainty and flexibility. It includes numerous conservation commitments designed to conserve native fish species through a multi-species aquatic ecosystem approach. All management activities on the Land, including timber harvesting, road building and land sales are governed by this MRMP.

The Landowner purchased portions of the Land in May 2003, December 2016, September 2017 and September 2018. As part of its 2003 acquisition, the Landowner entered into an Assignment and Assumption Agreement with the USFWS and Plum Creek, whereby it assumed all rights, interests and obligations of Plum Creek under the NFHCP and with the plan, as it pertains to the Land, being renamed the “Kootenai Lands Native Fish Habitat Conservation Plan.” The KLNHFHCP, which remains in effect until October 25, 2030, provides for adaptive management in consultation with the

USFWS in order to help conserve native salmonids and their ecosystems during commercial timber harvest activities.

In addition, the Land is important for wildlife such as elk, deer, moose, black bear, lynx, wolverine, fisher, songbirds, cavity-nesting birds, and a variety of other native and migratory wildlife species. The Landowner recognizes the value and importance of maintaining or enhancing fish and wildlife habitat to ensure stable populations. The Land shall be managed in accordance with the Landowner's *Sustainable Forestry Principles*, which includes provisions to maintain or enhance biodiversity. In consideration of the particular wildlife habitat values of the Land, the Landowner shall apply the practices as set forth below:

1. The commercial harvest of cottonwood trees is prohibited. Additionally, the harvest, felling, destruction, and removal of cottonwood trees are prohibited, except:
 - a. As may occur incidentally during the normal conduct of forest management activities;
 - b. As part of the construction or maintenance of roads, fences or other improvements authorized by the Easement;
 - c. For the purpose of addressing safety hazards; or
 - d. When granted Prior Approval by the Department, which must find that the harvest, felling, destruction, or removal activity will be beneficial to the overall habitat value of the Land.
2. The harvest of aspen trees is prohibited, unless such harvest is granted Prior Approval by the Department, which must find that the harvest will be beneficial to the overall habitat values of the Land. Additionally, the Landowner may not intentionally damage or destroy aspen stands; provided, however, that the Landowner may harvest coniferous timber in or associated with an aspen stand through normal forest management practices and may, in conducting such a harvest, cause damage to aspen trees, without being in violation of this paragraph.
3. Landowner may not fell, remove, or destroy snags (dead standing trees) in a manner that reduces the densities and sizes below the snag retention and recruitment criteria provided for in Section IV.6 of this MRMP. Landowner is not responsible for the unauthorized felling, removal or destruction of snags conducted by the public on the Land.
4. Riparian zones and non-forested wetlands, including bogs, fens, and marshes, shall be identified prior to implementing forest management activity in a harvest unit. The draining, filling, dredging, or destruction of any wetland area or any other activity that has significant adverse impacts on a wetland is prohibited except as allowed under forest management practices described in the Easement.

The Landowner will use uneven-aged forest management practices in riparian zones and around non-forested wetlands. For the purposes of this section, the term wetland includes units on the landscape such as marshes, swamps, bogs, fens, and lowlands covered with shallow and sometimes ephemeral or intermittent waters. The term wetland also includes wet meadows,

potholes, sloughs, and the riparian zone. Shallow lakes and ponds, usually with emergent vegetation as a conspicuous feature, are included in the wetland definition.

5. Wetland buffer management around isolated wetlands of one-half acre in size or larger will include:
 - a. No skidding through wetlands, except as permitted under Montana SMZ Law;
 - b. Minimizing disturbance to shrubs and non-merchantable trees within 50 feet of the wetland edge;
 - c. Directional felling of merchantable trees away from the wetland;
 - d. Retention of merchantable trees that are leaning into the wetland;
 - e. Whole tree skidding of trees felled within 50 feet of the wetland if it minimizes ground disturbance;
 - f. Retention of merchantable trees, when appropriate, to assist meeting SFI or similar forest certification guidelines;
 - g. Provide extra measures of protection to these wetlands by concentrating harvest unit wildlife trees within buffer areas around wetlands. Buffers must be a minimum of 50 feet wide from the wetland edge. Only uneven age management prescriptions should be implemented within these wetland buffers;

Implementation of above policies for isolated wetlands will be reviewed annually by FWP and the Landowner and these measures may be adapted as additional scientific information is available, and as the results of these measures are monitored and reviewed for effectiveness, provided that each party agrees to the adaptations.

H. Minerals

The Landowner owns limited mineral resources on the Land. The Easement provides the Landowner with limited rights to extract sand, gravel, and rock in accordance with provisions that minimize impacts and ensure restoration of disturbed areas as per specific Montana Department of Environmental Quality permit operating plans and the specific terms and conditions outlined in the Easement. The Easement prohibits the Landowner from exploring for, developing, mining, producing or otherwise extracting any minerals, oil, natural gas, coal-bed methane or other hydrocarbon resources on or under the surface of the Land. It also prohibits the Landowner from conveying any interest in mineral rights to another party for purposes of mineral exploration, development, production or extraction.

I. Outfitting/Commercial Recreation

The Easement authorizes commercial recreation on the Land, but the Landowner currently allows only non-commercial, public recreation opportunities. Any future provision agreed upon by the parties to allow commercial outfitting or other commercial recreational uses shall be signed and appended as an exhibit to this MRMP. Commercial recreational uses cannot be exclusive to permitted users nor reduce or diminish the public's general ability to access or utilize the Land for dispersed recreation. Commercial uses cannot impact the "Conservation Values" as defined in the Easement. Minor issues arising between commercial and public users will be addressed through the Liaison Team.

IV. PLAN GUIDELINES and SELECTED METRICS

The Landowner agrees to the following guidelines and metrics to measure its activities under this MRMP and to ensure that MRMP objectives are met. It is understood that as circumstances change and new knowledge is obtained, that these guidelines and metrics may need to be adapted and modified. Accordingly, the parties agree to work cooperatively to adjust these metrics over time so as to continue to meet the spirit and intent of this MRMP.

1. Commit to external SFI or other comparable audit of the Inland Operations Management Area which includes the Land, at least once every 5 years as specified in current SFI standards--Review audit recommendations and determine if changes should be implemented.
2. Commit to follow all grizzly bear best management practices outlined in Exhibit B.
3. If sites are selected, the Landowner will participate in State BMP audits on the Land. Results of these audits will be discussed at the annual Liaison Team meetings, and the Landowner will take actions to correct any departures.
4. Timber harvest activities on the Land will be conducted in a manner consistent with the Landowner's *Inland Sustainable Forestry Principles*.
5. All even-aged management treatments will require a minimum of a 30-year rotation. Reforest to appropriate levels consistent with guidelines set forth in the Landowner's *Inland Sustainable Forestry Principles*.
6. Snags and/or live trees will be left for wildlife habitat diversity. Snags that do not pose a safety hazard or fire concern shall remain uncut. Those snags that must be cut, but do not have a merchantable value shall be left within the harvest unit. Landowner will manage forest stands so as to attempt to maintain an average of at least two snags per acre greater than 15 inches in diameter across the landscape ranging from individual trees to clumps at the discretion of the landowner. Trees left for the purposes of meeting other metrics and rules (such as trees in SMZ buffers) may count toward this metric as well. Whenever practical, preserve fruit, nut, and berry producing shrubs and trees. In addition, cull logs should be left so that sufficient downed woody debris exists but no less than 2 pieces/acre greater than 10 inches in diameter and measure 6 feet or longer. These snags, trees, and logs should be left near streams, wet areas, or other sensitive sites or highly erosive landscapes whenever possible, dispersed throughout the unit to maximize the beneficial effects of these resources to wildlife, and prioritized in such areas that are most secure from potential public firewood collection.
7. Road inspections are currently conducted in accordance with the KLNFHCP. Under this plan, road inspections will be conducted every five to seven years by Landowner with the objective to monitor drainage effectiveness and to make repairs as quickly as possible after any problems are documented.
8. Use only contractors who have been SFI trained (or equivalent certification standard in effect at the time of contracting).
9. Prohibit off-duty employee/contractor motorized access behind gates or closures.

10. Catastrophic events such as fire, disease, and insect infestation may require modifications of the above guidelines and such situations need to be addressed by the Liaison Team.

V. EASEMENT MONITORING AND REPORTING REQUIREMENTS

The Easement is intended to maintain the “status quo” by providing for perpetual and responsible forest management on the Land. The Easement will restrict the development rights on the Land, which will preclude residential and commercial development that is not associated with resource management. It also provides for perpetual public access to these areas for non-commercial recreation in accordance with attached Exhibit A.

The Department will monitor the Landowner’s compliance with the terms of the Easement and MRMP on at least an annual basis through scheduled field inspections, use of flights or remote sensing, and meetings. The Department will notify the Landowner prior to each annual monitoring visit. Department employees will be allowed motorized access behind gates or closures only with permission from the Landowner and only while on-duty conducting official business of the Department. A Liaison Team representing the Department and the Landowner will be established to deal with management issues that may arise over time. It is expected that this MRMP will be amended over time to better represent the current knowledge and conditions on the ground.

In order to track compliance with the terms of the Easement and MRMP, the Landowner will annually provide a report to the Department that summarizes the following information:

1. Acres harvested by silvicultural method and other management activities;
2. Road construction or road closure changes; and
3. Current status of excavation sites (i.e., active vs. inactive) in order to monitor re-vegetation and weed control commitments. The Easement stipulates that no more than two sites of five acres or smaller can be used for gravel/sand extraction at any one time, and for sites to move from “active” to “inactive” status, they must be contoured and planted, and receive regular weed management efforts.

In addition, the Landowner will include the following information in the annual report as these reports are completed or received by the Landowner:

1. Copies of forest certification and state BMP audits as they are periodically completed including any actions taken to meet audit recommendations; and
2. Road inspection reports to be conducted consistent with the KLNHCP—every five to seven years to monitor drainage effectiveness.

Any amendment to this MRMP must have the consent of both parties and must be in writing and signed and acknowledged by the parties. This MRMP may be executed in counterparts which, taken together, shall constitute one and the same document. If there is any inconsistency between the terms of this MRMP and the Easement, the terms of the Easement control. The Department will keep a current MRMP in its files and will make the then current MRMP available to successors in interest to the Land.

LANDOWNER:
STIMSON LUMBER COMPANY

By: _____
Andrew W. Miller
President and Chief Executive Officer

DEPARTMENT:
MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS

By: _____
Ken McDonald, Wildlife Division Administrator
Montana Department of Fish, Wildlife and Parks

EXHIBIT A
PUBLIC USE RESTRICTIONS

A. Road Use. In general, the public may use the Land for the purposes of dispersed recreational activities subject to the conditions contained herein. Road access for public use may be limited for a variety of reasons such as the protection of wildlife, security, prevention of sedimentation from logging roads, public safety and reducing the spread of noxious weeds. Extreme fire weather or other hazardous situations may also influence the extent of road access by the public. Road restrictions may involve cooperative agreements between other private landowners, or with state and federal government agencies. The Landowner may restrict road use with gates, barricades, earthen barriers, and signs. Landowner will enforce the following restrictions on all road systems crossing the Land:

1. Vehicles should travel at slow speeds to allow for a safe stopping distance.
2. The public must yield to all heavy truck and equipment traffic.
3. Open gates may be locked at any time at the discretion of the Landowner.
4. No motorized vehicles, which includes motorized bicycles, are allowed off-road.
5. Road restrictions apply behind an unmarked gate, even if the gate has been vandalized or is open. An open road behind a gate must be specifically designated as such by a sign. Gates may not be blocked for any reason. Vehicles which block a gate may be towed at the vehicle owner's expense.
6. An unsigned earthen barrier is considered a closure to all motorized vehicles.
7. Hikers, horseback riders, and mountain bikers are allowed behind closed gates, barricades, and earthen barriers. All motorized vehicles, including, but not limited to, dirt bikes, ATV's, and snowmobiles are not allowed behind closed gates, barricades, and earthen barriers.

B. Hunting and Fishing. Hunting and fishing on the Land is allowed only during legal seasons, and pursuant to applicable laws and regulations. Hunting and/or fishing may be restricted on the Land if necessary for resource or wildlife management upon mutual consent of the Landowner and Department.

C. Camping. No camping will be permitted on the Land.

D. Other Restrictions:

1. Commercial activity on the Land by anyone other than Landowner is permitted only with a written permit or contract;
2. The public's right to recreate on the Land does not include the right to trespass on other private property to reach the Land;
3. Violators of any of the foregoing restrictions may lose recreational privileges on the Land.
4. With the mutual consent of the Landowner and the Department, any recreation activity may be restricted if necessary for resource or wildlife management.

EXHIBIT B

Stimson Lumber Company Grizzly Bear Best Management Practices (BMPs)

A. Open Road Density. Research suggests that grizzlies are displaced from habitat adjacent to open roads and that roads increase grizzly bear mortality risk due to legal and illegal harvest from or close to open roads. The intent of road closures is to minimize or preclude bear displacement and reduce human-caused mortality. The Landowner will maintain an open road density (“ORD”) of 1.05 miles per square mile or less the Land within the designated Cabinet-Yaak Recovery Area. A road is considered “open” if it is open to the public for wheeled motorized use during any portion of the year, and ORD should be calculated using the Bear Management Unit (“BMU”) sub-unit as the analysis area. Administrative motorized use behind gates or on road systems otherwise restricted will be minimized.

B. Road Location. Roads should not be constructed so that they pass through or near preferred bear habitat types. These preferred habitat types are as follows:

1. Riparian and wetland habitats,
2. Areas that produce significant amounts of huckleberries and buffalo berries, and
3. Snow chutes and avalanche chutes.

Existing and new roads that pass through these preferred habitat types should be considered for motorized use restrictions. Main haul roads or roads that are to remain open should not pass through the center of clear-cut or seed-tree harvest units. Roads should dog-leg upon entry into harvest units.

C. Cover. Cover is an important habitat consideration for grizzly bears in areas where recreational and/or administrative use occurs. Research indicates that effective cover provides for movement between foraging areas and seasonal ranges, provides security for habitat utilization, reduces mortality risk, and provides for thermal regulation. A minimum of 40% of the BMU sub-unit will be maintained in vegetative cover which can effectively conceal bears. Minimum diameter of cover blocks adjacent to openings will be three sight distances (sight distance is the distance at which 90% of an adult grizzly is hidden from view - this will vary depending on vegetative structure and topography - in most of our timber types sight distance is 200 feet or less) in order to facilitate bear movement around clear-cuts as well as use of feeding areas within openings. Optimally, cover should be provided in and adjacent to preferred habitats (see (B) above) and adjacent to open roads. Cover should be distributed throughout the watershed and calculations for cover should be based on all ownerships within the basin.

D. Size of Openings. Grizzly research indicates that bears select for edge or cover/no-cover interfaces. This is attributed to high forage values and proximity to escape cover. However, bear use of open areas has been found to decrease as distance to cover increases. Clear-cut and seed-tree units will be laid out so that no point in the unit is more than 600 feet from effective hiding cover. Generally, biologists agree that the shape of a cutting unit is more important than its size. The intent of the BMP is to increase edge, maintain bear habitat effectiveness, and allow bears to take maximum

advantage of adjacent cover.

E. Timing of Operations. Seasonal timing of operations is an effective tool to minimize bear/human confrontations and maximize the effectiveness of important habitat, especially spring range. The Landowner activities will be coordinated in time and space so that activities occur at a time when the area has the least biological importance to grizzly bears. The Landowner agrees to stop all management activities, other than replanting, forest inventory, sale preparation, and other non-motorized administrative use during April 1 to June 15 within the designated Cabinet-Yaak Recovery Area's four (4) southernmost parcels known as Deep Creek and Smearl Creek and Flatiron Mountain at the far north end of the project.

F. Wetland and Riparian Habitats. Wetland and Riparian areas are extremely important to grizzly bears for foraging opportunities and cover/movement corridors. The Landowner will utilize silvicultural prescriptions that maintain forage values for bears while retaining cover values. Hence, selective, uneven-age harvest techniques should be used in or near such sites.

G. Food Storage. The Landowner will incorporate where possible requirements in contracts with logging or forestry contractors indicating that food, garbage, and other attractants will be stored in a bear resistant manner. Burnable attractants (such as food leftovers) shall not be buried, discarded, or burned in an open campfire.

EXHIBIT C

Key Conservation Provisions of the Kootenai Lands Native Fish Habitat Conservation Plan

BMP Compliance

The Landowner will maintain their level of compliance with Forestry BMPs covering roads and upland forest management activities for Montana within the Project Area. In Montana, BMPs are a non-regulatory program. The Landowner's commitment, at a minimum, is to comply with the Montana BMPs as if they were State law.

New Road Construction

The Landowner will design and construct new roads to enhanced BMP standards. This means that the Landowner will not only meet existing state rules and BMPs but will exceed them by implementing certain enhancements.

1. Where road grades slope toward stream crossings, drivable drain dips and/or ditch relief pipes will be located at the nearest practicable location to streams with an adequate filtration zone in order to minimize sediment delivery to streams. This will most often be where there is 25-27 feet of filtration below the drainage feature outfall and the stream and the drainage feature is 50-150 feet away from the stream along the road centerline. In addition to this drainage feature, a second drainage feature above crossings will be located within 400 feet of the first. If drain dips cannot be constructed (e.g., due to road steepness), alternative methods will be employed to route road surface drainage into filtration zones (or sediment traps) to similarly minimize overall sediment delivery. Where soils at the outfall of drainage features would be subject to erosion, they will be armored with rock, slash, or other methods.

2. Road fills over stream crossings will be grass seeded (all grass seeding should be with a mix of native seeds that are site appropriate) and straw-mulched concurrent with construction. Other road cuts and fills on newly constructed roads will be seeded within one operating season. The tread on native-surface roads will also be grass seeded within one operating season following construction unless the road will be used for hauling within two years of construction. Where needed to initiate grass growth, fertilizer may also be applied. At a minimum, fill slopes that are within 10 feet of streams will be straw mulched.

3. Slash filter windrows or a suitable alternative will be installed at the toe of all fill-slopes that are within 50 feet of streams and extended to encompass the closest drainage feature outlet (drive dip or culvert). Also, where operationally feasible, the slash filter windrow will be extended over the top of the culvert on the downstream side of the fill. If inadequate slash is available for construction of a windrow, other filtration means will be implemented to achieve the same, or greater, protection.

4. Fills at culvert inlets on stream crossings (culverts greater than or equal to 24-inch-diameter) will be well armored with rock.

5. Stream crossing culvert installations will be designed to accommodate at least the 100-year peak flood as determined by U.S. Geological Survey flood magnitude prediction procedures. Alternatively, the culvert size for a 100-year flood may be calculated by a Landowner hydrologist based on an analysis of channel dimensions).

6. The road tread over stream crossings on highly erosive soils will be surfaced with rock. These are considered to be soils derived from deeply weathered granite and sedimentary rock, mica schist, and fine-textured lacustrine or glacier deposits. The minimum length to be rocked is 50 feet on either side of the crossing. Where road grades slope toward streams, rocking will extend to encompass the closest drainage feature above the crossing. Maps will be provided to foresters to aid in determining where these soils exist.

7. New roads that are proposed on side slopes greater than 70% will require a review for potentially unstable features. These include bedrock hollows, inner gorges, convergent headwalls and toes of deep-seated landslides. If potentially unstable features are identified where side slopes exceed 70%, an attempt will be made to find a suitable alternative location. Where that is not feasible, a report will be prepared based on a segment of road by a geotechnical specialist who evaluates risks of landslides and recommends ways to minimize risks. All such recommendations must be implemented.

8. Road cross-drainage will be provided as frequently as necessary to control road tread erosion. On active native-surfaced roads, road drainage features will be located such that road runoff distances generally do not exceed 300 feet (and will not exceed 400 feet) along the road centerline. On highly erodible soil types, or on road grades steeper than 8%, this spacing will be reduced from the specifications listed above.

9. Road clearing limits will be minimized where roads cross streams.

10. Where seeps or springs are discovered during road construction, drainage features will be installed that pass accumulated surface water across the road prism and return it to the forest floor as close to the point of origin as reasonably practicable.

11. Roads should not be located adjacent to streams in Channel Migration Zones (“CMZ”) and alternate routes should be identified. If alternate routes are not possible within the CMZ, roads will be constructed with minimum fill depths, and include drainage features at all active channels. The CMZ represents the active floodplain across which a stream is likely to move laterally during a period of decades. The CMZ is typically the area that would be inundated when stream flow is equivalent to twice bank-full depth and is evidenced by active or relic side channels.

12. Stream crossing culvert installations must be designed to accommodate fish passage on fish-bearing streams.

Road Condition Tracking

The Landowner commits to tracking the status of road conditions on the Land. This will be done using a road database layer that quantifies BMP status of Project Area road segments. The roads in the database designated with a BMP status are those for which the Landowner has complete or shared management responsibility. They include private access roads off the Land that the Landowner uses and manages, such as federally cost-shared roads. BMP status will not be recorded for publicly owned roads (such as county or state roads) or access roads for which the Landowner has rights for use, but no management control or authority.

The BMP status layer will be an updateable geographic information system. It will show the road network spatially and facilitate estimation of road miles by BMP status. A BMP status designation will be assigned for each entire road segment. BMP status designations are as follows:

In Compliance: Road segment has been field-inspected and has been determined to fully meet either the Landowner's NFHCP enhanced BMPs for new roads (R2) or for old road upgrades (R5); and

Out of Compliance: Road segment has been field-inspected and has been found to contain one or more locations not in compliance with enhanced BMP standards for new roads or old road upgrades. Work required to bring the segment up to the Landowner's NFHCP enhanced BMP standards involves typical upgrades

1. Where road grades slope toward stream crossings, drivable drain dips and/or ditch relief pipes will be located at the nearest practicable location to streams with an adequate filtration zone in order to minimize sediment delivery to streams.
2. Road cross-drainage will be provided as frequently as necessary to control road tread erosion. On active native-surfaced roads, road drainage features will be located so that road runoff distances generally do not exceed 300 feet (and will not exceed 400 feet) along the road centerline. On highly erodible soil types, or on road grades steeper than 8%, this spacing will be reduced from the specifications listed above.
3. Where existing stream crossing culverts have fulfilled their design life (or have been washed out) replacements will be designed to carry the 100-year peak flood as determined by U.S. Geological Survey flood magnitude prediction procedures. Alternatively, the culvert size for a 100-year flood may be calculated by a Landowner hydrologist based on an analysis of channel dimensions).
4. When the outlet of road drainage features is too close to streams for effective forest-floor filtration, supplemental sediment filtration will be provided (such as slash filter windrows, straw bales, silt fences, etc.) and/or drainage feature spacing will be decreased to minimize sediment delivery.
5. For stream-adjacent/parallel roads or where there is a high density of stream crossings, simple/inexpensive re-location will be utilized in addition to (or in lieu of) road drainage improvements where possible.

6. Where upgrading or road use exposes bare mineral soil, disturbed areas will be grass seeded during appropriate soil moisture conditions before the end of the current operating season.

Hot Spots: These segments are a subset of the “Out of Compliance” designation and are designated as such so that treatment can be prioritized according to the severity of the problem and more rapidly than the road upgrade targets. Out of Compliance is identified when a road segment (or portion of a road segment) is found to contain one or more locations that have more complicated solutions, have a much higher water quality impact, or are costlier to address than standard BMP improvements.

Periodic Re-inspection and Maintenance: All roads in the Easement will be upgraded and maintained “In Compliance” by the end of 2019. Thereafter, the Landowner will re-inspect roads that have been constructed or upgraded to enhanced BMP standards and perform any maintenance necessary to preserve enhanced BMP function. The maximum road re-inspection interval will not exceed 5 to 7 years.

- Reconnaissance will be conducted following 25-year (or greater) flood events to identify new or unanticipated road maintenance needs. When triggered as a result of aerial observation, a road and stream crossing field inspection will be conducted in the principally affected portion of the flood-area within one operating season.
- Sediment will not be directly discharged to streams during road maintenance activities.
- Maintenance activities will be conducted so that the road is not progressively widened over time or the integrity of the road standard is not otherwise diminished.

Riparian Harvest

The Landowner will not harvest timber, utilize mechanical equipment off of established roads or conduct timber-management activities within the Restricted Zone as defined in Exhibit C of the Easement.

For all other timber management prescriptions, the Landowner will use State Streamside Management Zones (SMZ) as a minimum in all cases for applying NFHCP riparian. The Montana SMZ Rules dated 3/15/93 and as updated from time to time, will be used as the NFHCP basis.

Special Prescriptions for High Sensitivity Channel Migration Zones (CMZs)

Descriptions of Channel Migration Zone Types and Their Sensitivity to Timber Harvest

CMZ Type	Definition	Stream Gradient	Sensitivity to Timber Harvest
A	Flat, relatively unconfined floodplain. Channel changes primarily through gradual erosion at the outside of bends, but also through flood events.	0% to 1.5%	Moderate
B	Flat to moderately steep, unconfined to moderately confined floodplain. Channel changes primarily through LWD	1% to 3.5%	High

	obstructions and/or bedload deposition during flood events, but also through gradual erosion at the outside of bends.		
C	Moderately steep, moderately confined floodplain. Channel changes through LWD obstructions and/or bedload deposition during flood events.	3% to 6%	High
D	Steep, alluvial fans. Channel changes primarily through bedload deposition during flood events, but also through LWD obstructions.	4% to 8%	Moderate
E	Steep, relatively confined floodplain. Channel changes primarily through bedload deposition during flood events, but also through LWD obstructions.	4% to 8%	Moderate

WHERE CMZs ARE CLASSED AS TYPE B AND TYPE C OR ARE KEYED OUT AS HIGH SENSITIVITY USING THE CMZ FIELD KEY.

In the CMZ:

- No-harvest is allowed within the full CMZ width.
- Yarding corridors are prohibited unless needed to minimize road construction. When needed they must be approved as a site-specific cooperative management response and kept to the minimum width while still allowing harvest.

On the terrace slope from the outside of the CMZ upslope for 50 feet:

- Apply the limited harvest rule and provisions (*See below*).
- No-harvest will be applied where terrace slope is within 25 feet of the ordinary high-water mark.
- *Exception:* where stream segment is less than 10 feet, bank full width, and is farther than 500 feet from its confluence with a larger stream, the no-harvest zone need not be extended to the terrace slope.
- Terrace slope prescription need not extend beyond the top of the terrace slope (the edge of the bench) provided the State rule is met.
- Ensure the applicable State riparian rule is met.

WHERE CMZs ARE CLASSED AS TYPE A, D, OR E, OR ARE KEYED OUT AS MODERATE SENSITIVITY USING THE CMZ FIELD KEY.

In the CMZ:

- No-harvest for 25 feet from the ordinary high-water mark.
- Yarding corridors are prohibited through no harvest areas unless needed to minimize road construction. When needed, they must be approved as a site-specific cooperative management response and kept to the minimum width while still allowing harvest.
- Apply limited harvest rule and provisions for remainder of CMZ (*See Rp2*).
- Favor trees adjacent to relic channels for retention.
- Apply equipment exclusion rule (*See below*).

Limited harvest rule:

Harvest is allowed to an average 22-foot spacing or less of trees larger than 8 inches diameter breast height (DBH), which corresponds to 88 trees per acre.

- No more than 50% of trees greater than 8 inches DBH may be harvested.
- Trees retained must be representative of the size of trees in the pre-harvest stand.

Limited harvest provisions:

- Concentration: Concentrate leave trees closer to the stream (or no-harvest CMZ) when applicable.
- For implementation audits, concentration will be considered met if on average no more than 30% of the allowable number of harvest trees have been removed from the first 25 feet of streamside zone measured out from the stream (or no-harvest CMZ) where applicable.
- Lineal distribution: Trees retained will be lineally distributed evenly along the length of the stream segment even though they may be concentrated closer to the stream. When operationally necessary for yarding, openings in the lineal distribution of trees will be allowed provided:
 - Openings are as small as operationally feasible; and/or
 - Reduced retention in openings is compensated for adjacent to openings
- Tree lean: Trees leaning toward the stream or CMZ will be favored for retention.
- Streamside road mitigation:
 - Within harvest unit: Where a stream-adjacent parallel road occurs within 50 feet of a stream or CMZ on the same side of the stream as the harvest unit, trees per acre for retention must be calculated for the entire 50 feet. In other words, retention in the forested portion of the limited harvest area must compensate for the lack of trees in the road.
 - Across from harvest unit: Where a stream-adjacent parallel road occurs within 50 feet of a stream or CMZ across from the harvest unit, compensation for trees in the road will occur in the following manner. A determination will be made whether there are enough trees in the full 50 feet across the stream to meet retention requirements in the event of a future harvest. If compensation cannot be provided for across the stream, additional trees will be left in the current harvest to compensate for the portion of the road in the 50-foot zone across the stream.
 - Road abandonment: As an incentive to abandon streamside roads, road abandonment may be performed in lieu of increased retention. Roads that meet all of the following conditions can be declared abandoned.
 - 1) The road is physically blocked to vehicles.
 - 2) Bridges and stream culverts are removed. Fills leading to the stream crossing are pulled back from the stream and the slope angle re-contoured such that it mimics the natural slopes above and below the crossing. All exposed soils are grass seeded, fertilized (as necessary), and mulched.
 - 3) Road fills are stable. Where perched fills exist, partial or total re-contouring will be utilized to pull back the perched portion and place it on the inside of the road prism or end-hauled to a safe location.
 - 4) Ditches are left in a suitable condition to reduce erosion, and continuous ditch runs do not exceed 100 feet.

- 5) The road tread is out-sloped, water-barred, or otherwise left in a condition suitable to control erosion and maintain water movement. Where the tread is flat, the road is water-barred at a maximum 100-foot interval.
- 6) Water-bars or drainage features are located such that accumulated surface water from seeps or springs in the cut-slope are passed across the road prism and returned to the forest floor as close to the point of origin as reasonably practicable.
- 7) Road tread, cut-slopes, and fill-slopes are vegetated, or have been grass seeded. If necessary to promote grass establishment, the road tread has been scarified.
- 8) The intent is that the road will be removed from the transportation system and will not be used again.

Deviations from one or more criteria listed above would be allowed if they resulted in less overall impact or risk but must be approved by the Department.

On the terrace slope from the outside of the CMZ upslope for 50 feet;

- Apply the limited harvest rule and provisions; and
- No-harvest will be applied where terrace slope is within 25 feet of the ordinary high-water mark.

Exception: where stream segment is less than 10 feet, bank full width, and is farther than 500 feet from its confluence with a larger stream, the no-harvest zone need not be extended to the terrace slope.

- Terrace slope prescription need not extend beyond the top of the terrace slope (the edge of the bench) provided the State rule is met.
- Ensure that the applicable State riparian rule is met.

CMZ equipment exclusion rule:

Tracked or wheeled equipment operation in the CMZ will be prohibited (except for road construction), except where all of the following specific conditions are met:

- There exist winter conditions with adequate snow or frozen ground or very dry conditions in the absence of riparian vegetation types;
- Operation of wheeled or tracked equipment does not cause rutting or displacement of the soil;
- The vegetative integrity of the CMZ is conserved; and
- Operation of wheeled or tracked equipment is conducted no closer than 50 feet from the ordinary high-water mark of an active channel.

HIGH SENSITIVITY STREAMS WITHOUT CMZ

A stream segment is considered to be high sensitivity where it exhibits a forced pool riffle/plane bed morphology (gradient is generally 1.5 to 3.0%, the majority of the pools are formed by logs, when pools are not present the slope is uniform and constant, and the dominant substrate is gravel to cobble). The upstream extent of the stream segment will extend at least 100 feet above the upstream extent of indicators.

Prescription applied:

- Fully implement applicable State riparian rules.
- Apply no-harvest within 25 feet of the ordinary high-water mark.
- Yarding corridors are prohibited in no harvest areas unless needed to minimize road construction. When needed, they must be approved as a site-specific cooperative management response and kept to the minimum width while still allowing harvest.
- Apply the streamside roads mitigation provision.
- Retain those trees whose root systems are integrated into the stream bank.

INTERFACE CAUTION AREAS (ICAs)

Applies to all Class 1 streams in the Easement:

ICA Location:

The ICA will be delineated within a harvest project from the streamside, will include the riparian areas previously defined and will extend beyond the riparian zone to a point designated by the Landowner's forester that meets the following criteria:

- The average width of the ICA will be at least 150 feet horizontal distance measured from the edge of the stream.
- Streams that are first order, greater than 10% in gradient, or not accompanied by a distinct valley feature will not be required for inclusion in the average width requirement and calculation. In cases where they are not included, the feathering feature (below) will be applied even if it goes beyond the hydrologic divide for that stream.
- The ICA (for determining average width) may not be extended beyond the hydrologic divide or the nearest road to the stream, unless that road has been abandoned.
- The minimum ICA width will be 100 feet slope distance from the outside of the CMZ, unless it is limited by the hydrologic divide or nearest existing road.

ICA Requirements:

- Constructed skid trails will be prohibited.
Exception: if a constructed skid trail is required within the ICA, it will be fully reclaimed within the same operating season.
- Mechanical site preparation and slash treatment with tractors is prohibited.
 - This prohibition applies where ground slope is greater than 20%.
 - Excavator may perform piling or spot scarification only where slopes exceed 20%.
- Broadcast burning is prohibited.
- Clearcutting in the ICA will be avoided, provided that when the clear-cut harvest method is applied in the ICA, it will be limited to no more than 5% of total ICA area annually.
- Roads: Roads will be prohibited within the ICA.
 - New roads will not be constructed within the ICA except where necessary to cross a stream.
 - ICAs will not extend beyond existing roads.
- Field Measurement: When ICA is at the minimum width, field measurement will be employed to ensure compliance.

- Supplemental tree retention (feathering) will be provided adjacent to the SMZ retention zone provided for by State rules for 50 feet to provide a buffer to the SMZ at these levels:
 - 60 or more trees per acre larger than 20 feet tall, or
 - 30 or more trees per acre larger than 10-inch DBH, or
 - A prorated combination of the above.
 - Where the adjacent post-harvest stand exceeds these levels, the supplemental tree retention requirement will be considered met. Feathering outside of the SMZ is not required in those limited circumstances where ecological and silvicultural conditions warrant, such as stagnant lodgepole pine timber types or insect and disease infestations.
 - The outside bounds of the 50 feet may be an estimated distance and may form the outside bounds of the ICA for those streams not subject to the average width requirement and calculations.
- Skid trails will be designed to further minimize soil and vegetation disturbance immediately adjacent to the SMZ:
 - Directional skidding away from SMZ will be used to the extent feasible, provided the directional trail does not increase the risk of routing sediment to the stream.
 - Skidding equipment should be confined to designated skid trails or corridors; avoid dispersed skidding unless ground is protected with a snow cover.
 - Spacing between skid trails or corridors should be maximized to maintain the integrity of the post-harvest stand.
 - Seek to avoid concentrating projects with below-average widths in one, fourth order watershed.
- Road Abandonment: Road abandonment adjacent or in proximity to streams will have high priority.
 - If a road is abandoned in conjunction with or prior to a harvest project, the ICA may be extended beyond the abandoned road. This provides a direct incentive to abandon roads that are adjacent to streams.